

City of Maple Valley

Washington



Lake Wilderness

Comprehensive Annual Financial Report

For Fiscal Year Ended

December 31, 2016



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**City of Maple Valley
Washington**

**Comprehensive Annual Financial Report
For Fiscal Year Ended
December 31, 2016**

Prepared by the:
Finance Department

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June 29, 2016

The Honorable Mayor Kelly,
The Maple Valley City Council, and
Citizens of Maple Valley, Washington:

This letter transmits the City of Maple Valley's Comprehensive Annual Financial Report (CAFR) for fiscal year ended December 31, 2016. This report is published annually as the official annual financial report and complies with Washington State Law RCW 43.09.230 requiring annual reports for Washington municipal governments to be certified and filed with the State Auditor's Office within one hundred fifty days after the close of each fiscal year.

The management of the City assumes full responsibility for the completeness and reliability of the information contained in this report including all disclosures. We believe the data is accurate in all material respects and is reported in a manner designed to accurately present the financial position and results of operations of the various funds of the City of Maple Valley. All disclosures necessary to enable readers to understand the City's financial activities have been included.

This report has been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by all Governmental Accounting Standards Board (GASB) pronouncements.

Cities and counties of the State of Washington use the Budgeting, Accounting and Reporting System (BARS) developed and prescribed by the State Auditor's Office.

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

PROFILE OF THE GOVERNMENT

The City of Maple Valley, incorporated in 1997, currently occupies 5.9 square miles and serves a population of 24,790. The City of Maple Valley is empowered to levy a property tax on real property within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation. On December 1, 2013 the City completed the annexation of Summit Place, also known as the Donut Hole, near the center of town. Summit Place consists of approximately 154 acres of land entirely owned by King County.

The City operates under the Revised Code of Washington (RCW) applicable to an Optional Municipal Code City (RCW 35A). It has a Council-Manager form of government. The non-partisan

City Council is composed of seven members elected at large to four-year staggered terms. The Council elects the Mayor and Deputy Mayor from among its members. The Council serves as the policy-making branch of government. The Council appoints the City Manager, who serves as the chief executive officer of the City and coordinates its daily activities.

The City maintains a relatively small staff (currently 43.75 full time equivalents) and contracts with public and private entities for many services. City Services provided include: general administration; land use planning and development permitting; parks and recreation services; and public works development, maintenance, and surface water management services. The park and recreation services include the operation of Lake Wilderness Park and Lodge acquired on January 1, 2003 from King County through a no-cost deed transfer. The park is a 111-acre facility that borders Lake Wilderness in the geographic center of the City. On November 30, 2006 the City acquired the Lake Wilderness Golf Course, a 100 acre parcel bordering the park. The acquisition was made from available cash reserves to prevent the threatened residential development of the course property.

The City contracts with King County for police services. In addition, to assist with customer service, the City provides an administrative assistant for Police. Primary jail services are provided via contract with the City of Kent, with back-up jail services provided via contracts with the City of Issaquah, and with King and Okanogan counties. Municipal court services are provided by contract with the City of Kent, with the City contracting separately for its own judge.

Other separate government entities provide services in Maple Valley. The King County Library System provides library services. Maple Valley Fire and Life Safety (King County Fire District 43) provides fire protection, emergency medical, and fire inspection services. The Tahoma School District provides K-12 educational services. Three special districts provide water and sanitary sewer services to City residents and businesses. Per franchise agreement, a private hauler provides solid waste collection services.

The City has, in the past, prepared annual budgets in accordance with the Revised Code of Washington (RCW) 35A.33. In 2016 the City Council established a two year fiscal biennial budget, beginning with the 2017-2018 budget, in accordance with Revised Code of Washington (RCW) 35A.34.040. Biennial budgets must be adopted by the City Council prior to the beginning of the fiscal biennium. Department heads may make transfers of appropriations within their respective departments. The City Manager may make transfers of appropriations between departments within any one fund. Increases to appropriations at the Fund level require the City Council approval. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated budget has been adopted.

COMMUNITY PROFILE

In 1863, the Homestead Act brought the first settlers to Maple Valley. The area flourished because of the abundance of natural resources. Mining and logging spurred growth, and in 1887 Maple Valley was platted and registered by C.O. Russell. Not until 1997, however, did the community incorporate its business and residential areas into the State of Washington's 272nd city.

The City is located along a portion of the Cedar River that the Duwamish Indians previously used as a trading route. State Route 169 connects the two major commercial areas of Maple Valley and allows for direct access to Black Diamond and Enumclaw to the southeast and Renton to the northwest. State Route 18 borders the northern edge of the City and provides easy access to Covington, Auburn, and Federal Way to the southwest, and Issaquah and North Bend to the northeast.

Along with the country charm of an agrarian past, Maple Valley offers almost unlimited activities. Boating, fishing, swimming, hiking, and golfing are available within the city limits, and the City is in close proximity to camping, skiing, and other recreational opportunities. Maple Valley businesses provide most of the daily shopping needs for the residential community and nearby rural areas. The City's 2016 population as of April 1st as provided by the Washington State Office of Financial Management (OFM) was 24,790 up 90 persons from 2015.

The City of Maple Valley is at the center of the "X" formed by the intersection of State Routes 18 and 169. Residents have a 26-mile commute to either downtown Seattle to the northwest or to downtown Tacoma to the southwest. The City's circumstances -- surrounded by a rural environment but offering convenient State highway access to both Seattle and Tacoma via State highways -- makes the City an excellent location for moderate and higher-end residential development.

The Tahoma School District acquired approximately 35 acres from King County and the City in 2014 in order to construct a new High School including athletic facilities and parking. The Construction is complete and will be open for students in September 2017. This is the largest high school (in size, not population) in the state of Washington.

The City is working with regional leaders to attract complementary development to the 122 undeveloped acres adjacent to the new high school. This land is currently owned by King County and is unencumbered.

ECONOMIC CONDITIONS AND OUTLOOK

Nation and Region

The US Bureau of Economic Analysis reported that, nationally, the Real Gross Domestic Product (GDP) increased by 1.5 percent in 2016 compared with an increase of 2.6 percent in 2015. The GDP is expected to increase by 2.2 percent in 2017. In the State of Washington, the GDP increased 3.5 percent in 2016 and is expected to increase 2.7 percent in 2017. The bureau of Labor Statistics reported that, in the Seattle-Tacoma-Bremerton area, the consumer price index (CPI) increased by 2.6 percent in 2016 compared to 2.2 percent in 2015. The Washington State unemployment rate at the end of 2016 was 5.1 percent compared to 5.6 at the end of 2015.

Local

Median household incomes within the City of Maple Valley are significantly higher than the county as a whole. According to the year 2015 census, the government's median family income was \$100,443 while the County's was \$75,302. The City has seen its population increase from 16,280 in 2004 to 24,790 in 2016 which is an increase of 8,510. The City's six year forecast assumes that 35 single-family residential permits will be issued in 2017 and 35 each for years 2018 through 2022. The forecast also assumes a 3.6% increase in average sales price of new residential units per year.

In 2016 Maple Valley housing prices rose 8.5% over 2015 prices and an additional increase of 9 to 11% is predicted for 2017. A shortage of inventory in the area is driving prices up. Locally, the City issued 51 new single family residential permits in 2016 compared to 33 issued in 2015. Assessed property values increased 8% over 2015. The 2016 assessed valuation of \$3,270,863,750 included \$32,491,497 in new construction.

On March 23, 2017, Standard & Poor's completed its annual bond rating assessment and affirmed its credit rating of AA+ for the City of Maple Valley.

In 2016 the number of licensed businesses operating in the City totaled 815. This total includes home occupancy businesses.

The major employers in the City in 2016 were:

- | | |
|---------------------------|----------------------------|
| 1. Tahoma School District | 6. JR Hayes & Sons, Inc |
| 2. Fred Meyer | 7. MV Fire & Life Safety |
| 3. Safeway | 8. Western Asphalt |
| 4. Quality Food Centers | 9. Johnson's Home & Garden |
| 5. HopJacks | 10. City of Maple Valley |

Long Term Financial Planning and Major Initiatives

To ensure that the City has resources sufficient to meet all of its financial and legal obligations, the City maintains a six year financial forecast which it updates as part of the biennial budget preparation process. The City uses the projection of its development activity as a major component of its six-year financial forecast. The reason for this is that the issuance of a building permit puts into motion the following cycle:

- At the time of the permit, building permit revenue and transportation and park impact fees are generated;
- Within six months, the construction activity generates sales tax revenue;
- When construction is complete, the increase in assessed valuation leads to an increase in property tax revenue;
- When the property is sold, real estate excise taxes are generated (real estate excise taxes also apply to the sale of existing properties);
- As new businesses and residents connect to utility and cable television services, utility tax revenue and cable TV franchise fees are generated;
- As the new residents move in, the City's population is increased upon which the distribution of State-shared revenue is based; and
- As the new residents begin shopping locally, additional sales tax revenue is generated, eventually leading to the construction of new commercial facilities.

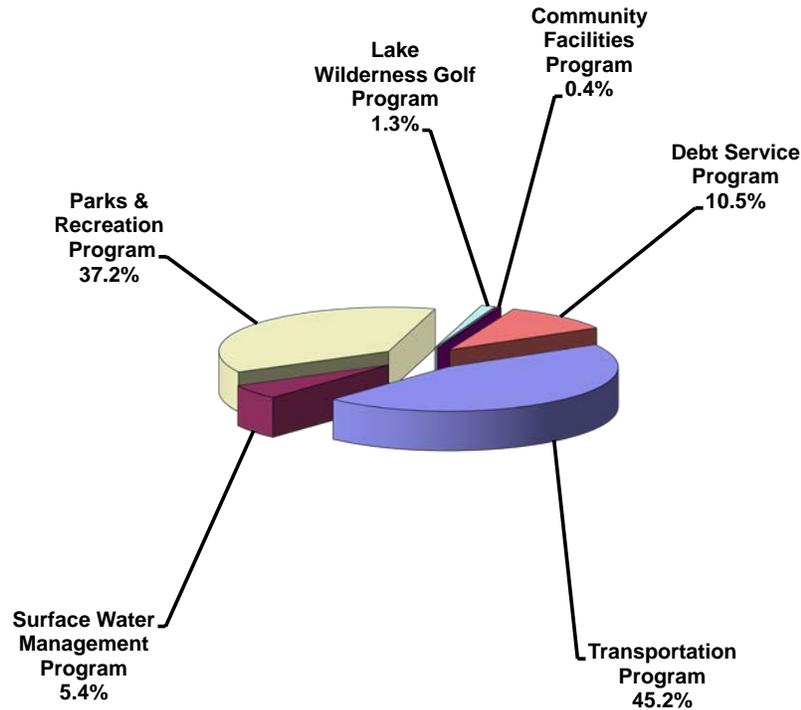
The budgeted level of development produces a revenue forecast that, in conjunction with an operating expenditure forecast, produces a fund balance at the end of the six-year forecast period that exceeds the policy requirement of 16.7% of operating expenditures through 2022. The operating expenditure forecast includes inflation, the maintenance and operational cost of the six-year capital improvement program. Dedicated capital revenue plus a General Fund allocation funds the six-year capital improvement program.

Capital Improvement Program

Included in the forecast described above is the City's six-year capital improvement program that totals \$47,191,000 including debt service. Although the City has established a biennial budget, the plan will continue to be updated annually. The following chart shows the capital improvement plan expenditures by program for the six-year period 2017-2022.

City of Maple Valley Capital Improvement Plan Expenditure Summary

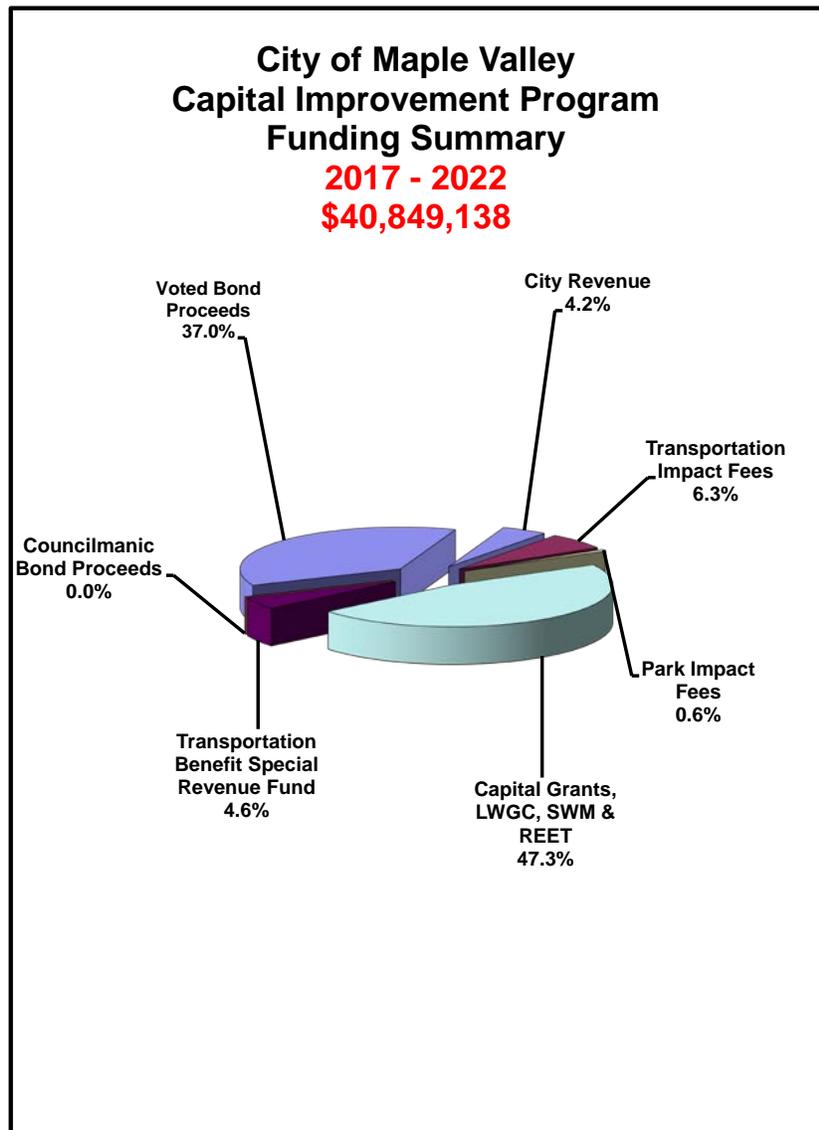
2017 - 2022
\$40,849,138



As noted in the chart, 45.2% of the funds are allocated to the transportation program. This allocation is made because transportation has been a top City priority from incorporation. To ensure the best quality transportation network, the City has, as part of the City's Comprehensive Plan, a 20-year transportation program. Each biennium, projects from the earliest six years of the 20-year transportation program are incorporated into the City's six-year capital improvement plan. The six-year plan is adopted as part of the biennial budget process.

In addition to planned expenditures for transportation, the City six-year plan includes: developing ball fields, making improvements to the park system, developing plans for the 54 acre Maple Valley Legacy Place site, and enhancing the interim youth center site with planning for a new youth, community, and senior center.

The six-year capital improvement program is funded with a combination of sources as identified below.



The six-year transportation program is used to establish transportation impact fees. The City uses other City funds, primarily its Real Estate Excise Tax Fund, to match the transportation impact fee funding.

The 2017-2018 Budget includes anticipated proceeds from a General Obligation Bond that was placed on the ballot for a special election in February, 2017. The budgeted proceeds are reflected in the chart above. Requirements for the measure to pass included a minimum voter turnout of 5,165 and 60% yes vote. Although voter turnout of 5,863 exceeded the requirement by 698 votes, yes votes of 3,093 did not reach the 60% threshold.

CITY PRIORITIES

In its 2015 retreats, the City Council confirmed its Goals and Objectives. They are stated below as they appeared in the 2016 Budget.

Economic Development

- Support the update of the City's zoning code and design regulations to reflect the City's vision as articulated in the updated Comprehensive Plan.
- Continue to work with the Tahoma School District to achieve its goal of opening the new high school/regional education center by August 2017 and to build a new Lake Wilderness Elementary School by 2018.
- Continue to work with the Tahoma School District to package the services of the new regional education center as an anchor to attract private commercial investment to locate living-wage jobs on the property adjacent to the new center.
- Hire an economic development coordinator for the City.
- Hold an economic development retreat with the City Council in the 1st quarter of 2016.

Parks & Recreation

- Facilitate process with the Parks & Recreation Commission, to develop recreation facilities with appropriate partners to meet recreation demands from Maple Valley families through a voted bond initiative.
- Support the efforts of the same groups to craft a plan of action that will direct the projects funded by the passed voted-bond issue.
- Continue to support the community events that use the Lake Wilderness Park facilities throughout the year.

Public Safety

- Continue to work with the King County Sheriff's Office in providing good police services to City citizens through the existing contract.
- Participate in localized emergency preparedness drills utilizing the City's newly updated Emergency Preparedness Plan and the new Emergency Operations Center.
- Work with the City Police Department and our new Domestic Violence Advocate to increase community awareness of the issues pertaining to domestic violence.
- Work with public/private partnership on establishing a men's transitional housing unit within SE King County to aid our growing population of homeless men, many of whom suffer from mental health and drug addiction issues.
- Increase patrols of our trails system in and around the city.

Public Works

- Continue to support the Public Works Department staff in its efforts with the 216th SE Avenue improvement project and the planning phase of the Witte Rd. Phase 5 project.
- Continue to support City staff's efforts to use programs that will keep Maple Valley NPDES compliant (goat mowing, pond improvements, community education).
- Continue to support the Public Works staff in efforts to improve water quality of storm runoff.
- Continue involvement in regional groups dealing with transportation issues.

Quality City Services

- Continue to support efforts of Black Diamond, Covington, and Maple Valley in identifying opportunities where the three communities can work together/share resources to maximize efficiencies and better use public funds.
- Continue strong participation in the Sound Cities Association and associated committees.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Maple Valley for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2015. This was the seventeenth consecutive year that the City of Maple Valley received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. The City believes its current CAFR continues to meet the Certificate of Achievement's program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this Comprehensive Annual Financial Report would not have been possible without the dedicated services of a number of City departments. The Community Development Department helped with information about the local economy, and the Public Works department and Information Services staff provided mapping information and helped value the City's infrastructure. Credit must also be given to the City Council for its unfailing support for maintaining high standards of financial accountability. We must also thank the efforts of a great Finance Department staff that allowed the production of all the information included in this report.

Respectfully submitted,



Laura Philpot
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Maple Valley
Washington

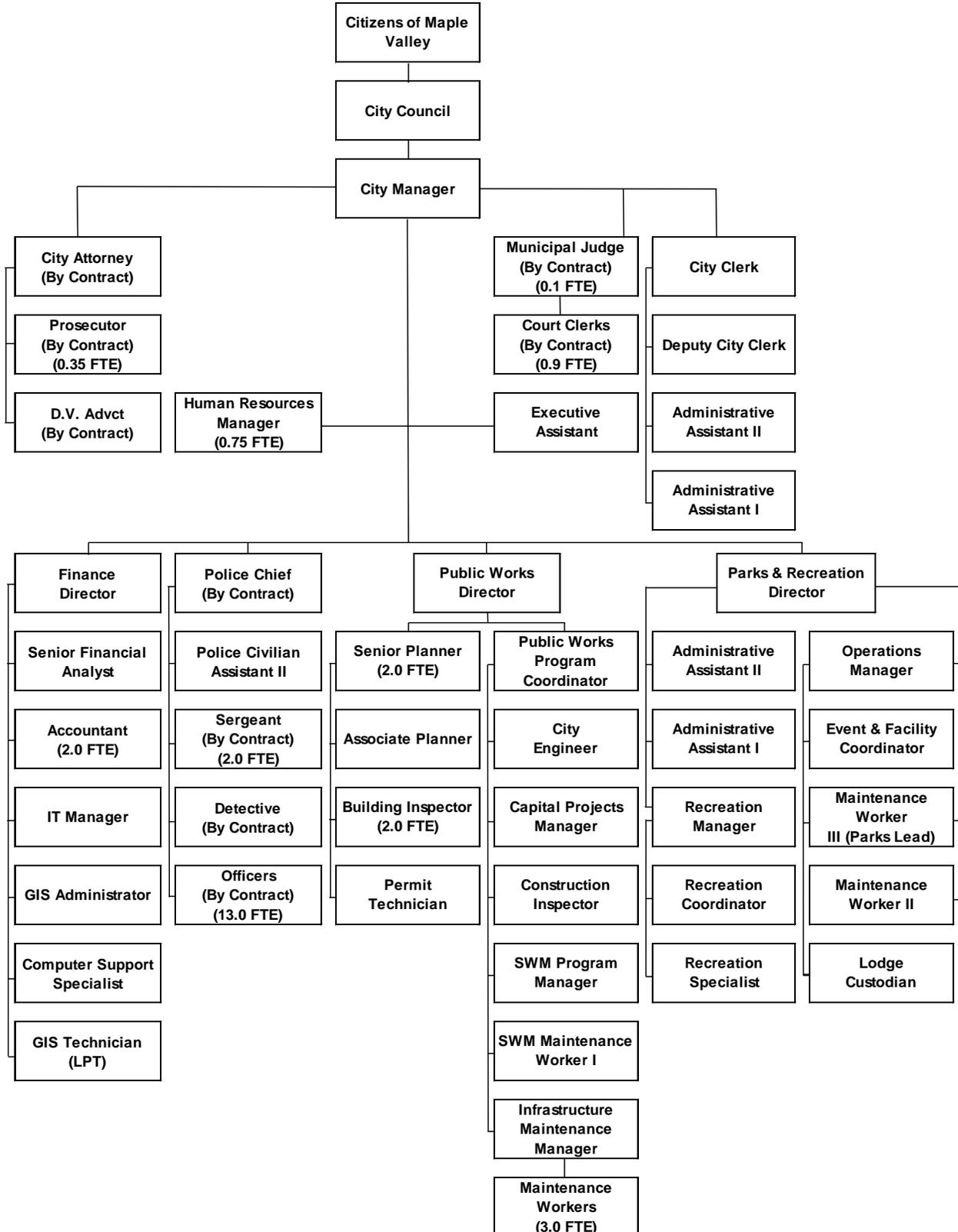
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

**City of Maple Valley
2016 Comprehensive Annual Financial Report
Organization Chart**

43.75 Direct City FTEs, 20.35 Contracted FTEs, 64.10 FTEs



**City of Maple Valley
2016 Comprehensive Annual Financial Report
Principal Officials**

CITY COUNCIL

	Position Number	Term Expires
Sean P. Kelly, Mayor	1	12/2019
Dana Parnello, Deputy Mayor	6	12/2017
Bill Allison	2	12/2017
Les Burberry	3	12/2019
Erin Weaver	4	12/2017
Megan Sheridan	5	12/2019
Linda Johnson	7	12/2019

CITY MANAGER

Laura Philpot

CITY ATTORNEY

Lighthouse Law Group PLLC, By Contract

FINANCE DIRECTOR

Sandy Garrett

PARKS DIRECTOR

Greg Brown

POLICE CHIEF

Donald (D.J.) Nesel, King County Sheriff's Office

PUBLIC WORKS & COMMUNITY DEVELOPMENT DIRECTOR

Scott Tkach

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

June 29, 2017

Council
City of Maple Valley
Maple Valley, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Maple Valley, King County, Washington, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Maple Valley, King County, Washington, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General, Transportation Development, Park Development and Real Estate Excise Tax funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 23 through 39 and pension plan information on pages 102 through 103 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information listed as combining statements and schedules on pages 105 through 124 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated June 29, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

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

Pat McCarthy

State Auditor

Olympia, WA



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Management's Discussion and Analysis

**City of Maple Valley
Management's Discussion and Analysis
December 31, 2016**

As the management of the City of Maple Valley, we offer readers of this report this narrative overview and analysis of the financial activities of the City of Maple Valley for fiscal year ended December 31, 2016. In addition to the information provided here, we encourage readers to consider the additional information furnished in the letter of transmittal and the notes to the financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the City of Maple Valley exceeded its liabilities and deferred inflows of resources at December 31, 2016 by \$389,024,229 (*net position*). Of this amount, \$5,797,648 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors. Of the rest, \$11,473,065 is restricted for specific operating and capital purposes and \$371,753,516 is net investment in capital assets.
- During 2016 the City's total net position decreased \$3,494,878. This amount includes a decrease of \$3,801,296 in the net investment in capital assets, an increase of \$245,118 in restricted net position and an increase of \$61,301 in unrestricted net position.
- At December 31, 2016 the City of Maple Valley's governmental funds reported a combined ending fund balance of \$16,524,233 up \$667,872 from the prior year amount of \$15,856,361. While the City budgeted a \$2,343,165 decrease in governmental fund ending fund balance from \$15,856,361 to \$13,513,196, the governmental fund ending fund balance was \$3,011,037 better than budgeted. Governmental fund revenues were above budget by \$1,357,909.
- At the end of 2016 the assigned and unassigned fund balance for the General Fund was \$4,959,310, 40.3% of total General Fund expenditures. This amount is up \$436,239 from 2015 ending assigned and unassigned fund balance of \$4,523,071. The main reason for the increase was additional revenue associated with an increase in sales tax, primarily construction.
- The City of Maple Valley's total liabilities increased \$373,220 from \$9,643,392 in 2015 to \$10,016,612 in 2016. The increase was due to an increase in Accounts Payable and an increase of the net pension liability. The increase was offset by current year debt service payments. The 2016 liabilities include \$3,181,867 in general obligation bonded debt. On March 23, 2017, Standard and Poor's Rating Services affirmed the AA+ underlying rating on these bonds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Maple Valley's financial statements. The City of Maple Valley's financial statements include the government-wide financial statements, the fund financial statements, and the notes to the financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Maple Valley's finances, in a format similar to that provided for private-sector businesses. The statements segregate activity into two categories: governmental activities and business-type activities. The governmental activities of the City of Maple Valley include: general government; community development; human services; parks and recreation, except the Lake Wilderness Golf Course; public safety; and public works, except the surface water management function. The governmental activities also include internal service funds as discussed below. The business-type activities include the surface water management function and the Lake Wilderness Golf Course.

The *statement of net position* presents information on the City of Maple Valley's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net

**City of Maple Valley
Management's Discussion and Analysis
December 31, 2016**

position may serve as a useful indicator of whether the financial position of the City of Maple Valley is improving or deteriorating. The *statement of activities* presents information showing how the City's net position changed during the year. The *statement of activities* identifies the City's activities and the program revenues that helped fund them. The Statistical Section provides summary information on net position and changes in net position from 2007 through 2016.

Fund financial statements. The fund financial statements provide summary information by fund type. The City of Maple Valley, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A *fund* is a grouping of related accounts that are segregated to maintain control over resources that have been designated to finance specific activities. All of the funds of the City of Maple Valley can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for the governmental activities shown on the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of resources*, as well as on the *balances of resources* available. Governmental funds are concerned with having available resources (i.e. "working capital" - current assets less current liabilities) to meet the expenditure needs as identified in the budget. As part of the governmental funds presentation, a comparison of actual expenditures to both the original and final budget is shown for the General Fund and all Special Revenue Funds.

Proprietary funds. *Proprietary funds* are used to account for operations that are designed to generate revenues to cover the total cost of operation including depreciation. The City of Maple Valley has both types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to account for the activity of the City's surface water management function and Lake Wilderness Golf Course. The internal service funds are used to account for the operation of the City's vehicle rental, central services, and unemployment trust functions. These internal service functions accumulate costs and charge them to operating departments. They also charge replacement and reserve fees to insure future availability of funds to replace equipment or to fund unemployment claims. As mentioned above, internal service funds in the City of Maple Valley are categorized as governmental activities.

A complete reconciliation of the fund financial statements to the government-wide financial statements is included in the government-wide financial statements. The reconciliation is required:

- To reclassify capital expenditures to assets and to record depreciation of governmental capital assets,
- To reclassify debt issuances and repayments from sources and uses of funds to increases or decreases in liabilities, and
- To record the assets, liabilities, and net revenues of internal service funds. By including only net revenues, the double counting of transactions between the internal service funds and the funds they provide services to is eliminated.

Notes to the financial statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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Required supplementary information. Generally accepted accounting principles (GAAP) require that certain unaudited information accompany the basic financial statements. The technical term for this additional information is *required supplementary information (RSI)*. In general, there are five types of RSI for state and local governments:

Management's Discussion and Analysis (MD&A),
Budgetary Comparisons,
Trend Data for Pension Funding,
Claims Development Data for Public Entity Risk Pools, and
Trend Data for Infrastructure Condition.

Because the *MD&A* is designed, in part, to introduce the basic financial statements, it is presented before the basic financial statements. The *budgetary comparisons* for the general and special revenue funds are shown in the fund financial statements. The *budgetary comparisons* for other funds are shown in the combining statements and schedules section of this report.

With respect to *trend data for pension funding*, the City of Maple Valley participates in the Washington State Public Employees Retirement System (PERS) plan and in defined contribution plans sponsored by the International City/County Management Association Retirement Corporation (ICMA-RC). Descriptions of these plans are included in the notes to the financial statements and required schedules are included in the Required Supplementary Information section.

With respect to *claims development data for public entity risk pools*, the City is a member of the Washington Cities Insurance Authority (WCIA). Per GAAP, they, as a public entity risk pool, include in their financial statements, trend data on pool revenues as well as actual and estimated claims. A description of the pool is included in the notes to the financial statements.

With respect to *trend data on infrastructure condition*, the City has chosen to record infrastructure assets on the face of the financial statements and therefore *trend data on infrastructure condition* is not required.

Government-wide Financial Statement Analysis

Statement of net position. The statement of net position provides information on the City's assets, liabilities, and net position, and compares the balances by major category to the previous year's balances. The overall financial position of the City decreased by \$3,494,878, or 0.89%. The table that follows summarizes the statement of net position. The table shows the individual components of these amounts by major account group for governmental activities and business-type activities with totals and comparisons to the preceding year. The subsequent narrative explains the account balances and the changes from the prior year.

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**Condensed Statement of Net Position
(Dollars expressed in thousands)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2016	2015	2016	2015	2016	2015
Assets						
Current Assets	\$ 19,321	\$ 18,078	\$ 2,979	\$ 3,076	\$ 22,300	\$ 21,154
Capital Assets	360,352	364,851	16,060	16,171	376,412	381,022
Total Assets	379,673	382,929	19,039	19,247	398,712	402,176
Deferred Outflows of Resources						
Debt Refunding	-	95	-	-	-	95
Pensions	494	253	22	10	516	263
Total Deferred Outflows of Resources	494	348	22	10	516	359
Liabilities						
Current Liabilities	2,281	1,684	176	100	2,457	1,783
Long-term Liabilities	7,441	7,769	118	91	7,560	7,860
Total Liabilities	9,722	9,453	295	191	10,017	9,643
Deferred Inflows of Resources						
Debt Refunding	56	-	-	-	56	-
Pensions	125	357	6	15	131	372
Total Deferred Inflows of Resources	181	357	6	15	187	372
Net position						
Net Investment in Capital Assets	355,693	359,384	16,060	16,171	371,754	375,555
Restricted	11,473	11,228	-	-	11,473	11,228
Unrestricted	3,097	2,856	2,700	2,881	5,798	5,736
Total Net Position	\$ 370,264	\$ 373,467	\$ 18,760	\$ 19,052	\$ 389,024	\$ 392,519

Current assets at December 31, 2016 totaled \$22,299,901, up \$1,145,862 or 5.4% from the December 31, 2015 amount of \$21,154,039. The change is comprised of an increase in cash, cash equivalents, receivables, and inventory, offset by a decrease in investments and prepaid expenses. Cash and cash equivalents include: petty cash and other imprest funds totaling \$19,241, the checking account balance of \$6,619,393, and \$12,402,457 invested overnight with the State of Washington Local Government Investment Pool (LGIP). In addition to the LGIP investments, at year end the City had \$1,036,576 or 4.6% of current assets invested in one individual U.S. government agency security which will mature in 2017. At year-end the LGIP was earning 0.51% and the other investments were earning an average 1.11%.

The remaining current asset balance at December 31, 2016 was \$2,222,234 or 9.9% of total assets. Of this amount, \$1,022,808 was for taxes receivable, \$187,629 was for accounts receivable, \$15,092 was for accrued interest receivable, \$883,220 was for intergovernmental receivables, \$72,040 was for inventory, and \$41,445 was for prepaid items.

Of the taxes receivable amount of \$1,022,808 all but \$7,539 was collected by February 28, 2017. The uncollected receivable of \$7,539 is for gambling taxes due from Gloria's Restaurant and taxes have not been remitted to the City since first quarter of 2014; the delinquency has been reported to the gambling commission. Of the accounts receivable amount of \$187,629, \$47,352 was for receivables from developers, \$36,209 was for a settlement receivable, \$85,317 was in surface water management fee receivables, \$18,669 is due from others primarily for fire permits, and \$82 was for Lake Management District assessments. The receivables from developers are for billings of City staff time on various developer projects. Amounts are considered very collectible in the normal course of business as project

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approvals are not provided until all unpaid receivables are paid. The majority of the surface water management fee receivables, \$56,639, was due from Fire District #43 for surface water management fees from 2002 through 2016. The district has not paid these fees claiming that the City owes them an at least equivalent amount in payments in lieu of taxes for City owned facilities. The issue remains unresolved. The remaining delinquent surface water management fees are collected by King County with delinquent property taxes in the normal course of business.

Of the intergovernmental receivables amount of \$883,220, \$700,060 is due from the State of Washington, \$153,672 is due from King County, \$17,730 is due from the City of Kent, \$963 is due from the City of Enumclaw, and \$10,795 is due from other governments including the Cities of Covington and Black Diamond with regards to interlocal agreements. The State of Washington amount is for vehicle excise taxes and grant reimbursements from the Transportation Improvement Board and the Washington State Department of Ecology. The King County amount is for property taxes, real estate excise taxes, and surface water management fees.

Inventory is for food, beverages, and merchandise at the Lake Wilderness Golf Course. The prepaid amount of \$41,445 is for the building rental for City Hall, trainings and memberships for 2017 and beyond, and other miscellaneous expenses for 2017 that the City was required to pay prior to the end of 2016. More detailed information on receivables and other short-term assets is provided in the notes to the financial statements.

Capital assets, net of accumulated depreciation, totaled \$376,412,350 down \$4,609,585 from the prior year amount of \$381,021,935. The capital assets include infrastructure assets and related depreciation as the City has chosen not to use the modified approach which, in lieu of depreciation of infrastructure assets, evaluates condition and maintenance level.

The table that follows shows, by capital asset type, the capital asset year-end balances.

City of Maple Valley's Capital Assets
(Net of Accumulated Depreciation)
(Dollars expressed in thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2016	2015	2016	2015	2016	2015
Land	\$ 212,954	\$ 212,457	\$ 13,900	\$ 13,899	\$ 226,853	\$ 226,356
Intangibles-Easement	314	314	-	-	314	314
Buildings	7,749	7,996	790	818	8,539	8,814
Improvements other than Bldgs	132,772	139,792	1,362	1,434	134,134	141,226
Machinery & Equipment	521	425	8	13	529	438
Intangibles-Field Rights	1,800	2,000	-	-	1,800	2,000
Intangibles-Software	169	205	-	7	169	212
Construction in Progress	4,074	1,662	-	-	4,074	1,662
Total Capital Assets	\$ 360,352	\$ 364,851	\$ 16,060	\$ 16,171	\$ 376,412	\$ 381,022

The net decrease is made up of capital asset additions and contributions of \$4,792,761, which includes \$4,792,261 for governmental activities and \$500 for business-type activities, offset by the increase in accumulated depreciation of \$9,402,348, which includes depreciation of \$9,290,893 for governmental activities and \$111,455 for business-type activities. The retirements of \$66,399 were for fully depreciated items. The City also recorded transfers and other adjustments for assets with a net book value of \$1,014,839. This was for previously capitalized expenses in Construction in Progress for

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projects that were completed and moved to the appropriate capital asset category (land, building, infrastructure, etc).

The additions included developer contributions for land and improvements other than buildings of \$1,125,895 that were related to two segments of Cherryvale Lane which were contributed to the City in 2017. The City also had one addition to land in the amount of \$500 for a drainage pond at Wilderhaven, which is an addition to an existing asset.

In addition to this, the City added construction in progress of \$3,427,624. The year-end construction in progress balance of \$4,074,357 is made up of \$3,779,043 for roadway projects and \$295,314 for parks projects undertaken during the year but not yet completed at year-end.

Machinery and equipment additions of \$226,254 included the purchase of a golf cart (\$11,600), a tractor (\$40,416), a skid steer loader (\$38,736), a Ford F-550 (\$62,732), and a Chevrolet Silverado (\$23,755) in the Vehicle Rental Fund; a Trimble (\$8,987) in the Central Services Fund; and a snow plow (\$7,742), two grant funded portable message signs (\$10,700 each), and two radar speed limit signs (\$5,443 each) in the operating funds.

One intangible asset was added in 2016 for the purchase of Geocortex GIS software (\$12,489) in the Central Services Fund. Additional capital asset information is provided in Note 6 to the financial statements.

Long-term liabilities at December 31, 2016 totaled \$7,559,525, a decrease of \$300,683 from the December 31, 2015 amount of \$7,859,908. The City's portion of the net pension liability of the Public Employees Retirement System makes up \$2,900,691 or 38% of the City's long-term liabilities.

City of Maple Valley's Long-term Liabilities (current and non-current portion)
(Dollars expressed in thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2016	2015	2016	2015	2016	2015
Contracts & Loans - Current	\$ 185	\$ 185	\$ -	\$ -	\$ 185	\$ 185
General Obligation Bonds - Current	605	590	-	-	605	590
Contracts & Loans Payable	1,292	1,477	-	-	1,292	1,477
GO Bonds Payable	2,577	3,215	-	-	2,577	3,215
Total Long-term Debt	4,659	5,467	-	-	4,659	5,467
Net Pension Liability	2,782	2,302	118	91	2,901	2,393
Total Long-term Liabilities	\$ 7,441	\$ 7,769	\$ 118	\$ 91	\$ 7,560	\$ 7,860

No contract and loan borrowing was done in 2016. During the year \$184,621 in infrastructure loan debt was retired. The infrastructure loan amounts are for two road improvement projects. The loans are for 20 years with final maturity in 2024. Both loans have interest rates of 0.5%.

In 2015 the City refunded its outstanding 2005 Limited Tax General Obligation bonds of \$2,915,000 with 2015 Limited Tax General Obligation Refunding Bonds with a principal amount of \$2,835,000 issued at a premium of \$187,980. The refunding bonds were issued with a coupon rate of 3% through 2019 and 4% in 2020. The current portion of the 2015 refunding bonds is \$455,000 and the long-term portion, including the unamortized premium, is \$1,586,867 at December 31, 2016. In addition to the refunded debt, the City had the 2014 general obligation bond outstanding long-term amount of

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\$990,000, and the current portion of \$150,000. The 2014 bond has an interest rate of 2.3% with payoff on December 1, 2023. More detailed information on long-term debt including issuance and redemption information and debt service to maturity can be found in Note 8 to the financial statements.

Net position at December 31, 2016 totaled \$389,024,229, down \$3,494,877 from the December 31, 2015 amount of \$392,519,106. The largest portion of the December 31, 2016 total, \$371,753,516 or 95.5%, is net investment in capital assets. Most of this is for infrastructure assets acquired through annexation or from developer contributions either directly or through King County at various times since the City's incorporation. The second largest portion of total net position, \$11,473,065, up \$245,118 from the December 31, 2015 amount of \$11,227,947, is restricted, primarily for capital purposes. The unrestricted net position at December 31, 2016 totaled \$5,797,648 up \$61,301 from the December 31, 2015 amount of \$5,736,347. The change in net position is explained in the discussion of the statement of activities, which follows.

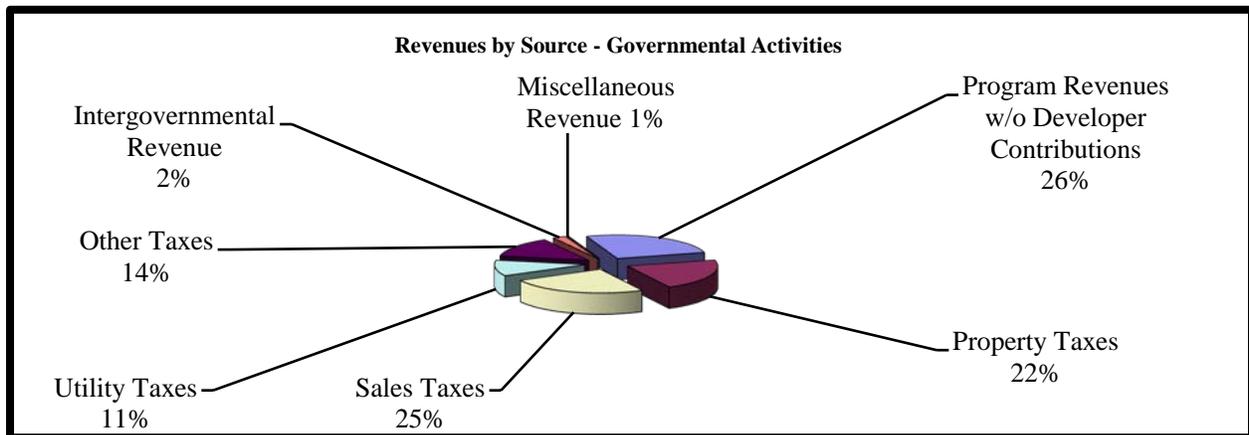
Statement of Activities. The statement of activities provides an overview of the changes in net position from December 31, 2015 to December 31, 2016. The condensed Statement of Activities shown in the table below identifies the changes in net position.

Condensed Statement of Activities
(Dollars expressed in thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues by Major Source						
Program Revenues						
Charges for Services	\$ 2,221	\$ 2,743	\$ 2,375	\$ 2,412	\$ 4,596	\$ 5,155
Operating Grants & Contributions	715	671	17	50	732	721
Capital Grants & Contributions	2,694	1,385	-	210	2,694	1,595
General Revenues						
Property Taxes	3,672	3,579	-	-	3,672	3,579
Sales Taxes	4,229	3,336	-	-	4,229	3,336
Utility Taxes	1,836	1,982	-	-	1,836	1,982
Other Taxes	2,373	2,319	-	-	2,373	2,319
Intergovernmental Revenue	394	386	-	-	394	386
Miscellaneous Revenue	(45)	137	(34)	31	(79)	169
Total Revenues	18,088	16,539	2,358	2,703	20,446	19,242
Expenses by Function						
General Government	2,715	2,112	-	-	2,715	2,112
Economic Environment	891	983	-	-	891	983
Mental and Physical Health	30	35	-	-	30	35
Culture and Recreation	3,020	2,467	1,140	1,166	4,160	3,633
Public Safety	4,486	4,060	-	-	4,486	4,060
Transportation	10,228	10,107	-	-	10,228	10,107
Utilities and Environment	124	104	1,079	821	1,202	925
Interest on Long-term Debt	229	80	-	-	229	80
Total Expenses	21,723	19,949	2,218	1,987	23,941	21,936
Excess (Deficiency) of Revenues over Expenses	(3,635)	(3,410)	140	716	(3,495)	(2,694)
Transfers In/(Out)	432	341	(432)	(341)	-	-
Increase (Decrease) in Net Position	(3,203)	(3,069)	(291)	375	(3,495)	(2,694)
Net Position - January 1	373,467	379,034	19,052	18,776	392,519	397,810
Change in Accounting Principle	-	(2,498)	-	(99)	-	(2,596)
Net Position - December 31	\$ 370,264	\$ 373,467	\$ 18,760	\$ 19,052	\$ 389,024	\$ 392,519

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Governmental activities. Governmental activity revenue increased by \$1,549,052 with the major increases being capital grants and contributions of \$1,308,899, property tax of 93,302, operating grants and contributions of \$43,680 and sales tax of \$892,245, offset by decreases in charges for services of \$522,020, utility taxes of \$145,901, and Miscellaneous of \$182,845. Most of the contributions are state grants providing reimbursement for the City's capital transportation projects. The chart below shows the distribution of the City revenues from governmental activities. Developer contributions are removed from the chart to provide a more meaningful analysis.



Governmental activity program revenues, exclusive of developer contributions of \$1,125,895, are down \$64,146 from \$4,567,923 to \$4,503,777 due to increases in both capital grant revenue (excluding developer contributions) and operating grants and contracts in the amount of \$414,194 and \$43,680 respectively, offset by a decline of \$522,020 in charges for services. Developer contributions increased \$894,705 in 2016 from \$231,190 in 2015 to \$1,125,895 in 2016. Though they increased, developer contributions are still significantly lower than in recent years reflecting slower than historical levels of development activity within the City.

Governmental activity general revenues are up \$718,493 or 6.1% from \$11,739,541 in 2015 to \$12,458,034 in 2016. The increases are in all of the major categories except utility taxes and miscellaneous revenue which decreased \$145,901 and \$182,845 respectively. The largest sources of tax revenue increases are identified below.

- Property taxes, which provided 30.3% of the tax base, increased \$93,302 or 2.6%;
- Sales taxes, which provided 47.9% of the tax base, increased \$892,245 or 26.7%;
- Franchise Fees, which provided 2.7% of the tax base, increased \$16,090 or 5.2%;
- Vehicle excise taxes, which provided 3.1% of the tax base, increased \$12,484 or 3.4%;
- Gambling taxes, which provide 0.6% of the tax base, increased \$5,017 or 7.4%; and
- Real estate excise tax, which provide 13.2 % of the tax base, increased \$20,532 or 1.3%.

The property tax increase includes two components: an annual levy limit increase of 0.92% and a new construction levy at the prior year's levy rate that provided an increase of 2.1%.

Sales tax revenue also includes two components: locally generated revenue, \$3,550,844 and public safety-related revenue distributed to cities based on population, \$677,710. The locally generated

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revenue is from two main sources, construction and non-construction retail sales. In 2016 construction sales provided 34.7% of the locally generated sales tax revenue, up from 23.4% in 2015.

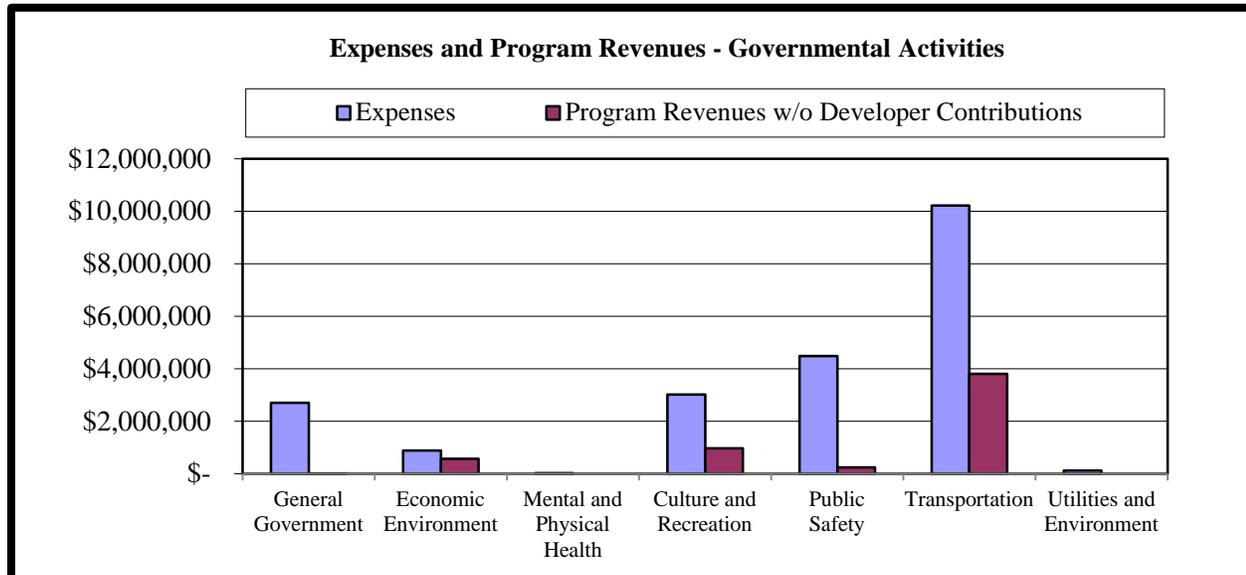
Utility taxes decreased \$145,901 from \$1,981,568 to \$1,835,667 due to a temporary reduction of cable utility tax intended to offset an overpayment made to the City in 2015.

Real estate excise tax revenue increased \$20,532 from \$1,577,332 to \$1,597,864 primarily due to an increase in the value and quantity of property sales in 2016 compared to 2015. Residential sales increased to 703 homes sold in 2016 compared to 667 in 2015. The cost of new homes increased by 12.4% during 2016, while the cost of existing homes increased by 8.7%. Overall the revenue is down substantially from the peak in 2005 of almost \$2,000,000 when 1,013 single family residential homes were sold. The real estate excise tax is 1.78% on the sale of real property, with the City receiving 0.5%.

Besides the tax category changes, the other governmental activity revenues changed as follows:

- Miscellaneous revenue is down \$182,845 in 2016 due primarily to a decrease in the fair value of investments in 2016.
- Intergovernmental revenue increased \$7,570 or 2.0% in 2016 due to an increase in State Shared Revenue.

The chart below compares program expenses to program revenue.



In all programs, program expenses exceeded program revenues. In general government, program revenue from special licenses, passports, and gain on sale of asset was 0.8% of program expenses, down from 1.6% in 2015. In economic environment, program revenue was 64.9% of program expenses, down from 74.1%. In culture and recreation, program revenue was 32.2% of program expenses, down from 35.6%. In transportation, program revenue, without developer contributions, was 37.3% of program expenses; this increase from 26.3% in 2015 is due to an increase in capital grants and contributions for transportation projects.

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Governmental activity expenses increased \$1,774,013 or 8.89% from \$19,948,643 in 2015 to \$21,722,656 in 2016. The categories included are: general government, economic environment, mental and physical health, culture and recreation, public safety, transportation, utilities and environment, and interest on long term debt.

General government expenses including: the City Council, City Manager, City Clerk, City Attorney, Human Resources, Central Services, Public Defender, Prosecutor, Court, and Finance increased \$602,869 or 28.5%. Of this increase, \$50,202 or 8.4% was attributable to City Council; however, \$24,481 or 48.8% of the City Council increase was due to a change in the internal allocation of IT services to the City Council. \$220,222 or 36.7% of the increase was due to the severance package granted to the City Manager upon departure. \$55,057 or 9.2% was for lobbyist services and other miscellaneous consulting within the City Manager's department. \$72,886 or 12.2% of the increase was related to voter registration and election costs within the City Clerk's department in 2016, which did not occur in 2015, as well as salary and benefit increases including adding the classification of Emergency Management Coordinator to the City Clerk. \$55,115 or 9.2% of the increase was due to a position reclassification and resulting salary increase, an increase in banking fees, new office furniture required to accommodate the consolidation of four finance workspaces into three, and an increase in IT services, all within the Finance department.

Expenses for economic environment, commonly referred to at the City as community development, include lake management, planning, and building operations, and decreased \$92,163 or 9.4%. The decrease is primarily made up of a \$66,602 or 95.7% decrease in expenditures for the Comprehensive Plan which was completed in 2015. Community Development also saw a \$15,169 or 31.8% decrease in allocated IT services in 2016.

Mental and physical health decreased by \$5,000 in 2016 due to a one-time addition of a human services grant in that amount for the Maple Valley Food Bank to help mitigate a significant loss due to theft in 2015. Expenses of \$30,000 relate to grant payments to the Maple Valley Food Bank and Vine Maple Place for \$15,000 each. The food bank provides vital nutritional resources to those in need, and Vine Maple Place provides transitional housing, mentorship, child advocacy and life-skills training assistance to homeless single parents.

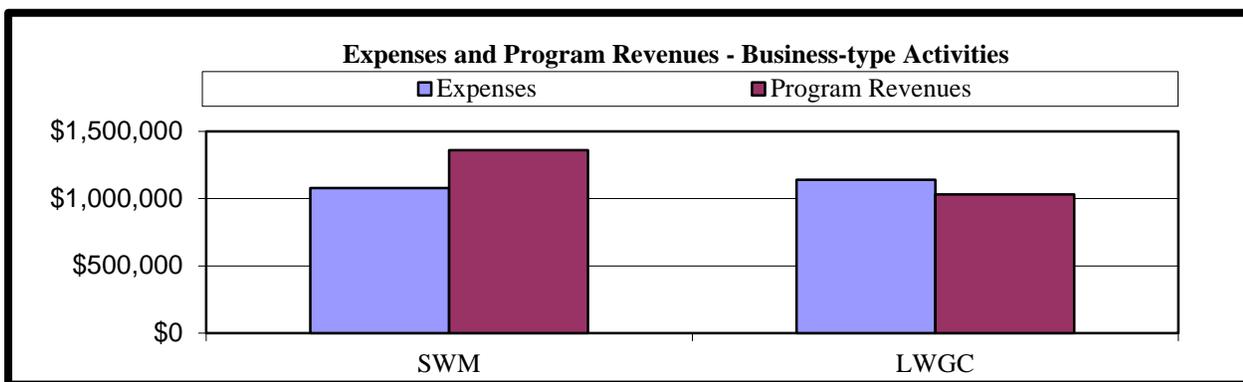
Culture and recreation expenses including: parks maintenance, the Lake Wilderness Lodge, recreation programs, community events, and funding for community service agencies, increased \$553,080 or 22.4%. \$100,895 or 18.2% of the increase is related to salaries and benefits in the Lake Wilderness Lodge department and is primarily the result of the addition of a full-time position in 2016. \$200,000 or 36.2% of the increase is due to recognizing amortization on field rights at Ravensdale Park for the first time in 2016. Recreation programs and community events made up \$88,904 or 16.1% of the increase due to the addition of a brand new community event and seven new recreation programs which resulted in 1,061 additional financial transactions in 2016.

Public safety expenses including: Police, Jail, and Fire Marshal, increased \$426,062 or 10.5% from 2015 to 2016. For police services, the City contracts with King County for 17 police officers, vehicles, equipment, and support costs. The City directly employs one police civilian to assist with administrative services. The police contract gives the City 24-hour coverage, seven days a week, with specifically identified police officers wearing City uniforms and driving police cars that bear the City of Maple Valley insignia. Police contract costs increased \$308,618 from \$3,638,406 to \$3,947,024 in 2016. Of this increase, \$155,223 or 50.3% was for the addition of a Police Sergeant. \$100,000 or 32.4% was for the addition of overtime as requested by the City. The remaining increase is due predominately to a higher workload in 2016.

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Transportation, and utilities and environment expenses, commonly referred to at the City as public works, include development, transportation planning, street maintenance, and waste reduction & recycling. These expenses increased \$120,185 or 1.2% for transportation and \$20,013 or 19.3% for utilities and environment. The increase in transportation is due largely to a \$9,120 increase in traffic counts, a \$20,325 increase in transportation studies and concurrency services, a \$16,766 increase in street lighting, a \$17,555 increase in snow and ice control, and a \$54,469 increase in roadside landscaping services.

Business-type activities. As of December 31, 2016 the City of Maple Valley operated two business-type activities, the Surface Water Management operations and the Lake Wilderness Golf Course operations. The chart below compares program expenses to program revenue.



In the surface water management operation, charges for services increased \$30,465 or 2.3% from \$1,311,972 to \$1,342,437. The increase is primarily due to an increase in surface water management fees of \$29,490 and is associated with a population increase for the surface water utility and a rate increase in 2016. Operating expenses of the surface water management operation, not including depreciation, increased \$250,559 or 32.0% from \$782,167 to \$1,032,726. The increase is due primarily to a \$142,778 increase in spending for the Water Quality Retrofits project as well as a \$65,584 increase in spending for the Miscellaneous Drainage Improvements project in 2016. Much of the remaining increase is due to a \$38,375 increase in vactoring services.

The Lake Wilderness Golf Course, an 18-hole golf course with the capability of having a full service restaurant with banquet facilities, was purchased in November 2006 to save it from development. The course had been subsidized through the City each year through 2016 with the exception of 2015 whereby it generated a small surplus. The course is managed by Premier Golf Centers, LLC out of Seattle, Washington. The historic inability of the restaurant operation to break-even led to the formation of a Lake Wilderness Golf Course Task Force in late 2010. The recommendation of the task force was to increase golf fees to fund capital and to reduce the restaurant operations from a full service restaurant to one that caters only to the golfer. In 2016 the Lake Wilderness Golf Course operation had a program revenue decrease of \$67,533 or 6.1% from \$1,099,909 to \$1,032,376 along with an operating expense decrease, not including depreciation, of \$21,835 or 1.9% from \$1,095,755 to \$1,073,920. The decrease in program revenue and related expenditures is due primarily to inclement weather in the fourth quarter which resulted in significantly fewer rounds played than in 2015 when the closing of the nearby Elk Run Golf Course brought about historically high activity at the Lake Wilderness Golf Course. The Lake Wilderness Golf Course generated a deficit, exclusive of depreciation, requiring a General Fund subsidy in the amount of \$40,000 in 2016. More information on interfund activity is provided in Note 5 to the Financial Statements.

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Financial Analysis of Government's Funds

As noted earlier, the City of Maple Valley uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds. The focus of the City of Maple Valley's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Maple Valley's financing requirements. In particular, *unassigned fund balances* serve 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 restricted for particular purposes mainly to fund capital improvement programs. The following table shows the governmental fund balance changes:

Governmental Funds Fund Balances			
	<u>Beginning</u>	<u>Ending</u>	<u>Increase (Decrease)</u>
General Fund	\$ 4,577,015	\$ 4,999,213	\$ 422,198
Transportation Impact Fee Fund	5,151,298	3,327,703	(1,823,595)
Park Development Fund	1,802,819	1,971,590	168,771
Real Estate Excise Tax Fund	3,837,518	4,706,094	868,577
Capital Improvement Plan	19,025	1,058,854	1,039,829
Nonmajor Governmental Funds	468,686	460,779	(7,907)
	<u>\$ 15,856,361</u>	<u>\$ 16,524,233</u>	<u>\$ 667,872</u>

In total, the governmental fund balances increased \$667,872. Of the General Fund balance of \$4,999,213, \$3,835,011 or 76.7% is unassigned. Of the assigned amount of \$1,124,299, \$824,324 is assigned for the subsequent year's appropriation of fund balance and \$299,975 is assigned to offset projected declining permit revenues. Total assigned and unassigned fund balance is 40.3% of General Fund expenditures. The City's financial policies state that the fund balance of operating funds will be budgeted at least 16.7% of anticipated operating expenditures. The City interprets this policy to apply in all years in its six year forecast as discussed in the transmittal letter in the Introductory Section.

Other governmental funds accumulate restricted fund balances for designated purposes.

The Transportation Impact Fee Fund accumulates transportation impact fees and other transportation development contributions to pay for the non-City share of transportation improvement projects. Impact fees collected must be spent within a specific time period, currently extended to ten years. In 2016 transportation impact fees were less than expenditures for transportation improvement projects as fees were collected from commercial development and expenditures were combined with existing fund balance to maximize the City's matching fund capabilities from the Real Estate Excise Tax Fund for infrastructure development.

The Park Development Fund accumulates park impact fees, other park development contributions, and shared County revenue for open space and trails. Impact fees collected must be spent within a specific time period, currently extended to ten years. 2016 was the sixth year for the collection of park impact fees and park impact fees were greater than expenditures for park improvement projects. Park impact

**City of Maple Valley
Management's Discussion and Analysis
December 31, 2016**

fees combined with transfers from the Real Estate Excise Tax Fund and Bond Proceeds Fund were used to fund the parks related capital improvement projects for 2016.

The Real Estate Excise Tax Fund accumulates taxes on the sale of new and existing real property. The taxes provide the City share of funding for both transportation and non-transportation capital improvement projects. The Real Estate Excise Tax Fund provides the City match for funds accumulated in the Transportation Impact Fee Fund and the Park Development Fund. It is also the primary funding source for non-transportation and non-park capital projects. In 2016 real estate excise taxes increased \$20,532 or 1.3% from \$1,577,332 to \$1,597,864. Transfers-out for capital projects were \$688,551 in 2016.

The Drug Seizure Fund accumulates resources from seizures and impoundment of property for the enforcement of controlled substance, DUI and other applicable laws in accordance with Washington State law. Per the Revised Code of Washington, the cash and property seized must be held and used "exclusively for" such enforcement activity. Fund balance at year-end was \$32,930.

The Transportation Benefit Special Revenue fund is used to account for the receipt and transfer or disbursement of motor vehicle excise taxes collected by the City. In December of 2015 the Maple Valley City Council voted to transfer operations of the Transportation Benefit District (TBD), a blended component unit, to the City itself. The Transportation Benefit Special Revenue Fund was thus created, and the TBD Fund ceased to exist in December 2015. Fee collection for vehicle excise taxes began in the second half of 2013. Transfers of \$375,000 were made during the year from the Transportation Benefit Special Revenue Fund. Fund balance at year-end was \$427,849.

Proprietary Funds. The City of Maple Valley's *proprietary funds* are two Enterprise Funds, the Surface Water Management Fund and the Lake Wilderness Golf Course Fund, and three Internal Service Funds: the Vehicle Rental Fund, the Central Service Fund, and the Unemployment Trust Fund. The following table identifies the *net position* of the *proprietary funds*.

Proprietary Funds			
Unrestricted Net Position			
	Beginning	Ending	Increase (Decrease)
Surface Water Management Fund	\$ 2,877,178	\$ 2,698,125	\$ (179,052)
Lake Wilderness Golf Course Fund	3,579	2,137	(1,441)
Vehicle Rental Fund	391,685	325,460	(66,225)
Central Services Fund	81,106	158,974	77,867
Unemployment Trust Fund	24,494	7,605	(16,889)
	\$ 3,378,041	\$ 3,192,301	\$ (185,740)

The decrease in unrestricted net position of the Surface Water Management Fund is a result of a modest increase in Surface Water Management Fees offset by increased spending in the Water Quality Retrofits and Miscellaneous Drainage Improvements projects in 2016. Funds were spent in 2006 through 2008 to update the surface water management comprehensive plan. Part of the update involved a review of the City's maintenance and capital plans to ensure compliance with federal and state regulations. Implementation of these plans began in 2009 with new management and maintenance emphasis. Near the end of 2011, the City hired its first full time staff position to manage this function.

**City of Maple Valley
Management's Discussion and Analysis
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The Lake Wilderness Golf Course Fund had an unrestricted net position of \$2,137 at the end of 2016 as the General Fund subsidy is intended to offset any operating deficit from golf course operations.

The internal service funds accumulate funds for vehicle and equipment replacement and to pay unemployment claims. In 2016, the Vehicle Rental Fund increased its net position. The Vehicle Rental Fund assets are continuing to out-live their replacement rate as the City has only six plus square miles and excellent roads. In 2016, the Central Service Fund increased its net position. The Central Services Fund is continuing extensive technology equipment replacement that began with the completion of an information technology strategic plan funded in 2006. The Unemployment Trust Fund reduced net position in 2016. In 2013 and 2014 the fund balance in this fund had declined at a higher than historical rate; however, the decline slowed considerably in 2015. The City will continue to watch this fund closely during 2017 and, if needed, a transfer will be made from the General Fund to cover any claim activity above fund balance.

General Fund Budgetary Highlights

Per State law, budgetary control is at the fund level. Though budgetary control is required at the fund level, it is maintained at the project, organization and object code level. The following table compares the total General Fund original and final budgets to the actual results for the year ended December 31, 2016.

General Fund Budget Amendments							
	Original Budget		Budget Amendment		Final Budget	Actual	% of Budget
General Fund	\$ 12,383,978	\$	303,565	\$	12,687,543	\$ 12,286,581	97%
General Government							
City Manager Severance			188,882				
City Manager Leave Payout			21,759				
City Manager COBRA Premiums			9,581				
Election Costs			9,576				
Lobbyist Contract Extension			21,000				
Tuition Reimbursement			7,625				
Accountant Reclassification			8,632				
City Council IT Equipment Replacement			550				
Re-allocation of IT Services			(3,200)				
Public Safety							
Emergency Management Performance Grant			12,457				
Public Works							
PW Maint. Witte Rd Plant Establishment			16,000				
King County Aerial Mapping			10,703				
			<u>\$ 303,565</u>				

**City of Maple Valley
Management's Discussion and Analysis
December 31, 2016**

General Fund amendments in 2016 consisted of \$303,565; \$220,222 was severance, leave payout and COBRA Premiums for the prior City Manager, \$21,000 was for a Lobbyist contract extension, \$12,457 was for an Emergency Management Performance Grant and \$9,576 was for election costs. The remaining \$40,310 was for tuition reimbursement, IT services and equipment replacement, an accountant position reclassification, Emergency Management, and Public Works expenditures. The General Fund's actual expenditures were 97% of its budget, an increase from 94% in 2015. The following summarizes the General Fund's budget and actual comparison.

General Fund Budget to Actual Comparison				
	Final Budget	Actual	Variance from Final Budget	
			Final Budget	Percent
Revenue				
Taxes	\$ 9,303,810	\$ 9,759,838	\$ 456,028	105%
Licenses & Permits	503,510	695,449	191,939	138%
Intergovernmental Revenue	1,021,578	1,108,691	87,113	109%
Charges for Services	625,420	958,650	333,230	153%
Fines and Forfeitures	86,060	84,503	(1,557)	98%
Miscellaneous Revenue	424,140	388,728	(35,412)	92%
	\$ 11,964,518	\$ 12,995,859	\$ 1,031,341	109%
Expenditures				
Current				
General Government	\$ 2,541,357	\$ 2,488,240	\$ 53,117	98%
Community Development	1,035,238	870,011	\$ 165,227	84%
Human Services	236,530	236,742	\$ (212)	100%
Park & Recreation	2,301,601	2,292,731	\$ 8,870	100%
Public Safety	4,847,847	4,712,019	\$ 135,828	97%
Public Works	1,724,970	1,686,838	\$ 38,132	98%
	\$ 12,687,543	\$ 12,286,581	\$ 400,962	97%

Actual revenues were more than budgeted in all categories in 2016 with the exception of fines and forfeitures and miscellaneous revenue. The increase in taxes is almost totally attributable to the increase in sales tax revenue which was higher than budgeted by \$1,008,384 or 31.3%. The City generates sales tax from both construction and non-construction activity. Sales tax from construction activity increased 94.0% in 2016.

Licenses and permits and charges for service were both ahead of budget as development activity increased throughout the year and ended ahead of budget. Residential and commercial permitting activity not only generates building permit revenue but also impact fee revenue.

Intergovernmental revenue was above budget with shared revenue, such as liquor taxes and revenue sharing, being \$87,113 ahead of budget. Fines and forfeitures were slightly lower than budgeted in 2016 at 98.2% of budget. Miscellaneous revenue was 8.3% below budget due to lower than anticipated investment income.

The primary reason for actual expenditures being 96.8% of the final budget is the conservative nature of the City's budgeting process. The conservative nature of the City's budgeting process is a result of City policy whereby all new positions are budgeted for a full year and existing positions are frequently held vacant for a number of months while the recruitment process is ongoing.

**City of Maple Valley
Management's Discussion and Analysis
December 31, 2016**

Though not required, the City of Maple Valley, in the past, prepared annual budgets for all funds. The City converted to a biennial budget for 2017-2018. In the City of Maple Valley, most Special Revenue Funds have no expenditure budgets because accumulated restricted funds are budgeted and transferred to other funds to provide resources for their expenditures. If the funds are to be used for operating purposes, they are budgeted and transferred to the General Fund where budget control is maintained. If the funds are to be used for capital purposes, they are transferred to the Capital Improvement Plan Fund where budget control is maintained. The exceptions to this general rule are the Drug Seizure and Transportation Benefit Special Revenue funds. Expenditures could occur within both funds. The budget and actual information for non-General and non-Special Revenue Funds are included after the notes to the financial statements.

Capital Improvement Plan Fund budgets can be maintained on a project basis, but the City of Maple Valley establishes annual budgets by re-appropriating appropriate unspent prior year amounts. Detailed schedule of project life-to-date budget and actual information is shown with the annual budget information.

Economic Factors and Next Year's Budgets and Rates

The City of Maple Valley's governmental activities are funded primarily by property tax and various other taxes including sales, utility, admission, and business and occupation. The City also receives revenue from state-shared revenues (i.e., liquor excise taxes, liquor profits taxes, gas taxes, etc.), development services and franchise fees, licenses, and grants from the county, state and federal governments. Users pay a fee or charge for business-type and certain governmental activities such as permitting and recreation programs.

The City Council Goals and Objectives reflect the City's commitment to economic development. City staff is working with the Economic Development Committee and Legacy Site Task Force to discuss developing plans for the 54 acre Maple Valley Legacy Place site and the 2017-2018 Budget includes funding to fill an Economic Development Manager position. This position will provide leadership, communication and coordination with the City Manager and other department staff for the development, recommendation and implementation of policies, programs, and procedures as well as negotiations for new development that accomplish the City Council's goals and objectives to ensure the economic health and vitality of the City.

Requests for Information

This financial report is designed to provide a general overview of the City of Maple Valley's financial condition. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Maple Valley Finance Department, 22017 SE Wax Road, Suite 200, Maple Valley, WA 98038, telephone 425-413-8800, or visit the City's website at www.maplevalleywa.gov.



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Basic Financial Statements



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Government-wide Financial Statements



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City of Maple Valley
Statement of Net Position
December 31, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 16,385,644	\$ 2,655,446	\$ 19,041,090
Investments	892,017	144,559	1,036,576
Receivables (net of allowance for uncollectibles):			
Taxes	1,022,808	-	1,022,808
Accounts	102,312	85,316	187,628
Accrued Interest	15,092	-	15,092
Intergovernmental Receivable	862,834	20,385	883,219
Inventory	-	72,040	72,040
Prepaid Items	40,520	925	41,445
Capital Assets Not Being Depreciated:			
Land	212,953,771	13,899,626	226,853,397
Intangibles-Easement	314,018	-	314,018
Construction in Progress	4,074,357	-	4,074,357
Capital Assets, Net of Accumulated Depreciation and Amortization:			
Buildings	7,748,632	790,455	8,539,087
Machinery, Equipment and Vehicles	520,863	7,893	528,756
Intangibles-Software	169,070	-	169,070
Intangibles-Field Rights	1,800,000	-	1,800,000
Infrastructure	132,740,847	-	132,740,847
Other Capital Assets	30,672	1,362,146	1,392,819
Total Assets	379,673,457	19,038,791	398,712,249
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	493,657	22,314	515,971
Total Deferred Outflows of Resources	493,657	22,314	515,971
LIABILITIES			
Accounts Payable	879,820	124,173	1,003,993
Payroll Payable	151,913	5,035	156,948
Intergovernmental Payable	278,638	6,751	285,389
Deposits and Unearned Revenue	831,118	37,469	868,587
Compensated Absences Payable	128,080	3,021	131,101
Accrued Interest Payable	11,069	-	11,069
Noncurrent Liabilities:			
Contracts & Loans - Due within one year	184,621	-	184,621
General Obligation Bonds - Due within one year	605,000	-	605,000
Contracts & Loans - Due after one year	1,292,347	-	1,292,347
General Obligation Bonds - Due after one year	2,576,867	-	2,576,867
Net Pension Liability	2,782,406	118,285	2,900,691
Total Liabilities	9,721,878	294,734	10,016,612
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related Debt Refunding	56,119	-	56,119
Deferred Inflows Related to Pensions	125,272	5,988	131,260
Total Deferred Inflows of Resources	181,391	5,988	187,379
NET POSITION			
Net Investment in Capital Assets	355,693,396	16,060,120	371,753,516
Restricted for:			
Street Capital Projects	4,795,380	-	4,795,380
Park Capital Projects	1,971,592	-	1,971,592
General Capital Projects	4,706,094	-	4,706,094
Unrestricted	3,097,383	2,700,265	5,797,648
Total Net Position	\$ 370,263,845	\$ 18,760,385	\$ 389,024,230

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

City of Maple Valley
Statement of Activities
For the Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Service (1)	Grants and Contributions	
			Operating	Capital
GOVERNMENTAL ACTIVITIES				
General Government	\$ 2,714,897	\$ 21,038	\$ -	\$ -
Economic Environment	890,881	578,453	-	-
Mental and Physical Health	30,000	-	-	-
Culture and Recreation	3,020,023	970,958	-	-
Public Safety	4,486,366	144,475	97,774	-
Transportation	10,227,628	506,420	616,910	2,693,644
Utilities and Environment	123,695	-	-	-
Interest on Long-term Debt	229,167	-	-	-
Total Governmental Activities	21,722,656	2,221,344	714,684	2,693,644
BUSINESS-TYPE ACTIVITIES				
Surface Water Management	1,078,561	1,342,437	16,930	-
Lake Wilderness Golf Course	1,139,538	1,032,375	-	-
Total Business-type Activities	2,218,099	2,374,812	16,930	-
Total Primary Government	23,940,755	4,596,156	731,614	2,693,644
General Revenues				
Taxes				
Property Taxes				
Sales Taxes				
Utility Taxes				
Excise Taxes in Lieu of Property Tax				
Other Taxes (Real Estate Excise)				
Business and Occupation (Gambling) Taxes				
Franchise Fees (Taxes)				
Intergovernmental Revenue not restricted to specific programs				
State Shared Revenue				
Miscellaneous Revenue				
Investment Earnings				
Other Miscellaneous Revenue				
Insurance Recoveries				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position - Beginning				
Net Position - Ending				

(1) Includes other program revenue except grants and contributions

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

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (2,693,858)	\$ -	\$ (2,693,858)
(312,429)	-	(312,429)
(30,000)	-	(30,000)
(2,049,064)	-	(2,049,064)
(4,244,117)	-	(4,244,117)
(6,410,654)	-	(6,410,654)
(123,695)	-	(123,695)
(229,167)	-	(229,167)
(16,092,984)	-	(16,092,984)
-	280,805	280,805
-	(107,163)	(107,163)
-	173,643	173,643
(16,092,984)	173,643	(15,919,342)
3,672,451	-	3,672,451
4,228,554	-	4,228,554
1,835,667	-	1,835,667
376,525	-	376,525
1,597,864	-	1,597,864
73,102	-	73,102
325,212	-	325,212
394,008	-	394,008
(64,072)	(33,654)	(97,727)
17,597	85	17,682
1,125	-	1,125
431,522	(431,522)	-
12,889,556	(465,091)	12,424,465
(3,203,429)	(291,447)	(3,494,877)
373,467,274	19,051,832	392,519,106
\$ 370,263,845	\$ 18,760,385	\$ 389,024,230



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Fund Financial Statements

**City of Maple Valley
Balance Sheet
Governmental Funds
December 31, 2016**

	General	Special Revenue		
		Transportation Development	Park Development	Real Estate Excise Tax
ASSETS				
Cash and Cash Equivalents	\$ 4,711,622	\$ 3,386,311	\$ 1,869,800	\$ 4,333,814
Investments	256,496	184,351	101,790	235,930
Receivables (net of allowance for uncollectibles):				
Taxes	1,022,808	-	-	-
Accounts	102,312	-	-	-
Accrued Interest	15,092	-	-	-
Intergovernmental Receivable	37,499	-	-	136,350
Prepaid Items	39,902	-	-	-
Total Assets	\$ 6,185,731	\$ 3,570,662	\$ 1,971,591	\$ 4,706,094
LIABILITIES				
Liabilities				
Accounts Payable	\$ 232,360	\$ -	\$ -	\$ -
Payroll Payable	138,571	-	-	-
Intergovernmental Payable	227,429	-	-	-
Deposits Payable	474,723	-	-	-
Unearned Revenue	113,436	242,959	-	-
Total Liabilities	1,186,519	242,959	-	-
FUND BALANCES				
Nonspendable:				
Prepaid Items	39,902	-	-	-
Restricted:				
Street Capital Projects	-	3,327,703	-	-
Park Capital Projects	-	-	1,971,592	-
1st .25% Capital Purposes	-	-	-	2,775,614
2nd .25% Capital Purposes	-	-	-	1,930,480
Drug Investigations	-	-	-	-
Transportation Infrastructure	-	-	-	-
Committed:				
Public Art Purposes	-	-	-	-
Assigned:				
Subsequent year's budget appropriation of fund balance	824,324	-	-	-
Assigned for offset of projected decline in permitting revenue	299,975	-	-	-
Unassigned	3,835,010	-	-	-
Total Fund Balances	4,999,211	3,327,703	1,971,592	4,706,094
Total Liabilities and Fund Balances	\$ 6,185,729	\$ 3,570,662	\$ 1,971,591	\$ 4,706,094

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

Capital Projects		
Capital Improvement Plan	Total Nonmajor Funds	Total Governmental Funds
\$ 1,014,042	\$ 409,495	\$ 15,725,084
55,194	22,296	856,057
-	-	1,022,808
-	-	102,312
-	-	15,092
657,345	31,640	862,834
-	618	40,520
\$ 1,726,580	\$ 464,049	\$ 18,624,708
\$ 626,883	\$ 2,861	\$ 862,104
957	-	139,528
39,886	410	267,725
-	-	474,723
-	-	356,395
667,727	3,271	2,100,475
-	-	39,902
1,039,829	-	4,367,532
-	-	1,971,592
-	-	2,775,614
-	-	1,930,480
-	32,930	32,930
-	427,849	427,849
19,025	-	19,025
-	-	824,324
-	-	299,975
-	-	3,835,010
1,058,854	460,779	16,524,233
\$ 1,726,580	\$ 464,049	\$ 18,624,708



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City of Maple Valley
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2016

Total Governmental Fund Balances as reported on the Balance Sheet **\$ 16,524,233**

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. (Note 6) These assets consist of:

Land	\$ 212,953,770	
Intangibles-Easement	314,018	
Construction in progress	4,074,357	
Subtotal: Non-depreciable capital assets	217,342,145	
Buildings	10,415,216	
Leasehold Improvements	76,681	
Machinery, Equipment and Vehicles	1,466,520	
Intangibles-Software	410,433	
Intangibles-Field Rights	2,000,000	
Infrastructure	273,933,911	
Less: Accumulated Depreciation	(144,851,314)	
Less: Accumulated Amortization	(441,363)	
Subtotal: Depreciable capital assets	143,010,084	
Total capital assets		360,352,230

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. (Notes 7 and 8)

Accrued Interest on General Obligation Bonds Payable	(11,069)	
Compensated Absences	(115,489)	
Contracts, Loans, and Bonds Payable	(4,658,834)	
Net Pension Liability excluding the internal service funds	(2,606,375)	
		(7,391,767)

Some deferred outflows and inflows of resources are not reported in the funds. (Notes 8 and 11)

Deferred Inflow on Refunding of General Obligation Bonds	(56,119)	
Deferred Outflow Related to Pensions, excluding the internal service funds	458,734	
Deferred Inflow Related to Pensions, excluding the internal service funds	(115,503)	
		287,111

Unrestricted net assets of internal service funds are included in governmental activities in the Statement of Net Position.

492,039

Net Position of Governmental Activities as reported on the Statement of Net Position **\$ 370,263,846**

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

City of Maple Valley
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2016

	<u>Special Revenue</u>			
	<u>General</u>	<u>Transportation Development</u>	<u>Park Development</u>	<u>Real Estate Excise Tax</u>
REVENUES				
Taxes				
Property	\$ 3,621,674	\$ -	\$ 50,777	\$ -
Sales	4,228,554	-	-	-
Utility	1,835,667	-	-	-
Business and Occupation (Gambling) Taxes	73,102	-	-	-
Excise Taxes in Lieu of Property Tax	840	-	-	-
Other Taxes (Real Estate Excise)	-	-	-	1,597,864
Licenses & Permits	695,449	-	-	-
Intergovernmental Revenue	1,108,691	-	-	-
Charges for Service	958,650	331,347	154,224	-
Fines & Forfeitures	84,503	-	-	-
Miscellaneous Revenue	388,728	(59,124)	(20,889)	(40,737)
Total Revenues	12,995,858	272,223	184,112	1,557,127
EXPENDITURES				
Current				
General Government	2,776,030	-	-	-
Economic Environment	897,803	-	-	-
Mental and Physical Health	30,000	-	-	-
Culture and Recreation	2,499,473	-	-	-
Public Safety	4,458,135	-	-	-
Transportation	1,519,062	-	-	-
Utilities and Environment	98,335	-	-	-
Capital Outlay	7,742	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Other Fees	-	-	-	-
Total Expenditures	12,286,581	-	-	-
Excess (deficiency) of revenues over (under) expenditures	709,277	272,223	184,112	1,557,127
Other Financing Sources (Uses)				
Insurance Recoveries	1,125	-	-	-
Transfers In	61,699	-	-	-
Transfers Out	(349,904)	(2,095,818)	(15,340)	(688,551)
Total Other Financing Sources (Uses)	(287,080)	(2,095,818)	(15,340)	(688,551)
Net Change in Fund Balances	422,197	(1,823,595)	168,772	868,576
Fund Balances, January 1	4,577,015	5,151,298	1,802,819	3,837,518
Fund Balances, December 31	\$ 4,999,212	\$ 3,327,703	\$ 1,971,591	\$ 4,706,094

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

<u>Capital Projects</u>		
<u>Capital Improvement Plan</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 3,672,451
-	-	4,228,554
-	-	1,835,667
-	-	73,102
-	375,685	376,525
-	-	1,597,864
-	-	695,449
1,567,750	-	2,676,441
-	-	1,444,222
-	-	84,503
-	3,242	271,220
<u>1,567,750</u>	<u>378,927</u>	<u>16,955,998</u>
-	-	2,776,030
-	-	897,803
-	-	30,000
-	-	2,499,473
-	7,747	4,465,882
74,348	4,088	1,597,498
-	-	98,335
3,459,910	-	3,467,653
774,621	-	774,621
113,478	-	113,478
<u>4,422,357</u>	<u>11,835</u>	<u>16,720,773</u>
<u>(2,854,608)</u>	<u>367,093</u>	<u>235,225</u>
-	-	1,125
3,894,436	-	3,956,135
-	(375,000)	(3,524,613)
<u>3,894,436</u>	<u>(375,000)</u>	<u>432,647</u>
1,039,829	(7,907)	667,872
19,025	468,686	15,856,361
<u>\$ 1,058,854</u>	<u>\$ 460,779</u>	<u>\$ 16,524,233</u>



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City of Maple Valley
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2016

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

Net Change in Fund Balances - total Governmental Funds **\$ 667,872**

In the Statement of Revenues, Expenditures, and Changes in Fund Balances for governmental funds, non-cash contributions of capital assets from entities outside the government are not reported. In the Statement of Activities, the fair value of these assets is recorded as a contribution.

Developer Contributions - Land	496,718	
Developer Contributions - Infrastructure	629,176	
		1,125,895

In the Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds report capital outlays as expenditures. In the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense.

Capital Outlay		3,467,653
	<u>Depreciation</u>	
General Government	\$ 48,631	
Economic Development	5,781	
Culture and Recreation	536,014	
Public Safety	22,173	
Transportation	8,652,934	
Utilities and Environment	25,360	
		(9,290,893)

In the Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds recognize that the issuance of long-term debt provides current financial resources, while the repayment of principal of long-term debt consumes current financial resources. In the Statement of Activities these changes in long-term liabilities and deferred inflows of resources do not have any effect on net position.

Repayment of Long-term Debt	774,621	
Amortization of Bond Premium	33,668	
Decrease in Accrued Interest on Long-term Debt	1,849	
Decrease in Compensated Absences	17,395	
		827,533

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		(7,915)
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Amortization of some deferred outflows of resources are not reported in the funds.

Deferred Outflow on Refunding of GO Bonds & Annual Amortization		(151,206)
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Internal service funds are used by the City to charge the costs of vehicle rental, central services, and unemployment insurance to individual funds. The net revenue of certain activities in internal service funds is reported with governmental activities.

Internal Service Funds - Operating Income (not including depreciation/amortization nor change in pension expense)	152,945	
Internal Service Funds - Non-operating Income		
Investment Earnings	(8,329)	
Gain/(Loss) on Retirement of Capital Assets	13,016	
		157,633

Change in Net Position of Governmental Activities **\$ (3,203,429)**

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

City of Maple Valley
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2016

Page 1 of 3

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes				
Property Taxes	\$ 3,625,240	\$ 3,625,240	\$ 3,621,674	\$ (3,566)
Sales Taxes				
Locally Generated	2,610,000	2,610,000	3,550,844	940,844
.1% Criminal Justice	610,170	610,170	677,710	67,540
Utility Taxes	2,418,220	2,418,220	1,835,667	(582,553)
Gambling Taxes	40,180	40,180	73,102	32,922
Excise Tax in Lieu of Property Tax	-	-	840	840
Total Taxes	9,303,810	9,303,810	9,759,837	456,027
Licenses & Permits				
Special Licenses	960	960	-	(960)
Franchise Fees	390,180	390,180	387,396	(2,784)
Development Permits	106,760	106,760	298,925	192,165
Business and Transient Sales Licenses	5,610	5,610	9,128	3,518
Total Licenses & Permits	503,510	503,510	695,449	191,939
Intergovernmental Revenue				
Federal and State Grants	51,980	51,980	40,080	(11,900)
State Shared Revenue	929,078	929,078	1,030,019	100,941
Local Grants & Entitlements	40,520	40,520	38,593	(1,927)
Total Intergovernmental Revenue	1,021,578	1,021,578	1,108,691	87,113
Charges for Service				
Development Charges	267,510	267,510	461,733	194,223
Miscellaneous Charges	357,910	357,910	496,918	139,008
Total Charges for Service	625,420	625,420	958,650	333,230
Fines & Forfeitures	86,060	86,060	84,503	(1,557)
Miscellaneous Revenue				
Investment Earnings	35,110	35,110	(14,877)	(49,987)
Rents, Leases, and Concessions	353,510	353,510	344,289	(9,221)
Other Miscellaneous Revenue	35,520	35,520	59,316	23,796
Total Miscellaneous Revenue	424,140	424,140	388,728	(35,412)
Total Revenues	\$ 11,964,518	\$ 11,964,518	\$ 12,995,859	\$ 1,031,341

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

City of Maple Valley
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2016

Page 2 of 3

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
General Government				
City Council	\$ 123,650	\$ 147,894	\$ 158,092	\$ (10,198)
City Manager	523,200	765,215	714,587	50,628
Human Resources	145,060	145,456	144,609	847
City Clerk	596,060	614,549	609,982	4,567
City Attorney	183,350	183,550	177,237	6,313
Finance	674,070	684,693	683,733	960
Total General Government	2,245,390	2,541,357	2,488,240	53,117
Community Development	1,042,080	1,035,238	870,011	165,227
Human Services	236,530	236,530	236,742	(212)
Parks and Recreation				
Administration	367,440	348,332	419,613	(71,281)
Parks Maintenance	364,270	372,367	381,206	(8,839)
Lake Wilderness Lodge	581,470	582,195	455,234	126,961
Recreation and Events	954,938	936,127	977,837	(41,710)
Community Service Agencies	62,580	62,580	58,841	3,739
Total Parks	2,330,698	2,301,601	2,292,731	8,870
Public Safety				
Police	4,240,190	4,242,590	4,201,715	40,875
Jail	199,000	199,000	176,189	22,811
Municipal Court	345,900	345,900	293,983	51,917
Emergency Operations Center	32,700	60,357	40,132	20,225
Total Public Safety	4,817,790	4,847,847	4,712,019	135,828
Public Works				
Administration	590,810	577,098	620,061	(42,963)
Transportation Planning	49,830	49,830	42,101	7,729
Maintenance Division	395,130	406,322	438,187	(31,865)
Street Maintenance	473,070	489,070	426,454	62,616
Waste Reduction & Recycling	128,470	128,470	98,335	30,135
Lake Management	74,180	74,180	61,699	12,482
Total Public Works	1,711,490	1,724,970	1,686,838	38,132
Total Expenditures	\$ 12,383,978	\$ 12,687,543	\$ 12,286,581	\$ 400,962

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

City of Maple Valley
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2016

Page 3 of 3

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues over (under) Expenditures	\$ (419,460)	\$ (723,025)	\$ 709,278	\$ 1,432,303
Other Financing Sources (Uses)				
Insurance Recoveries			1,125	1,125
Transfer in from Surface Water Management Fund	77,750	74,180	61,699	(12,481)
Transfer out to Capital Improvement Plan Fund	(343,878)	(312,013)	(309,904)	2,109
Transfer out to Lake Wilderness Golf Course	(21,790)	-	(40,000)	(40,000)
Total Other Financing Sources (Uses)	(287,918)	(237,833)	(287,080)	(49,247)
Net Change in Fund Balances	(707,378)	(960,858)	422,198	1,383,056
Fund Balance, January 1	3,088,186	4,577,015	4,577,015	-
Fund Balance, December 31	\$ 2,380,808	\$ 3,616,157	\$ 4,999,213	\$ 1,383,056

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

City of Maple Valley
Transportation Development Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Services				
Transportation Impact Fees	\$ 373,600	\$ 373,600	\$ 331,347	\$ (42,253)
Total Charges for Services	373,600	373,600	331,347	(42,253)
Miscellaneous Revenue				
Investment Earnings	41,440	41,440	(59,124)	(100,564)
Total Miscellaneous Revenue	41,440	41,440	(59,124)	(100,564)
Total Revenues	415,040	415,040	272,223	(142,817)
Other Financing Sources (Uses)				
Transfer out to Capital Improvement Plan Fund	(2,704,587)	(2,101,883)	(2,095,818)	6,065
Total Other Financing Sources (Uses)	(2,704,587)	(2,101,883)	(2,095,818)	6,065
Net Change in Fund Balances	(2,289,547)	(1,686,843)	(1,823,595)	(136,752)
Fund Balance, January 1	5,458,625	5,086,298	5,151,298	65,000
Fund Balance, December 31	\$ 3,169,078	\$ 3,399,455	\$ 3,327,703	\$ (71,752)

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

City of Maple Valley
Park Development Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes Revenue				
King County Open Space & Trails Levy	\$ 31,500	\$ 31,500	\$ 50,777	\$ 19,277
Total Taxes Revenue	31,500	31,500	50,777	19,277
Charges for Services				
Park Impact Fees	171,330	171,330	154,224	(17,106)
Total Charges for Services	171,330	171,330	154,224	(17,106)
Miscellaneous Revenue				
Investment Earnings	13,260	13,260	(20,889)	(34,149)
Total Miscellaneous Revenue	13,260	13,260	(20,889)	(34,149)
Total Revenues	216,090	216,090	184,112	(31,978)
Other Financing Sources (Uses)				
Transfer out to Capital Improvement Plan Fund	-	(129,025)	(15,340)	113,685
Total Other Financing Sources (Uses)	-	(129,025)	(15,340)	113,685
Net Change in Fund Balances	216,090	87,065	168,771	81,706
Fund Balance, January 1	1,739,136	1,597,891	1,802,819	204,928
Fund Balance, December 31	\$ 1,955,226	\$ 1,684,956	\$ 1,971,590	\$ 286,634

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

City of Maple Valley
Real Estate Excise Tax Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes				
Real Estate Excise Tax	\$ 1,200,000	\$ 1,200,000	\$ 1,597,864	\$ 397,864
Total Taxes	1,200,000	1,200,000	1,597,864	397,864
Miscellaneous Revenue				
Investment Earnings	22,980	22,980	(40,737)	(63,717)
Total Miscellaneous Revenue	22,980	22,980	(40,737)	(63,717)
Total Revenues	1,222,980	1,222,980	1,557,127	334,147
Other Financing Sources (Uses)				
Transfer out to Capital Improvement Plan Fund	(761,666)	(851,666)	(688,551)	163,115
Total Other Financing Sources (Uses)	(761,666)	(851,666)	(688,551)	163,115
Net Change in Fund Balances	461,314	371,314	868,576	497,262
Fund Balance, January 1	2,502,320	3,837,518	3,837,518	-
Fund Balance, December 31	\$ 2,963,634	\$ 4,208,832	\$ 4,706,094	\$ 497,262

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

**City of Maple Valley
Statement of Net Position
Proprietary Funds
December 31, 2016**

	Business-type Activities			Governmental Activities
	Surface Water Management	Lake Wilderness Golf Course	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 2,640,294	\$ 15,152	\$ 2,655,446	\$ 660,561
Investments	143,735	824	144,559	35,960
Receivables (net of uncollectibles)				
Customer Accounts	85,316	-	85,317	-
Due from Other Governments	20,386	-	20,386	-
Inventory	-	72,040	72,040	-
Prepaid Items	925	-	925	32,638
Total Current Assets	2,890,656	88,016	2,978,672	729,158
Noncurrent Assets:				
Capital Assets:				
Land	11,619,408	2,280,218	13,899,626	-
Buildings	18,245	1,040,000	1,058,245	-
Machinery, Equipment and Vehicles	-	234,822	234,822	1,189,627
Intangibles-Software	6,538	-	6,538	410,433
Other Capital Assets	1,128,379	1,013,977	2,142,356	-
Less: Accumulated Depreciation	(455,844)	(825,623)	(1,281,467)	(782,764)
Less: Accumulated Amortization	-	-	-	(241,363)
Total Noncurrent Assets	12,316,726	3,743,394	16,060,120	575,933
Total Assets	15,207,382	3,831,410	19,038,792	1,305,092
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to Pensions	21,938	376	22,314	34,924
Total Deferred Outflows of Resources	21,938	376	22,314	34,924
LIABILITIES				
Current Liabilities:				
Accounts Payable	79,700	44,472	124,173	17,716
Payroll Payable	5,035	-	5,035	12,385
Due to Other Governments	4,636	2,115	6,751	10,913
Deposits and Deferred Revenue	-	37,469	37,469	-
Compensated Absences Payable	3,021	-	3,021	12,592
Unearned Revenue	-	-	-	32,638
Total Current Liabilities	92,392	84,056	176,448	86,243
Noncurrent Liabilities				
Net Pension Liability	116,182	2,103	118,285	176,032
Total Noncurrent Liabilities	116,182	2,103	118,285	176,032
Total Liabilities	208,574	86,159	294,733	262,275
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to Pensions	5,892	96	5,988	9,769
Total Deferred Inflows of Resources	5,892	96	5,988	9,769
NET POSITION				
Net Investment in Capital Assets	12,316,726	3,743,394	16,060,120	575,932
Unrestricted	2,698,128	2,137	2,700,265	492,040
Total Net Position	\$ 15,014,854	\$ 3,745,531	\$ 18,760,385	\$ 1,067,972

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

City of Maple Valley
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2016

	Business-type Activities			Governmental Activities
	Surface Water Management	Lake Wilderness Golf Course	Total Enterprise Funds	Internal Service Funds
Operating Revenues				
Charges for Service				
Surface Water Management Fees	\$ 1,338,862	\$ -	\$ 1,338,862	\$ -
Golf Operations	-	767,645	767,645	-
Restaurant Operations	-	264,730	264,730	-
Other Services	3,575	-	3,575	1,312,297
Total Operating Revenues	1,342,437	1,032,375	2,374,812	1,312,297
Operating Expenses				
Cost of Services	1,032,724	1,073,920	2,106,644	1,123,516
Depreciation	45,837	65,618	111,455	106,076
Amortization	-	-	-	48,465
Total Operating Expenses	1,078,561	1,139,538	2,218,099	1,278,056
Operating Income	263,876	(107,163)	156,713	34,241
Nonoperating Revenue (Expense)				
Intergovernmental Revenue	16,930	-	16,930	-
Investment Earnings (Expense)	(33,671)	17	(33,654)	(8,329)
Other Nonoperating Revenue (Expenses)	-	85	85	-
Gain (Loss) on Retirement of Capital Assets	-	-	-	13,016
Total Nonoperating Revenue (Expense)	(16,741)	102	(16,639)	4,687
Income before Contributions and Transfers	247,135	(107,061)	140,074	38,928
Contributions and Transfers				
Transfers in (out)	(471,522)	40,000	(431,522)	-
Total Contributions and Transfers	(471,522)	40,000	(431,522)	-
Change in Net Position	(224,386)	(67,061)	(291,447)	38,928
Total Net Position - January 1	15,239,241	3,812,591	19,051,832	1,029,045
Total Net Position - December 31	\$ 15,014,854	\$ 3,745,531	\$ 18,760,385	\$ 1,067,973

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

City of Maple Valley
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016

Page 1 of 2

	Business-type Activities			Governmental
	Surface Water Management	Lake Wilderness Golf Course	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 1,319,888	\$ 1,029,458	\$ 2,349,346	\$ 1,319,233
Cash Paid to Suppliers for Goods and Services	(968,860)	(1,063,180)	(2,032,040)	(1,132,724)
Net Cash Flows from Operating Activities	351,028	(33,722)	317,306	186,508
Cash Flows from Non-Capital Financing Activities				
Intergovernmental Revenue	16,930	-	16,930	-
Transfers to Other Funds	(471,522)	40,000	(431,522)	-
Net Cash Flows from Non-Capital Financing Activities	(454,592)	40,000	(414,592)	-
Cash Flows from Capital and Related Financing Activities				
Capital Assets Purchased for Own Use	(500)	-	(500)	(198,715)
Proceeds from the Sale of Capital Assets	-	-	-	13,016
Net Cash Flows from Capital and Related Financing	(500)	-	(500)	(185,699)
Cash Flows from Investing Activities				
Purchase of Investments	-	-	-	48,748
Proceeds from Investment Maturities	216,868	360	217,228	2,184
Interest on Investments	(33,671)	102	(33,569)	(8,329)
Net Cash Flows from Investing Activities	183,197	462	183,659	42,603
Net Change in Cash and Cash Equivalents	79,134	6,740	85,874	43,413
Cash and Cash Equivalents, January 1	2,561,161	8,412	2,569,573	617,147
Cash and Cash Equivalents, December 31	\$ 2,640,294	\$ 15,152	\$ 2,655,448	\$ 660,560

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

City of Maple Valley
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016

Page 2 of 2

	Business-type Activities			Governmental
	Surface Water Management	Lake Wilderness Golf Course	Total Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities				
Operating Income	\$ 263,876	\$ (107,162)	\$ 156,715	\$ 34,241
Adjustments to Reconcile Operating Income to Net Cash Provided:				
Depreciation/Amortization Expense	45,837	65,618	111,455	154,540
Change in Receivables (net of uncollectibles)	(7,756)	-	(7,756)	26,475
Change in Due from Other Governments	(15,672)	-	(15,672)	-
Change in Inventory	-	(11,539)	(11,539)	-
Change in Prepaid Items	879	-	879	(6,887)
Change in Accounts Payable	66,375	9,747	76,123	(1,814)
Change in Payroll Payable	(1,444)	-	(1,444)	3,580
Change in Due to Other Governments	(8,849)	15	(8,834)	1,677
Change in Contracts Payable	-	-	-	3,645
Changes in Deposits and Deferred Revenue	-	8,621	8,621	-
Changes in Compensated Absences Payable	2,040	-	2,040	-
Change in Unearned Revenue	-	-	-	6,887
Change in Net Pension Liability	26,105	1,296	27,401	(2,072)
Changed in Deferred Outflows of Resources	(11,673)	(284)	(11,957)	(14,523)
Changed in Deferred Inflows of Resources	(8,692)	(35)	(8,727)	(19,240)
Net Cash Flows from Operating Activities	\$ 351,028	\$ (33,722)	\$ 317,306	\$ 186,508
Non Cash Investing, Capital and Financing Activities				
Capital Contributions from Developers	\$ -	\$ -	\$ -	\$ -
Total Non Cash Investing, Capital and Financing	\$ -	\$ -	\$ -	\$ -

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



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Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The City of Maple Valley is a municipal corporation that operates under the Council / Manager form of government. The City has a non-partisan elected seven-member council that chooses from among its members a Mayor and Deputy Mayor. The Council appoints a professional City Manager. The accompanying financial statements of the City of Maple Valley have been prepared in conformity with generally accepted accounting principles (GAAP). The significant accounting policies applicable to the City of Maple Valley are described below.

The City's comprehensive annual financial report (CAFR) includes all activity for which the City of Maple Valley is considered to be financially accountable. Financial accountability is determined based on budget adoption, spending authority, taxing authority, and outstanding debt secured by revenues or general obligations of the City. There are no non-reported activities meeting any of these criteria.

B. GENERAL ACCOUNTING STANDARDS

The accompanying financial statements of the City of Maple Valley have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles, which are primarily set forth in GASB's *Codification of Governmental Accounting and Financial Reporting Standards*.

Since the issuance of the *Codification*, GASB has issued other statements that amend, clarify or provide certain specific guidance on governmental financial reporting. The City has reviewed all applicable statements through GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the last statement that has a 2016 effective date, and has implemented those that apply.

C. GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the City of Maple Valley. *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 for support.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's surface water management and the Lake Wilderness Golf Course and other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. These statements also include certain adjustments to present the information with a measurement focus and basis of accounting applicable to business-type funds. See discussion below on measurement focus and basis of accounting. The adjustments are shown in the Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position, as well as the Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

The government-wide financial statement's Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes are reported as *general revenues* along with other revenues not properly included as program revenues.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

The government-wide financial statements and the business-type funds are reported using the economic resources measurement focus and the accrual basis of accounting. 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.

Business-type funds segregate revenue and expenses into operating and non-operating categories. Operating revenue is considered to be the revenue generated from the purpose of the fund, in other words, what is paid by those who receive the service. Non-operating revenue is revenue received by other means, primarily investment earnings, but also includes intergovernmental revenue that is not received related to services rendered.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With the current financial resources measurement focus, the focus is on current assets and current liabilities and changes in financial position rather than changes in net position. Fund balance, current assets less current liabilities, measures increases (revenues and other financing sources) and decreases (expenditures and other financing uses) and is considered a measure of available, spendable resources. With the modified accrual basis of accounting, revenues are recognized only to the extent they are measurable and available to finance expenditures of the current fiscal period with debt service expenditures not accounted for until due. Revenue received within two months of year-end, meeting the above criteria, is considered for accrual.

The following revenue accrual policies apply to primary revenue sources. Property taxes are recognized as revenues in the year for which they are levied. Sales and use taxes are recognized as revenues in the year they are collected from the consumer assuming they are paid to the collecting agent, the Washington State Department of Revenue (DOR), in time for distribution to the City by the end of February of the following year (DOR's normal practice). Utility taxes, real estate excise taxes, and gambling taxes are recognized as revenue in the year collected from the

consumer assuming the collecting agent remits them to the City by the end of February. Non-tax revenue is recognized as earned.

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

E. ACCOUNTING SYSTEM

The City operates its accounting system on a fund structure as prescribed by generally accepted accounting principles applicable to governmental entities. Each fund is considered a separate accounting entity. Each is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, and revenues and expenditures or expenses, as appropriate. The City's resources are allocated to and accounted for in individual funds depending on the expenditure restrictions of individual resources. The following describes the City's fund structure.

GOVERNMENTAL FUNDS

General Fund - The General Fund is the principal operating fund of the City. It accounts for the financial resources of the City that are not accounted for in any other fund. The principal sources of revenue are: property, sales, and utility taxes; licenses and permits; State-shared revenue; development and recreation charges for services; fines and forfeitures; and miscellaneous revenue that includes rental income and investment earnings. The General Fund accounts for all operating expenditures of the City except those accounted for in the business-type funds. Primary expenditures are for: general government, community development, human services, parks and recreation, public safety, and public works.

Special Revenue Funds – Special Revenue Funds account for specific revenue sources that would otherwise be accounted for in the General Fund, but for which there exist certain legal restrictions. The revenue is segregated into individual special revenue funds to ensure expenditure for a specific purpose. The City of Maple Valley has the following special revenue funds.

- **Transportation Development Fund** – to account for transportation impact fees and other funds restricted for transportation capital improvements;
- **Transportation Benefit Special Revenue Fund** – to account for the receipt and disbursement and/or transfer of vehicle excise taxes.
- **Park Development Fund** – to account for park impact fees and other funds restricted for park capital improvements;
- **Real Estate Excise Tax Fund** – to account for real estate excise taxes restricted for capital improvements;
- **Drug Seizure Fund** – to account for resources seized or otherwise acquired as part of enforcement of controlled substance, DUI and other public safety laws; and
- **Bond Proceeds Fund** – to account for resources received from General Obligation Bonds restricted for capital improvements.

Capital Projects Funds - Capital Projects Funds account for the financing of major capital acquisitions and construction projects other than those financed by business-type funds. Sources of revenue are typically: grants, bond proceeds, and transfers from other funds. The City maintains a single **Capital Improvement Plan Fund**. All capital expenditures not financed by business-type funds are accounted for in the Capital Improvement Plan Fund. The Capital Improvement Plan Fund provides separate accounting for each individual capital project. At year-end, completed projects and construction in progress are capitalized.

BUSINESS-TYPE FUNDS

Enterprise Funds - Enterprise funds account for activity for which a fee is charged to external users with the intent of covering all or a significant portion of expenses including depreciation. Enterprise funds are required if debt is issued that is backed solely by enterprise fund fees, or if there is a legal requirement, or policy decision to recover all direct costs. The City of Maple Valley has the following enterprise funds.

- **Surface Water Management Fund** – to account for the revenue generated by surface water management fees and their expenditure for surface water operating and capital purposes. At this time there is no outstanding debt, but a policy decision has been made to recover all direct costs.
- **Lake Wilderness Golf Course Fund** – to account for the revenue generated by golf and restaurant charges and their expenditure for Lake Wilderness Golf Course operating and capital purposes. The City acquired the golf course with cash on November 30, 2006 to save the land from development. The City has an agreement with Premier Golf Centers LLC to manage the facility through December 31, 2018.

Internal Service Funds - Internal service funds account for the financing of centralized services, performed within the City, for departments of the City. Charges to the departments cover the cost of operations and include funding for future equipment replacement or for the accumulation of reserves for unforeseen future events. In the government-wide financial statements, the transactions between these funds and other City funds are eliminated. The City of Maple Valley has the following internal service funds:

- **Vehicle Rental Fund** - to account for the operation of the City’s vehicle fleet,
- **Central Services Fund** - to account for liability and property insurance, building services, office services, and information technology services; and
- **Unemployment Trust Fund** - to account for unemployment compensation payments.

F. FUND BALANCE POLICIES

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City’s highest level of decision-making authority. The City Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation

imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has, by ordinance, authorized the Finance Director to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balances to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action is not usually required for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. INTERNAL CONTROL SYSTEM

City management is responsible for establishing and maintaining an internal control system. The system is designed to ensure that the assets of the City are protected from loss, theft, or misuse, and that adequate accounting data is available to prepare financial statements in conformity with generally accepted accounting principles. The internal control system is designed to provide reasonable but not absolute assurance that these objectives are met. Reasonable assurance recognizes that: (1) the cost of controls should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

B. BUDGET AND SPENDING CONTROL

Budgets serve as control mechanisms for the operations of governmental units. Legal budgetary (expenditure) control in the City of Maple Valley is at the fund level, but budget and actual information are maintained at the fund, project, department, and object classification. The budget is adopted on the basis of accounting consistent with generally accepted accounting principles for each fund type.

The City of Maple Valley did not use encumbrance accounting in 2016. Governmental funds require expenditure budgetary control when compared to the annual budget. Unexpended budgeted amounts lapse at year-end unless specifically re-appropriated by Council action, which is typically only for capital projects. Proprietary funds require budgetary control at the revenue over (under) expenditure level, including transfers in from other funds and excluding depreciation. In 2016, the Lake Wilderness Golf Course fund required a General Fund subsidy of \$40,000 to maintain a positive fund balance. This transfer was unbudgeted at December 31, 2016 but was approved by Council via a motion on April 10, 2017.

State law requires that the City adopt its annual budget by December 31st of the preceding fiscal year. The first step in the budget process is the identification by the Council of its priorities for the following year. This usually occurs in the spring at a Council retreat. The second step involves the forecasting of the revenue and the establishment of a baseline budget to carry existing programs into the next year. This step includes a six-year financial forecast to ensure that budget decisions for the following year can be funded long term. The third step involves development, by the senior management staff, of detailed departmental budget requests for presentation to and discussion with

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the City Manager. The City Manager then develops a preliminary budget that is presented to the City Council by the first of November.

The City Council holds public hearings and reviews the preliminary budget document during November and early December. The City Council then adopts, by State law by year-end, a budget ordinance appropriating funds at the fund level for the following year. An additional budget ordinance adopted in the first half of the budget year re-appropriates Council approved prior year unexpended budgeted amounts, usually for capital projects only, and adjusts beginning fund balances to actual previous year end amounts.

Supplemental appropriations that amend total fund expenditures require a budget amendment ordinance approved by City Council. The City prepares monthly financial reports and reviews them with the City Council on a quarterly basis. The quarterly reports include a budget amendment ordinance if City Council actions during the quarter require one. The presentation of the year-end quarterly report includes the re-appropriating budget amendment ordinance as discussed above.

NOTE 3 CASH AND INVESTMENTS

Cash and cash equivalents include petty cash, a demand deposit checking account, and overnight investment in the State of Washington Local Government Investment Pool (LGIP). *Cash equivalents* are short-term, highly liquid investments that are both 1) readily convertible to known amounts of cash and 2) near their maturity that they represent insignificant risk of changes in value because of changes in interest rates. The LGIP and a certificate of deposit are considered to be *cash equivalents*. The petty cash accounts are included in the cash and cash equivalent amount of the General Fund. The other cash and cash equivalents along with other investments are accounted for within an internal City investment pool. Each City fund has equity in the pool. The beginning and ending month end equity positions are used to allocate monthly investment earnings.

Deposits to the City's checking account include: (1) City Hall deposits for development permits and fees, utility tax payments, and miscellaneous revenue (2) Lake Wilderness Lodge deposits for recreation program charges and Lodge rental fees; (3) Lake Wilderness Golf Course deposits made directly to the City's account by the golf contractor; and (4) King County automated clearing house deposits made directly to the City's account for property taxes, surface water management fees, and real estate excise taxes collected by the County. State deposits are made directly to the City's investment account at the State of Washington Local Government Investment Pool (LGIP). The State deposits include amounts for sales taxes, State-shared revenues, City business license revenue, Transportation Benefit District vehicle excise taxes, and LGIP investment earnings. In addition to the automated investment deposits, the City invests its excess cash in the LGIP and government agency securities in accordance with the City's investment policy as well as State law regarding allowable investments for local governments.

The Washington State Local Government Investment Pool (LGIP), created by the Washington State Legislature in 1986, is managed and operated solely by the Office of the State Treasurer. The State Finance Committee administers the statute that created the pool and adopts appropriate rules. The State Treasurer established the LGIP Advisory Committee to provide advice on the pool's operation. The advisory committee includes 12 members selected from the active pool participants. Eight members are appointed by the participant associations, and four are appointed by the State Treasurer.

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The LGIP is considered to be an extremely low risk investment. The pool is unrated by financial rating agencies. It is operated in a manner consistent with the Securities and Exchange Commission's Rule 2a-7 of the Investment Company Act of 1940. Rule 2a-7 funds are limited to high quality obligations with limited maximum and average maturities, the effect of which is to minimize both market and credit risk. The City's position in the pool is the same as the value of the shares.

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. All City deposits are insured by Federal Depository Insurance (FDIC) up to \$250,000. All deposits not covered by FDIC insurance are covered by the Washington Public Deposit Protection Commission (WPDPC) of the State of Washington.

The WPDPC is a statutory authority established under RCW chapter 39.58. It constitutes a multiple financial institution collateral arrangement that provides for additional assessments against members of the pool providing for 100% collateralization of each institution's public deposits. Provisions of RCW chapter 39.58, section 60 authorize the WPDPC to make pro-rata assessments in proportion to the maximum liability of each such depository as it existed on the date of loss.

Custodial Credit Risk – Investments. For investments, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All City securities are held for safekeeping by US Bank, as the City's agent, in the City's name.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The City diversifies its investments by security type and institution. The investment policy states: "No more than 15% of the portfolio may be invested in a single security and no more than 25% of the portfolio may be invested in the securities of a single issuer" with the exception of the LGIP.

The City has other investments in addition to investments in the LGIP. Based upon the City's policy and State law, allowable investments outside the LGIP are: repurchase agreements, U.S. government obligations or agencies, banker's acceptances, commercial paper, and certificates of deposit. Though all investments are allowable, the City's investment policy provides additional security. The City has a safekeeping agreement with a third party custody bank. All investments, outside the LGIP except any certificates of deposits, are held by this independent third party in its trust department. In addition to addressing custodial credit risk, the City's policy requires a portfolio that is diversified by maturity, default risk, and liquidity risk. The following summarizes these aspects of the City's investment policy.

1. Maturity - No more than 50% of the portfolio may be invested beyond 12 months and the average maturity of the portfolio may not exceed two years.
2. Liquidity risk – At least 10% of the portfolio must be invested in overnight instruments or in marketable instruments that can be sold to raise cash on one day's notice.

The following summarizes the City's cash and investment activity at December 31, 2016.

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	Beginning Balance	Receipts and Investments Purchased	Disbursements and Investments Sold	Ending Balance
Cash & Cash Equivalents				
Petty Cash	\$ 20,241	\$ 300	\$ 1,300	\$ 19,241
Demand Deposits	9,868,814	16,404,770	19,654,192	6,619,392
Investments (LGIP)	6,748,773	5,653,683	-	12,402,457
Total Cash & Cash Equivalents	\$ 16,637,828	\$ 22,058,754	\$ 19,655,492	\$ 19,041,090
Investments				
Other Investments (Gov. Agency)	\$ 2,342,553	\$ -	\$ 1,072,039	\$ 1,036,576
Total Investments	\$ 2,342,553	\$ -	\$ 1,072,039	\$ 1,036,576

All investments, except certificates of deposit insured by the PDPC, are delivered to the City's custody bank and payment is not released until the investments are received. The custody bank holds the investment and remits interest payments to the City. The government agency securities are AAA rated investments. The following table shows the investments held by the custody bank at year-end. They are shown both at cost and at fair market value.

	Amortized Cost	Fair Market Value
Other Investments		
U.S. Government Securities	\$ 1,039,869	\$ 1,036,576

NOTE 4 RECEIVABLES AND OTHER SHORT-TERM ASSETS

Receivable and other short-term asset amounts at year-end totaled \$2,222,234, up \$48,576 from the prior year amount of \$2,173,658. The increase is related to a substantial increase in due from other governments in 2016. The following table summarizes the year-end receivables and short-term assets and compares the amounts to the prior year. All receivables are listed as net of allowances for uncollectible amounts, but no amounts are considered uncollectible.

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Receivables (net of uncollectibles)						
Taxes	\$ 1,022,808	\$ 1,047,358	\$ -	\$ -	\$ 1,022,808	\$ 1,047,358
Accounts	102,312	162,995	85,317	77,561	187,629	240,556
Accrued Interest	15,092	67,826	-	-	15,092	67,826
Due from Other Gov'ts	862,834	695,446	20,386	4,714	883,220	700,160
Inventory	-	-	72,040	60,501	72,040	60,501
Prepaid Items	40,520	55,453	925	1,804	41,445	57,257
Total Receivables & Short-term Assets	\$ 2,043,567	\$ 2,029,078	\$ 178,668	\$ 144,580	\$ 2,222,234	\$ 2,173,658

The taxes receivable amount of \$1,022,808 is categorized as follows: property taxes, \$57,707; sales taxes, \$609,278; utility taxes, \$228,570; gambling taxes, \$23,545; and franchise fees \$103,708. The property taxes are billed and collected by King County and remitted to the City daily as collected. Of the property taxes receivable amount, 63.2% is from 2016 delinquencies, with 36.8% from prior year

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delinquencies. If amounts are not collected in seven years, properties are sold to pay the taxes. For the other taxes receivable, amounts are actual collections through the first two months of 2017.

Of the accounts receivable amount of \$187,629, 54.53% was in governmental activities for receivables from individuals, businesses, and developers and 32.24% or \$85,317 was in business-type activities which is for surface water management fees. The accounts receivable in governmental activities were \$47,351 in overspent developer deposits, \$18,670 due from others for items such as the joint utility trench on Witte Road, and \$36,291 was for a settlement receivable. The City establishes deposit accounts for developer projects. When charges exceed the deposit amounts, the developers are billed. If developer receivables are not collected, the developer projects are put on hold. In business-type activities, surface water management fee receivables are billed by King County with the property tax billing and are usually highly collectible.

The due from other governments amount of \$883,220 is categorized as follows: from the State of Washington, \$700,060; from King County, \$153,672; from the City of Kent, \$17,730, from the City of Enumclaw, \$964, and from other governments, \$10,794. Of the amount due from the State of Washington, \$31,640 is for vehicle excise taxes collected by the State in December 2016 and remitted to the City in January 2017 and \$668,420 is for State grant reimbursements for 2016 expenditures. Of the amount due from King County, \$136,350 is for real estate excise taxes, collected by the County in December 2016 and remitted to the City in January 2017. \$9,310 is due from King County for surface water management fees collected by them but not yet remitted to the City. \$8,012 is due from King County for 2016 property taxes paid in 2016 but remitted to the City in January of 2017. The amounts due from the City of Kent and City of Enumclaw relate to court revenue collected by them but not yet remitted to the City. Of the \$10,794 due from other governments, \$8,381 is due from the City of Covington and \$2,213 is due from the City of Black Diamond for inspection services completed in 2016 under the interlocal agreement, but not yet remitted to the City. The remaining \$200 is due from the City of Bellevue for their portion of IT training provided by Murray Law.

Effective October 1, 2014, the City entered into a lease agreement with Recology CleanScapes, Inc. (Recology) to lease approximately 3,000 square feet of property at the City's Public Works maintenance facility to Recology for the storage of garbage containers, totes and other related supplies and equipment. Recology pays the City \$458.10 per month under the lease, which is subject to annual CPI adjustments that began January 1, 2016. The annual CPI adjustment is for the Seattle area for the month of August, subject to a 1% floor and 4% ceiling. The lease term is through September 30, 2018, with an option to extend for an additional three year term. Either party can terminate the lease with a thirty-day notice to the other party.

In business-type activities, the inventory amount of \$72,040 is for pro shop merchandise and food and beverage inventory at the Lake Wilderness Golf Course. A physical inventory is taken at year end with expenditures adjusted to reflect the change in inventory from the preceding year. Inventory is valued at actual cost, based on invoice price to purchase the items in inventory. The prepaid items of \$41,445, which include both government-type and business-type activities, relate to 2017 costs required to be paid prior to the end of 2016; this is made up predominantly of the building rental for City Hall and trainings and memberships for 2017 and beyond.

NOTE 5 INTERFUND ACTIVITY

Interfund activity, other than interfund receivables or payables required to fund a project pending receipt of grant funds, is done on a cash basis. The Internal Service Funds are funded with month end cash receipts from the departments to which they provide service. These charges are recorded as expenditures to the fund and department receiving the service and as revenue in the Internal Service Funds with amounts eliminated in the government-wide financial statements.

The following table shows 2016 interfund transfers, excluding Internal Service Fund activity:

	Transfers	
	In	Out
General Fund	\$ 61,699	\$ 349,904
Transportation Development Fund	-	2,095,818
Park Development Fund	-	15,340
Real Estate Excise Tax Fund	-	688,551
Transportation Benefit Special Revenue Fund	-	375,000
Capital Improvement Plan Fund	3,894,436	-
Surface Water Management Fund	-	471,522
Lake Wilderness Golf Course Fund	40,000	-
	<u>\$ 3,996,135</u>	<u>\$ 3,996,135</u>

The General Fund received transfer-in from the Surface Water Management Fund of \$61,699 to fund lake management expenditures in the General Fund.

The Capital Improvement Plan Fund received transfers of \$3,894,436 as funds were budgeted and expended for capital projects: from the General Fund, \$309,904; from the Transportation Development Fund, \$2,095,818; from the Park Development Fund, \$15,340; from the Real Estate Excise Tax Fund, \$688,551; from the Transportation Benefit Special Revenue Fund, \$375,000, and from the Surface Water Management Fund, \$409,823.

The Lake Wilderness Golf Course Fund received a transfer of \$40,000 from the General Fund. In late 2010 a citizen committee recommendation included a rate increase proposal with funds set aside for capital and down-sizing of the restaurant operation to which the entire operating loss was then attributed. The stipulation was made that the City's General Fund should no longer subsidize operations. However, the Lake Wilderness Golf Course Fund still requires a subsidy from the General Fund to support operations.

NOTE 6 CAPITAL ASSETS

The capital assets include land, buildings, improvements other than buildings, machinery and equipment, and construction in progress. Infrastructure assets (roads and related improvements), including both those constructed since January 1, 2000 at actual cost and those constructed before January 1, 2000 at estimated costs, are included on the face of the financial statements in improvements other than buildings.

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The City defines capital assets as items of a capital nature with a useful life of more than one year and a cost of more than \$5,000. If purchased or constructed, such capital assets are recorded at cost. Contributed capital assets are recorded at estimated fair market value at the time of acquisition. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as construction in progress until the projects are completed. The table that follows summarizes the City's capital asset activity during 2016.

	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Governmental Activities					
Capital Assets not being depreciated					
Land	\$ 212,457,053	\$ 496,718	\$ -	\$ -	\$ 212,953,772
Intangibles-Easement	314,018	-	-	-	314,018
Construction in Progress	1,661,572	3,427,624	(1,014,839)	-	4,074,357
Total	214,432,643	3,924,342	(1,014,839)	-	217,342,147
Capital Assets being depreciated					
Buildings	10,402,376	-	12,840	-	10,415,216
Improvements Other Than Buildings	272,379,416	629,176	1,001,999	-	274,010,591
Machinery & Equipment	236,864	40,029	-	-	276,893
Machinery & Equipment (IS Funds)	1,069,801	186,226	-	(66,399)	1,189,627
Intangibles-Field Rights	2,000,000	-	-	-	2,000,000
Intangibles (IS Funds)	397,945	12,489	-	-	410,435
Total	286,486,402	867,919	1,014,839	(66,399)	288,302,763
Accumulated Depreciation					
Buildings	(2,406,133)	(260,451)	-	-	(2,666,584)
Improvements Other Than Buildings	(132,587,022)	(8,652,052)	-	-	(141,239,073)
Machinery & Equipment	(139,043)	(23,850)	-	-	(162,893)
Machinery & Equipment (IS Funds)	(743,088)	(106,076)	-	66,399	(782,764)
Intangibles-Field Rights	-	(200,000)	-	-	(200,000)
Intangibles (IS Funds)	(192,899)	(48,465)	-	-	(241,364)
Total	(136,068,185)	(9,290,893)	-	66,399	(145,292,678)
Net Capital Assets being depreciated	150,418,219	(8,422,974)	1,014,839	-	143,010,085
Governmental Activities, Net Capital Assets	\$ 364,850,861	\$ (4,498,632)	\$ -	\$ -	\$ 360,352,233
Business-type Activities					
Capital Assets not being depreciated					
Land	\$ 13,899,126	\$ 500	\$ -	\$ -	\$ 13,899,625
Total	13,899,126	500	-	-	13,899,625
Capital Assets being depreciated					
Buildings	1,058,245	-	-	-	1,058,245
Improvements Other Than Buildings	2,142,356	-	-	-	2,142,356
Machinery & Equipment	234,822	-	-	-	234,822
Intangibles	6,538	-	-	-	6,538
Total	3,441,961	-	-	-	3,441,961
Accumulated Depreciation					
Buildings	(240,104)	(27,687)	-	-	(267,790)
Improvements Other Than Buildings	(708,271)	(71,938)	-	-	(780,210)
Machinery & Equipment	(221,637)	(5,293)	-	-	(226,931)
Intangibles	-	(6,538)	-	-	(6,538)
Total	(1,170,012)	(111,455)	-	-	(1,281,468)
Net Capital Assets being depreciated	2,271,950	(111,455)	-	-	2,160,493
Business-type, Net Capital Assets	16,171,075	(110,955)	-	-	16,060,118
Grand Total	\$ 381,021,936	\$ (4,609,587)	\$ -	\$ -	\$ 376,412,350

In 2016 the City had a net capital asset decrease of \$4,609,587. The amount reflects the fact that capital asset additions of \$4,792,761 are offset by increases in accumulated depreciation of \$9,402,348.

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The net additions to land and improvements other than buildings represent developer contributions from Cherryvale Lane land and improved street lane miles.

The additions to construction in progress totaled \$3,427,624 for 13 capital projects that the City made expenditures on in 2016. The four significant projects were the 216th Avenue SE – SR 516 to S City Limits, \$2,570,268, Witte Rd – SE 249th PI to SE 256th, \$375,480, 240th Ave SE Extension, \$235,672, and Witte Rd – SR 169 to SE 240th St, \$139,601. In 2016, \$46,041 was spent for Parks & Recreation capital projects expected to be completed between 2017 and 2020. Also in 2016, minor other construction in progress expenditures totaling \$60,563 were primarily for Witte Road projects and the T33a-SE 276th-240th SE to SR169 project, which is scheduled for construction within the next two years.

Machinery and equipment additions in governmental funds totaled \$226,255. \$40,029 was added from General Fund purchases and \$186,226 from the Internal Service Funds. The purchases included: Snow plow, two portable message signs, two radar speed limit signs, Club Car golf cart, 2015 New Holland tractor, 2009 Ford F-550, 2016 Chevrolet Silverado, and 2015 Case skid steer. There were no additions to machinery and equipment in the business-type funds.

Geocortex software valued at \$12,489 was transferred from work in progress to intangible assets.

Capital assets, except land and construction in progress, are depreciated using the straight-line method over the following estimated lives:

<u>Capital Asset Types</u>	<u>Lives in Years</u>
Buildings	
Buildings	40
Building Improvements	10
Improvements Other Than Buildings	
Leasehold Improvements	7-10
Infrastructure Improvements	25-30
Other Improvements	10-30
Machinery and Equipment	
Information Technology Equipment	5
Telephones	5-7
Vehicles	7
Furniture	15
Heavy Duty Equipment	7-20

The actual useful life used will vary according to the above parameters depending on the type and use of the equipment.

The depreciation of general capital assets used in the operation of governmental funds reduces the capital asset balances and is shown as an expense by program on the Statement of Activities. The depreciation associated with the capital assets of the proprietary funds is shown on financial statements of the respective proprietary funds. Depreciation is not recognized until the year following

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the purchase of the asset. The following table shows the amount of depreciation charged to each governmental function.

	Governmental Funds	Internal Service Funds	Total
General Government	\$ 7,668	\$ 40,963	\$ 48,631
Community Development	-	5,781	5,781
Parks & Recreation	513,581	22,433	536,014
Public Safety	12,030	10,144	22,173
Public Works	8,603,074	75,220	8,678,294
	\$ 9,136,353	\$ 154,540	9,290,893
Proprietary Fund Depreciation			111,455
Total Depreciation			\$ 9,402,348

NOTE 7 PAYABLES AND OTHER SHORT-TERM LIABILITIES

Payables and other short-term liabilities at year-end totaled \$2,457,087, up \$673,602 from the prior year amount of \$1,783,485. The majority of the increase is in accounts payable and payroll payable as discussed below. The following table summarizes the year-end payables and short-term liabilities and compares the amounts to the prior year.

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Accounts Payable	\$ 879,820	\$ 233,108	\$ 124,173	\$ 48,050	\$ 1,003,993	\$ 281,158
Payroll Payable	151,913	121,577	5,035	6,479	156,948	128,056
Due to Other Gov'ts	278,638	273,663	6,751	15,585	285,389	289,248
Deposits and Unearned Revenue	831,118	900,445	37,469	28,848	868,587	929,293
Compensated Absences	128,080	141,831	3,021	981	131,102	142,812
Accrued Interest Payable	11,069	12,918	-	-	11,069	12,918
Total Payables & Short-term Liabilities	\$ 2,280,638	\$ 1,683,542	\$ 176,449	\$ 99,942	\$ 2,457,087	\$ 1,783,485

The accounts payable balance of \$1,003,993 is primarily related to various expenditures in the General Fund where the work was performed or goods delivered prior to year-end but payment was not made until early the following year. The expense for these items is included in 2016 with a corresponding accounts payable accrual. The payroll payable balance of \$156,948 is related to the accrued liability for salaries and wages earned in 2016 but not paid until 2017. The due to other government's balance of \$285,389 is primarily due to payables at year-end for the court and jail as well as amounts due to King County, the Tahoma School District, the Department of Retirement Systems, and others at year-end.

The deposits and unearned revenue decrease of \$60,706 is predominately related to fewer developer deposits received in 2016 for new residential developments as existing projects are completed. At year-end the account category totaled \$868,587 in the following components: unearned revenue from developers of \$242,959; developer deposits of \$447,773; lease deposit for Recology CleanScapes \$450; Lake Wilderness Lodge deposits and unearned revenue, \$103,501; Lake Management District fees, \$82; donations for recreation scholarships, \$144; Crosson judgement of \$36,209; and Lake Wilderness Golf Course deposits and unearned revenue, \$37,469. The Crosson judgement relates to City incurred costs for repair of a right-of-way abatement. The City has placed a lien on the property

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and is pursuing collection efforts against the homeowner. Unearned revenue from developers totaling \$242,959 is for amounts collected from developers for their portion of the cost of future transportation improvement projects.

The developer deposits are collected from applicants at the beginning of a development project. The amount decreased \$95,628 from the 2015 amount of \$543,401 to \$447,773 due to initial deposits being expended as projects progress. The amount of the developer deposit depends on the type of development and is based on the anticipated cost of project review. The City tracks staff time and consultant costs against the deposit amounts. Deposits that are overdrawn are billed. At year-end, overdrawn deposits are reclassified to accounts receivables as described in Note 4. The non-receivable amounts remain in the deposit account until all charges have occurred and the project is complete at which time the remaining balance is refunded.

Unearned revenue for the Lake Wilderness Lodge of \$37,469 is for rental deposits collected in 2016 for events to be held in 2017 or later. Unearned revenue for the Lake Wilderness Golf Course is for memberships, \$11,894; tournament and banquet deposits, \$13,643 and gift cards, \$11,932.

With respect to compensated absences, the City's policy allows employees to accumulate vacation leave to an amount up to the number of hours they can earn in one year and sick leave with no maximum. At year-end vacation and compensatory time hours plus sick leave hours, calculated at 25% and at the likelihood of being paid off at retirement from the State retirement system, are valued at the individual employee's year-end wage rate. The compensated absences payable amount is adjusted at year-end for any change in the amount of the liability and is only reported in governmental funds if they have matured. The vacation and compensatory time portion of the liability is \$107,014 and is assumed to be due within one year since the maximum vacation year-end balance is a one year accrual and the maximum amount of compensatory time is 40 hours. The sick leave pay out portion of the liability is \$15,913. The City also accrues the cost of benefits for accumulated compensated absences. The benefit accrual was \$8,175 in 2016. In prior years the liability has been liquidated by the General Fund and that is the intent in future years.

The accrued interest payable amount represents the interest due from December 1, 2016 to December 31, 2016 on the City's general obligation bonds, \$7,377, and the interest due from July 1, 2015 to December 31, 2015 on the City's contracts and loans payable, \$3,692.

NOTE 8 LONG-TERM LIABILITIES

Long-term liabilities totaled \$7,559,526 at year-end. This was a \$300,382 decrease from the 2015 balance of \$7,859,907. All of the City's long term debt is associated with governmental activities, but beginning in 2015 the City has reported its proportionate share of the Public Employees' Retirement System's (PERS) Net Pension Liability as a long-term liability in both the governmental activities and business type activities. The following is a comparative table summarizing long-term liability amounts for the current and prior year.

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	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Contracts & Loans - Current	\$ 184,621	\$ 184,621	\$ -	\$ -	\$ 184,621	\$ 184,621
General Obligation Bonds - Current	605,000	590,000	-	-	605,000	590,000
Contracts & Loans Payable	1,292,347	1,476,968	-	-	1,292,347	1,476,968
GO Bonds Payable	2,576,867	3,215,535	-	-	2,576,867	3,215,535
Total Long-term Liabilities	4,658,835	5,467,123	-	-	4,658,835	5,467,123
Net Pension Liability	2,782,406	2,301,900	118,285	90,884	2,900,691	2,392,784
Total Long-term Liabilities	\$ 7,441,241	\$ 7,769,023	\$ 118,285	\$ 90,884	\$ 7,559,526	\$ 7,859,907

On April 21, 2005, the City issued \$4,815,000 of general obligation refunding bonds to refund the callable portion of its 2000 general obligation bonds, bonds maturing in years 2011 through 2020. The refunding proceeds were placed in escrow and were used to completely retire the 2000 bonds on December 1, 2010. The refunding bonds have coupon rates from 3.00% to 4.25%. At the time of the refunding the outstanding general obligation bonded debt was increased by \$500,000 from \$5,995,000 to \$6,495,000, but the refunding provided a debt service savings of \$283,776 with a net present value of \$218,372 or 5.1%. These bonds were refunded on April 30, 2015.

On March 31, 2014, the City issued limited tax general obligation bonds totaling \$1,530,000 with a coupon rate of 2.3%. Interest payments will be made on June 1 and December 1 of each year, and principal payments annually on December 1, until final maturity of the bonds on December 1, 2023. Annual debt service costs after the initial partial year will be approximately \$180,000. The bonds were issued so the City could enter into a \$2,000,000 interlocal agreement with King County Department of Natural Resources and Parks, Parks and Recreation Division to contribute funds towards the design, development, and construction of two synthetic multiuse athletic fields at King County's Ravensdale Park. All bond proceeds were spent by December 31, 2014.

On March 23, 2015 the City of Maple Valley City Council authorized the refunding of the outstanding 2005 Refunding Bonds and to pay debt issuance costs via Ordinance No. O-15-573. The bond sale closed on April 30, 2015. The \$2,835,000 principal amount 2015 Limited Tax General Obligation Refunding Bonds were issued with a coupon rate of 3% through 2019 and 4% in 2020, the final year repayment. The True Interest Cost of the bonds, including debt issuance costs, is 1.39%. The bonds were sold with an \$187,980 premium. The result of the bond sale is a net present value savings of \$221,451 for debt service payments in 2015 through 2020. The refunding resulted in a deferred inflow of \$80,000 offset by prior year amortization of \$9,553 and current year amortization of \$14,328 resulting in a year-end balance of \$56,119.

In addition to bonded debt, the City had State infrastructure loans payable of \$1,476,968 at December 31, 2016. State infrastructure loans outstanding are for two projects: the SR 169 – SR 516 to SE 264th Street project and the SR 516 – 228th Avenue to Witte Road project. The City began borrowing funds for both projects in 2005. The final borrowing was done in 2008. Final interest rate on the loans was determined in 2009. Because the City had a 15% match, it qualified for the lowest interest rate, 0.5%.

The following shows the changes in long-term liabilities and the amount due within one year.

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	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
State Infrastructure Loan	\$ 1,661,589	\$ -	\$ 184,621	\$ 1,476,968	\$ 184,621
GO Bonds	3,805,535	-	\$ 623,668	3,181,867	605,000
Total Long-term Debt	\$ 5,467,122	\$ -	\$ 808,289	\$ 4,658,835	\$ 789,621

Total long-term debt of \$4,658,835 includes the principal amount of \$4,526,968 and the unamortized premium of \$131,867. The remaining debt service schedule to maturity for the general obligation loans and bonds is shown in the table below.

2014 Councilmanic GO Bonds				2015 Refunding GO Bonds		
Year	Principal	Interest	Balance	Principal	Interest	Balance
2017	\$ 150,000	\$ 26,220	\$ 990,000	\$ 455,000	\$ 62,300	\$ 1,015,000
2018	155,000	22,770	835,000	470,000	48,650	545,000
2019	160,000	19,205	675,000	485,000	34,550	60,000
2020	165,000	15,525	510,000	500,000	20,000	(440,000)
2021	165,000	11,730	345,000			
2022-24	345,000	11,960	-	-	-	-
	\$ 1,140,000	\$ 107,410	\$ -	\$ 1,910,000	\$ 165,500	\$ -

2005 Loan - SR 516 - Witte to 228th				2005 Loan - SR 169 - SR 516 to 264th		
Year	Principal	Interest	Balance	Principal	Interest	Balance
2017	\$ 75,356	\$ 3,014	\$ 527,490	\$ 109,265	\$ 4,371	\$ 764,856
2018	75,356	2,637	452,135	109,265	3,824	655,591
2019	75,356	2,261	376,779	109,265	3,278	546,326
2020	75,356	1,884	301,423	109,265	2,732	437,061
2021	75,356	1,507	226,067	109,265	2,185	327,796
2022-24	226,067	2,261	-	327,796	3,278	-
	\$ 602,846	\$ 13,564	\$ -	\$ 874,122	\$ 19,668	\$ -

Total debt service for these four debt instruments is illustrated below:

Governmental Activities			
Year	Principal	Interest	Total
2017	789,621	95,905	885,526
2018	809,621	77,882	887,503
2019	829,621	59,294	888,915
2020	849,621	40,141	889,761
2021	349,621	15,422	365,043
2022-24	898,863	17,499	916,362
Total	\$ 4,526,968	\$ 306,142	\$ 4,833,109

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On August 25, 2014, and again on April 10, 2015, Standard and Poor’s Rating Services confirmed the AA+ underlying rating on these bonds. The AA+ bond rating was further affirmed on March 23, 2017 by the City’s most recent bond rating by Standard and Poor’s.

The City’s Net Pension Liability of \$2,900,691 is calculated and reported in accordance with GASB Statement No. 68 and is the City’s proportionate share of the PERS Net Pension Liability measured as of June 30, 2016. The total liability is made up of \$2,782,406 or 95.9% in governmental activities and \$118,285 or 4.1% in business-type activities. More information on the Net Pension Liability and its calculation is included in Note 11.

In addition to the above debt, the City has other potential long term liabilities related to a non-cancelable operating lease for City Hall. The City’s lease for City Hall expires December 31, 2019. For the year-ended December 31, 2016, the City expended \$347,846 for its office space lease up from the prior year amount of \$345,066. With respect to the City Hall lease, annual expenditures will increase at 2% a year plus or minus adjustments in the common area maintenance charges through December 31, 2019. The future minimum lease payments are as follows:

City Hall Lease	
Minimum	
Year	Lease Payment
2017	353,084
2018	358,376
2019	363,772
2020-24	-
Total	\$ 1,075,233

The above amounts assume the current level of charges for common area maintenance of \$7,588.74 per month.

NOTE 9 NET POSITION

The difference between fund assets and liabilities is “net position” on the government-wide and proprietary fund statements, and is "fund balance" on the governmental fund statements.

The fund balance amounts for governmental funds have been classified in accordance with GASB Statement No. 54. As a result, are reported as non-spendable, restricted, committed, assigned, or unassigned.

- Non-spendable fund balance includes items that cannot be spent. This includes activity that is not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds are restricted, committed or assigned) and activity that is legally or contractually required to remain intact, such as a principal balance in a permanent fund.
- Restricted fund balances have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

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- Committed fund balance can be used only for specific purposes pursuant to constraints imposed by a formal action of the City Council, the City's highest level of decision-making authority. This formal action is the passage of an ordinance by City Council creating, modifying, or rescinding an appropriation.
- 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. For governmental funds, other than the general fund, this is the residual amount within the fund that is not restricted or committed. The City Council may assign fund balance by express action through an Ordinance or Resolution, or the Finance Director may with delegated authority from the City Council through a budget Ordinance.
- Unassigned fund balance is the residual amount of the general fund not included in the four categories described above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

Each fund has been analyzed to classify the fund balance in accordance with GASB Statement No. 54. Funds are created by the City Council and money is authorized to be transferred to the fund for a particular purpose. At this point, balances in these funds are at least committed, and may be further restricted depending on whether there is an external party, constitutional provision, or enabling legislation constraint involved. When both restricted and unrestricted funding sources are available, the City considers the restricted revenue sources to be used first before unrestricted revenue.

The appropriated balance in the general fund is assigned, and the remaining balance is unassigned. All other governmental funds are presented as restricted or committed. Appropriations specify the funding source, and therefore the order in which restricted, committed, assigned, or unassigned fund balance gets spent.

The General Fund's fund balance is predominantly unassigned. The exceptions are for a non-spendable amount of \$39,902 for prepaid expenses, predominately for memberships and trainings in 2017; an amount assigned for the appropriation of fund balance for the subsequent year of \$824,324; and an assignment of \$299,975 per Ordinance O-15-575 whereby City Council voted that this amount would be used to offset future declines in residential permitting revenue. The City has a policy requiring a fund balance of at least 16.7% of operating expenditures. At December 31, 2016, General Fund's assigned and unassigned fund balance was 40.4% of 2016 General Fund expenditures.

The Special Revenue Funds are restricted by State legislation which requires the segregation of resources for specific purposes. When these funds are combined and consolidated to produce the basic financial statements, the segregations are maintained by restricting the fund equities.

- Unspent Transportation Development funds are transportation impact fees and contributions from developers restricted for street capital purposes;
- Unspent Park Development funds are park impact fees, special property tax levies, and contributions from developers restricted for open space and park capital purposes;
- Unspent Real Estate Excise Tax funds are real estate excise taxes restricted for capital purposes;
- Unspent Transportation Benefit funds are vehicle excise tax fees restricted for transportation infrastructure;
- Unspent Drug Seizure funds are required by State law to be separately accounted for and used exclusively for controlled substance law enforcement, DUI enforcement, etc.; and

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- Unspent funds in the Capital Improvement Plan fund are restricted for Street Capital Projects and a portion is committed by City Council for public art purposes.

The net position on the proprietary fund financial statements is divided into two categories:

1. Net investment in capital assets less associated debt;
2. Unrestricted for funds that can be spent for any purpose for which the fund was established.

Proprietary Funds are restricted for the purposes designated in the establishment of the funds, but are unrestricted within the fund.

- Unspent Surface Water Management funds are to be used for surface water management operating and capital purposes.
- Unspent Lake Wilderness Golf Course funds are to be used for golf operating and capital purposes.
- Unspent Vehicle Rental and Central Service funds are to be used for vehicle and equipment replacement.
- Unspent Unemployment Trust funds are to be used for unemployment compensation payments.

NOTE 10 PROPERTY TAXES

On an annual basis before December 31st, the City Council establishes the property tax levy amount for the following calendar year. The maximum allowable levy is established by increasing the highest levy of the last three years by no more than the lesser of 1% or the rate of inflation as measured by the implicit price deflator (IPD) as of September of each year, adding the value of new construction at the prior year's levy rate, and adding any unused banked capacity created by not levying the maximum amount in previous years. At the present time the City has no unused banked capacity. Once the levy amount is determined, it is divided by the assessed value to determine a levy rate. The levy rate must be below the maximum regular property tax levy rate as established by State law, except that levies approved by the voters can exceed the maximum regular property tax levy.

For all cities in Washington, the maximum regular property tax levy rate is \$3.60 per thousand dollars of assessed value. This maximum amount is not entirely available to the City of Maple Valley as it has separate fire or library districts serving its residents. At incorporation, the citizens of Maple Valley voted to annex to both Fire District No. 43 and the King County Library District, with maximum regular property tax levy rates of \$1.50 and \$.50, respectively. For 2016, the City's maximum levy rate was \$1.60 per thousand dollars of assessed valuation (\$3.60 per thousand dollars of assessed valuation, less the fire district operating levy (\$1.50) and library district operating levy (\$.50)). As noted below though, the City only levied \$1.19 per thousand dollars of assessed valuation.

The King County Assessor establishes the property values at 100 percent of the fair market value and consolidates property tax levy rates for all overlapping taxing districts. All property is revalued on an annual basis, once every five years by a site visit; and all other years by statistical modeling. Tax rates are applied to the prior year property value including the value of new construction as of July 31st. Taxes are levied annually on January 1st and become a lien on the property on that day.

Tax bills are mailed on February 14th and are due on April 30th. Payments may be made in two equal installments by April 30th and October 31st, but if the first half is not paid by April 30th, the full amount

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becomes delinquent with penalties and interest being applied. Payments are made to the County Treasurer who segregates collections by taxing district for distribution to taxing districts by automated clearinghouse within a few days of receipt.

For 2016 property taxes, the City’s final revised levy was \$3,613,530, up \$90,302 or 2.6% from the 2015 revised levy of \$3,523,228. The levy amount produced a City levy rate of \$1.19 per thousand dollars of assessed valuation, down from \$1.25 the previous year. Of the revised levy amount for 2016, only \$57,707 or 1.57% remained outstanding at December 31, 2016. Of that \$57,707, the outstanding amount for all prior year levies totals is \$21,262. These outstanding amounts become property liens. If not collected within seven years, the property is sold to pay the taxes. This and other property tax data is shown in the Statistical Section of the financial statements.

NOTE 11 EMPLOYEE BENEFITS

A. VACATION AND SICK LEAVE BENEFITS

Eligible employees, depending on years of service, earn up to 168 hours of vacation leave and 96 hours of sick leave annually. Vacation leave can be accumulated to a maximum of one year’s accrual and used after a six-month trial service period. Sick leave can be accumulated in an unlimited amount but is only paid out at retirement from the State of Washington Public Employees’ Retirement System (PERS) at 25% of its value. The accrual for unpaid vacation, compensated time off, and sick leave at December 31, 2016 is \$131,102, down from the 2015 amount of \$142,812. Of the total \$131,102, \$15,913 is the estimated value of the sick leave liability based on the likelihood of employees retiring from PERS within the next 10 years.

B. RETIREMENT BENEFITS

The City retirement program includes: the Medicare portion of Social Security, a 401(a) Substitute Social Security Plan, a State of Washington administered Public Employees’ Retirement System (PERS), and a non-City contributory 457 plan. These retirement benefits are based on payroll dollars. The payroll dollars for the last three years are as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Payroll	\$ 3,649,487	\$ 3,329,629	\$ 2,945,100
PERS Payroll	3,196,613	2,827,760	2,727,475

The total payroll exceeds the PERS payroll by the payroll for temporary employees who do not qualify for participation in PERS. The required and paid employer contributions to these retirement benefit programs for the last three years are as follows:

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	2016	2015	2014
Medicare portion of Social Security			
Employer Contributions	\$ 52,027	\$ 46,261	\$ 45,635
Employee Contributions	52,542	46,261	45,635
Total Medicare contributions	104,569	92,522	91,270
Substitute Social Security Plan (401(a))			
Employer Contributions	218,686	185,359	181,472
Employee Contributions	226,376	201,580	199,129
Total 401(a) contributions	445,062	386,939	380,601
Public Employees Retirement System (PERS)			
Employer Contributions	357,302	278,081	251,200
Employee Contributions	189,420	153,857	145,035
Total PERS contributions	546,722	431,938	396,235
Total Contributions	\$ 1,096,353	\$ 911,399	\$ 868,106
Total Employer Contributions	\$ 628,015	\$ 509,701	\$ 478,307
Total Employee Contributions	468,338	401,698	389,799
Total Contributions	\$ 1,096,353	\$ 911,399	\$ 868,106

(1) 401(a) Plan

The 401(a) plan is a Social Security replacement plan that defers federal income tax on employee contributions and allows employees to choose from a number of investment options for both their contributions and the employer's contributions. The 401(a) plan is a defined contribution plan. Contributions into the plan are 5.2% of payroll for the employer and 6.2% of payroll for the employee. The plan is administered by the International City/County Management Association Retirement Corporation (ICMA-RC), which also administers the City's 457 plan. With some exceptions based on age, employees become vested in the employer portion of the plan at 20% per year on their hiring date anniversary.

(2) PERS Plans

The following tables represent the aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68, *Accounting and Financial Reporting for Pensions* for the year 2016:

Aggregate Pension Amounts - All Plans	
Net Pension Liability	\$ 2,900,691
Deferred Outflows of Resources	\$ 515,971
Deferred Inflows of Resources	\$ 131,260
Pension Expense	\$ 371,934

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<u>Reconciliation of Contributions to Pension Expense</u>	
Annual Contributions	\$ 357,302
Adjustments to Pension Expense:	
Governmental Funds	43,750
Internal Service Funds	(35,836)
Enterprise Funds	6,718
Pension Expense	<u>\$ 371,934</u>

State Sponsored Pension Plans

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

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

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

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

Public Employees’ Retirement System (PERS)

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

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

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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 contribution rates (expressed as a percentage of covered payroll) for 2016 were as follows:

PERS Plan 1		
Actual Contributions Rates:	Employer	Employee
PERS Plan 1	6.23%	6.00%
PERS Plan 1 UAAL	4.77%	6.00%
Administrative Fee	0.18%	
Total	11.18%	12.00%

The City of Maple Valley’s actual contributions to the plan for the last three years are as follows:

	2016	2015	2014
PERS 1	\$ -	\$ 8,014	\$ 12,836

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

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

Contributions

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

PERS Plan 2/3		
Actual Contributions Rates:	Employer	Employee
PERS Plan 2/3	6.23%	6.12%
PERS Plan 1 UAAL	4.77%	
Administrative Fee	0.18%	
Employee PERS Plan 3		varies
Total	11.18%	6.12%

The City of Maple Valley’s actual contributions to the plan for the last three years are as follows:

	2016	2015	2014
PERS 2	329,885	249,832	226,558
PERS 3	27,416	20,236	11,806
	\$ 357,302	\$ 270,067	\$ 238,364

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2016 with a valuation date of June 30, 2015. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary’s (OSA) *2007-2012 Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2015 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2016. Plan liabilities were rolled forward from June 30, 2015 to June 30, 2016, reflecting each plan’s normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

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

City of Maple Valley
Notes to the Financial Statements
December 31, 2016

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

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

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

Discount Rate

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

To determine that rate, an asset sufficiency test included an assumed 7.7 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.7 percent except LEOFF 2, which has assumed 7.5 percent). Consistent with the long-term expected rate of return, a 7.5 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates (including PERS 2/3, PSERS 2, SERS 2/3, and TRS 2/3 employers, whose rates include a component for the PERS 1, and TRS 1 plan liabilities). Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.5 percent was used to determine the total liability.

Long-Term Expected Rate of Return

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

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

City of Maple Valley
Notes to the Financial Statements
December 31, 2016

Asset Class	Target Allocation	Expected Real Rate of Return Arithmetic
Fixed Income	20.00%	1.70%
Tangible Assets	5.00%	4.40%
Real Estate	15.00%	5.80%
Global Equity	37.00%	6.60%
Private Equity	23.00%	9.60%
	100.00%	

Sensitivity of Net Pension Liability

The table below presents the City of Maple Valley’s proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the City of Maple Valley’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5 percent) or 1-percentage point higher (8.5 percent) than the current rate.

Plan	Current Discount Rate		
	1% Decrease (6.5%)	(7.5%)	1% Increase (8.5%)
PERS 1	\$ 1,574,335	\$ 1,327,580	\$ 1,051,237
PERS 2/3	3,264,312	1,573,111	(528,236)
Total	\$ 4,838,647	\$ 2,900,691	\$ 523,001

Pension Plan Fiduciary Net Position

Detailed information about the State’s pension plans’ fiduciary net position is available in the separately issued DRS financial report.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the City of Maple Valley reported a total pension liability of \$2,900,691 for its proportionate share of the net pension liabilities as follows:

Plan	Liability
PERS 1	\$ 1,327,580
PERS 2/3	1,573,111
Total	\$ 2,900,691

**City of Maple Valley
Notes to the Financial Statements
December 31, 2016**

At June 30, 2016 the City of Maple Valley’s proportionate share of the collective net pension liabilities was as follows:

Plan	Proportionate Share 6/30/15	Proportionate Share 6/30/16	Change in Proportionate Share
PERS 1	0.025622%	0.024720%	-0.000902%
PERS 2/3	0.029457%	0.031244%	0.001787%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer’s proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Non-employer Allocations* for all plans except LEOFF 1.

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

Pension Expense

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

Plan	Pension Expense
PERS 1	\$ 18,501
PERS 2/3	353,434
Total	\$ 371,934

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2016, the City of Maple Valley 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
Contributions subsequent to the measurement date	\$ 82,390	\$ -
Difference between expected and actual earnings	33,426	-
Total	\$ 115,817	\$ -

City of Maple Valley
Notes to the Financial Statements
December 31, 2016

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 16,259	\$ -
Contributions subsequent to the measurement date	107,624	-
Difference between expected and actual earnings	192,503	-
Difference between expected and actual experience	83,766	51,931
Changes in proportion and differences between contributions and proportionate share of contributions	-	79,329
Total	\$ 400,153	\$ 131,260

Deferred outflows of resources related to pensions resulting from the City of Maple Valley's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	PERS 1	PERS 2/3	Total Amortization
2017	\$ (8,230)	\$ 13,493	\$ 5,262
2018	(8,230)	13,493	5,262
2019	30,699	162,725	193,424
2020	19,188	94,759	113,947
Total	\$ 33,426	\$ 284,469	\$ 317,895

C. OTHER EMPLOYEE BENEFITS

In addition to leave and retirement benefits, the City provides: a Worker's Compensation program through the Washington State Department of Labor and Industries and medical, dental, vision, group life, disability, and employee assistance programs through the Association of Washington Cities (AWC).

The City's cost for these benefit programs for the last three years is as follows:

City of Maple Valley
Notes to the Financial Statements
December 31, 2016

	2016	2015	2014
Worker's Compensation	\$ 53,375	\$ 42,194	\$ 43,591
Medical, Dental and Vision (Health)	620,772	581,771	463,362
Group Life and Long-term Disability	16,568	5,326	16,687
	\$ 690,715	\$ 629,290	\$ 523,640
Other Benefit Cost as a % of Total Pay	19%	19%	18%

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

Participating employers are contractually required to contribute at a rate assessed each year by the Trust. The City's contribution to the Trust for the year ended December 31, 2016, was \$620,772 or 17% of annual covered payroll and equaled the required contributions for the year. The group life insurance program payout is equal to the employee's annual salary. The disability program is at 60% of salary after 90 days.

D. OTHER (NON-PENSION) POST EMPLOYMENT BENEFITS

The "Trust" also provides medical benefits to certain eligible retired employees of participating employers and their eligible family members. The contribution requirements of participating retirees and other beneficiaries, if any, are established and may be amended by the Board of Trustees of the Trust. The City makes no contributions for these benefits. Participating employers are not contractually required to contribute an assessed rate each year by the Trust for the non-LEOFF I retirees. The retiree pays for 100% of the premium.

NOTE 12 RISK MANAGEMENT

The city of Maple Valley is a member of the Washington Cities Insurance Authority (WCIA).

Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 168 Members.

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

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

City of Maple Valley
Notes to the Financial Statements
December 31, 2016

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

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

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

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

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

No settlement or claim has exceeded insurance coverage in the last three years or prior to that.

In addition to insurance coverage described above through the WCIA, the City of Maple Valley is self-insured for unemployment compensation. This coverage is provided through an internal service fund, the Unemployment Trust Fund. Through 2007 charges were made to departments at the State established rates with claims paid by the State and reimbursed by the City. In 2007 and prior, contributions to the Unemployment Trust Fund always exceeded claims paid. Based on this experience, the City stopped making contributions in 2008 and in 2009 transferred \$50,000 to the General Fund.

Since 2008 the City has used the fund's fund balance and investment earnings to pay claims. The following is a brief history of claims paid, and ending net position of the fund.

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Claims Paid	\$ 16,597	\$ 4,704	\$ 28,377	\$ 13,994
Net Position	16,239	24,494	27,303	55,328

Based on the trend data and the fact that the City has had minimal layoffs, the net position at this time appears reasonable.

City of Maple Valley
Notes to the Financial Statements
December 31, 2016

NOTE 13 COMMITMENTS

In the opinion of management, the City has recorded in its financial statements all known liabilities and the City's insurance coverage is adequate to pay all potential claims. The City has active construction projects as of December 31, 2016. The City's commitments with contractors are as follows:

Construction Commitments				
Contract Name	Project No.	Contract Amount	Payments	Balance at 12/31/2016
Construction Contracts				
Mead & Hunt, Inc.	T28b	\$ 354,604	\$ 336,377	\$ 18,227
Comcast Cable Communicatons, Inc.	T38	116,760	-	116,760
Active Construction, Inc.	T38	2,159,918	1,965,296	194,623
Iron Creek Construction LLC	S12	168,805	164,220	4,585
LaBonde Land Inc.	T28b	29,260	10,872	18,388
Daley Morrow Poblete, Inc.	T33c	20,000	6,465	13,535
Daley Morrow Poblete, Inc.	S10	25,000	-	25,000
Innova Architects Inc.	P06c	33,875	8,710	25,165
SLA Landscape Architecture	P03 & P14	515,899	-	515,899
Interlocal Agreements:				
King County Water & Land Resource Division - WRIA 8		1,061	-	1,061
King County Water & Land Resource Division - WRIA 9		6,506	-	6,506
Total		<u>\$ 3,431,688</u>	<u>\$ 2,491,939</u>	<u>\$ 939,749</u>

Required Supplementary Information

City of Maple Valley
Schedule of Employer's Proportionate Share of Net Pension Liability
Public Employees' Retirement System
As of June 30, 2016
Last Ten Years (Additional years will be displayed as they become available)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
PERS 1			
Employer's Proportion of the Net Pension Liability	0.024720%	0.025622%	0.025956%
Employer's Proportionate Share of the Net Pension Liability	\$ 1,327,580	\$ 1,340,269	\$ 1,307,546
Employer's Covered Payroll	\$ -	\$ 153,748	\$ 125,818
Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	N/A	872%	1039%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57.03%	59.10%	61.19%
PERS 2/3			
Employer's Proportion of the Net Pension Liability	0.031244%	0.029457%	0.030008%
Employer's Proportionate Share of the Net Pension Liability	\$ 1,573,111	\$ 1,052,515	\$ 606,570
Employer's Covered Payroll	\$ 2,836,456	\$ 2,473,491	\$ 2,462,184
Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	55%	43%	25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.82%	89.20%	93.29%

Notes to required schedule:

Significant methods and assumptions used in calculating the actuarial determined contribution are presented in Note 11.

City of Maple Valley
Schedule of Employer Contributions
Public Employees' Retirement System
As of December 31, 2016

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

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)⁽¹⁾	Employer's Covered Payroll	Contributions as a % of Covered Employee Payroll
PERS 1					
2016	\$ -	\$ -	\$ -	\$ -	N/A
2015	\$ 8,014	\$ 8,014	\$ (0)	\$ 87,014	9.21%
2014	\$ 12,836	\$ 12,836	\$ (0)	\$ 139,373	9.21%
PERS 2/3					
2016	\$ 357,381	\$ 357,302	\$ 80	\$ 3,196,613	11.18%
2015	\$ 270,078	\$ 270,067	\$ 11	\$ 2,633,127	10.26%
2014	\$ 238,364	\$ 238,364	\$ 0	\$ 2,588,102	9.21%

⁽¹⁾ Actual contributions are calculated by individual paycheck whereas the contractually required contribution is calculated using annual totals. The Deficiency (Excess) is attributable to differences in rounding.

Notes to required schedule:

Significant methods and assumptions used in calculating the actuarial determined contribution are presented in Note 11.



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Combining Statements and Schedules

**City of Maple Valley
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016**

	<u>Special Revenue Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Drug Seizure</u>	<u>Transportation Benefit Special Revenue Fund</u>	
ASSETS			
Cash and Cash Equivalents	\$ 33,745	\$ 375,750	\$ 409,495
Investments	1,837	20,459	22,296
Intergovernmental Receivable	-	31,640	31,640
Prepaid Items	618	-	618
Total Assets	\$ 36,200	\$ 427,849	\$ 464,049
LIABILITIES			
Liabilities			
Accounts Payable	\$ 2,861	\$ -	\$ 2,861
Intergovernmental Payable	410	-	410
Total Liabilities	3,271	-	3,271
FUND BALANCES			
Restricted:			
Drug Investigations	32,930	-	32,930
Transportation Infrastructure	-	427,849	427,849
Total Fund Balances	32,930	427,849	460,779
Total Liabilities and Fund Balances	\$ 36,200	\$ 427,849	\$ 464,049

City of Maple Valley
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

	<u>Special Revenue Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Drug Seizure</u>	<u>Transportation Benefit Special Revenue Fund</u>	
REVENUES			
Taxes			
Excise Taxes in Lieu of Property Tax	\$ -	\$ 375,685	\$ 375,685
Miscellaneous Revenue	8,302	(5,060)	3,242
Total Revenues	<u>8,302</u>	<u>370,625</u>	<u>378,927</u>
EXPENDITURES			
Current			
Public Safety	7,747	-	7,747
Transportation	-	4,088	4,088
Total Expenditures	<u>7,747</u>	<u>4,088</u>	<u>11,835</u>
Excess (deficiency) of revenues over (under) expenditures	<u>556</u>	<u>366,537</u>	<u>367,093</u>
Other Financing Sources (Uses)			
Transfers Out	-	(375,000)	(375,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(375,000)</u>	<u>(375,000)</u>
Net Change in Fund Balances	<u>556</u>	<u>(8,463)</u>	<u>(7,907)</u>
Fund Balances, January 1	<u>32,374</u>	<u>436,312</u>	<u>468,686</u>
Fund Balances, December 31	<u>\$ 32,930</u>	<u>\$ 427,849</u>	<u>\$ 460,779</u>



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Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

City of Maple Valley
Drug Seizure Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous Revenue				
Investment Earnings	\$ 200	\$ 200	\$ (347)	\$ (547)
Confiscated and Forfeited Property	2,000	2,000	8,650	6,650
Total Miscellaneous Revenue	2,200	2,200	8,302	6,102
Total Revenues	2,200	2,200	8,302	6,102
EXPENDITURES				
Public Safety				
Operating	4,000	4,500	7,747	(3,247)
Total Expenditures	4,000	4,500	7,747	(3,247)
Revenues over (under) Expenditures	(1,800)	(2,300)	556	2,856
Net Change in Fund Balances	(1,800)	(2,300)	556	2,856
Fund Balance, January 1	11,801	32,374	32,374	-
Fund Balance, December 31	\$ 10,001	\$ 30,074	\$ 32,930	\$ 2,856

City of Maple Valley
Transportation Benefit Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes				
Transportation Benefit Vehicle Excise Fees	\$ 375,000	\$ 375,000	\$ 375,685	\$ 685
Total Taxes	375,000	375,000	375,685	685
Miscellaneous Revenue				
Investment Earnings	100	100	(5,060)	(5,160)
Total Miscellaneous Revenue	100	100	(5,060)	(5,160)
Total Revenues	375,100	375,100	370,625	(4,475)
EXPENDITURES				
Public Works				
Transportation				
Operating Expenditures	-	4,100	4,088	12
Total Expenditures	-	4,100	4,088	12
Other Financing Sources (Uses)				
Transfer out to Capital Improvement Plan Fund	(300,000)	(375,000)	(375,000)	-
Transfer in from Trans. Bene. Dist. Fund	-	-	-	-
Total Other Financing Sources (Uses)	(300,000)	(375,000)	(375,000)	-
Net Change in Fund Balances	75,100	(4,000)	(8,463)	(4,463)
Fund Balance, January 1	-	436,312	436,312	-
Fund Balance, December 31	\$ 75,100	\$ 432,312	\$ 427,849	\$ (4,463)

City of Maple Valley
Bond Proceeds Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous Revenue				
Investment Earnings	\$ -	\$ -	\$ -	\$ -
Total Miscellaneous Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Parks and Community Services				
Parks & Recreation				
Operating Expenditures	40,000	40,000	-	40,000
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Revenues over (under) Expenditures	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>	<u>40,001</u>
Other Financing Sources (Uses)				
Issuance of Refunding Bonds	-	-	-	-
Issuance of Voted GO Bonds	2,540,000	2,540,000	-	(2,540,000)
Total Other Financing Sources (Uses)	<u>2,540,000</u>	<u>2,540,000</u>	<u>-</u>	<u>(2,540,000)</u>
Net Change in Fund Balances	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>	<u>(2,500,000)</u>
Fund Balance, January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ -</u>	<u>\$ (2,500,000)</u>

City of Maple Valley
Capital Improvement Plan Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2016

Page 1 of 2

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenue				
State and County Grants	\$ -	\$ -	\$ 1,567,750	\$ 1,567,750
Total Intergovernmental Revenue	-	-	1,567,750	1,567,750
Total Revenues	-	-	1,567,750	1,567,750
EXPENDITURES				
Public Works				
Transportation				
Capital Expenditures	3,158,000	3,198,000	3,413,870	(215,870)
Operating Expenditures	100,000	565,000	74,348	490,652
Total Public Works	3,258,000	3,763,000	3,488,217	274,783
Parks and Community Services				
Parks & Recreation				
Capital Expenditures	305,000	305,000	46,041	258,959
Operating Expenditures	2,500,000	2,500,000	-	2,500,000
Community Facilities				
Capital Expenditures	100,000	100,000	-	100,000
Total Parks and Community Services	2,905,000	2,905,000	46,041	2,858,959
Debt Service				
Principal	754,621	754,621	774,621	(20,000)
Interest	134,833	134,833	113,478	21,355
Total Debt Service	889,454	889,454	888,099	1,355
Total Expenditures	\$ 7,052,454	\$ 7,557,454	\$ 4,422,357	\$ 3,135,097

City of Maple Valley
Capital Improvement Plan Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2016

Page 2 of 2

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues over (under) Expenditures	\$ (7,052,454)	\$ (7,557,454)	\$ (2,854,607)	\$ 4,702,846
Other Financing Sources (Uses)				
Transfer in from Bond Proceeds Fund	2,500,000	2,500,000	-	(2,500,000)
Transfer in from General Fund	472,012	472,013	309,904	(162,109)
Transfer in from Transportation Impact Fee Fund	3,106,587	2,191,883	2,101,884	(89,999)
Transfer in from Park Development Fund	285,975	129,025	15,340	(113,685)
Transfer in from Real Estate Excise Tax Fund	729,717	851,666	707,145	(144,521)
Transfer in from Surface Water Management Fund	385,163	385,163	385,163	-
Transfer in from Transportation Benefit District Fund	-	-	375,000	375,000
Total Other Financing Sources (Uses)	7,479,454	6,529,750	3,894,436	(2,635,314)
Net Change in Fund Balances	427,000	(1,027,704)	1,039,829	2,067,533
Fund Balance, January 1	22,846	19,025	19,025	-
Fund Balance, December 31	\$ 449,846	\$ (1,008,679)	\$ 1,058,854	\$ 2,067,533

City of Maple Valley
Surface Water Management Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenue				
State and County Grants	\$ 50,000	\$ 50,000	\$ 16,930	\$ (33,070)
Total Intergovernmental Revenue	50,000	50,000	16,930	(33,070)
Charges for Service				
Surface Water Management Fees	1,274,110	1,274,110	1,338,862	64,752
Miscellaneous Charges	2,340	2,340	3,575	1,235
Total Charges for Service	1,276,450	1,276,450	1,342,437	65,987
Miscellaneous Revenue				
Investment Earnings	20,630	20,630	(33,671)	(54,301)
Total Miscellaneous Revenue	20,630	20,630	(33,671)	(54,301)
Total Revenues	1,347,080	1,347,080	1,325,695	(21,385)
EXPENDITURES				
Public Works				
Operating	698,430	701,927	1,032,726	(330,799)
Depreciation	-	-	45,837	(45,837)
Capital Expenditures	650,000	650,000	500	649,500
Total Public Works	1,348,430	1,351,927	1,079,063	272,864
Total Expenditures	1,348,430	1,351,927	1,079,063	272,864
Revenues over (under) Expenditures	(1,350)	(4,847)	246,632	251,479
Other Financing Sources (Uses)				
Depreciation Addback	-	-	45,837	45,837
Transfer out to General Fund	(74,180)	(74,180)	(61,698)	12,483
Transfer out to Capital Improvement Plan Fund	(459,343)	(459,343)	(409,824)	49,519
Total Other Financing Sources (Uses)	(533,523)	(533,523)	(425,686)	107,838
Net Change in Fund Balances	(534,873)	(538,370)	(179,053)	359,318
Net Position, January 1	2,688,480	2,932,274	2,932,274	-
Net Position, December 31	\$ 2,153,607	\$ 2,393,904	\$ 2,753,221	\$ 359,318

City of Maple Valley
Lake Wilderness Golf Course Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Service				
Green Fees	\$ 561,050	\$ 561,050	\$ 522,215	\$ (38,835)
Rentals & Lessons	182,830	182,830	170,098	(12,732)
Merchandise Sales	67,470	67,470	75,332	7,862
Food & Beverage Revenue	304,690	304,690	255,032	(49,658)
Facility Rentals	4,540	4,540	9,699	5,159
Total Charges for Service	1,120,580	1,120,580	1,032,376	(88,204)
Miscellaneous Revenue				
Investment Earnings	20	20	17	(3)
Other Miscellaneous Revenue	50	50	85	35
Total Miscellaneous Revenue	70	70	102	32
Total Revenues	1,120,650	1,120,650	1,032,479	(88,171)
EXPENDITURES				
Parks and Community Services				
Operating	1,100,130	1,105,130	1,073,920	31,210
Depreciation	-	-	65,618	(65,618)
Capital Expenditures	25,000	25,000	-	25,000
Total Parks and Community Services	1,125,130	1,130,130	1,139,538	(9,408)
Total Expenditures	1,125,130	1,130,130	1,139,538	(9,408)
Revenues over (under) Expenditures	(4,480)	(9,480)	(107,060)	(97,580)
Other Financing Sources (Uses)				
Depreciation Addback	-	-	65,618	65,618
Transfer in from General Fund	-	-	40,000	40,000
Total Other Financing Sources (Uses)	-	-	105,618	105,618
Net Change in Fund Balances	(4,480)	(9,480)	(1,441)	8,039
Net Position, January 1	-	4,425	4,425	-
Net Position, December 31	\$ (4,480)	\$ (5,055)	\$ 2,984	\$ 8,039

City of Maple Valley
Vehicle Rental Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Service				
Charges to Departments	\$ 132,480	\$ 132,480	\$ 155,703	\$ 23,223
Total Charges for Service	132,480	132,480	155,703	23,223
Miscellaneous Revenue				
Investment Earnings	2,610	2,610	(4,521)	(7,131)
Gain (Loss) on Retirement of Capital Assets	10,850	10,850	11,795	945
Total Miscellaneous Revenue	13,460	13,460	7,274	(6,186)
Total Revenues	145,940	145,940	162,977	17,037
EXPENDITURES				
General Government				
Operating	56,300	56,300	51,963	4,337
Depreciation	-	-	83,131	(83,131)
Capital Expenditures	223,300	223,300	177,239	46,061
Total General Government	279,600	279,600	312,332	(32,732)
Total Expenditures	279,600	279,600	312,332	(32,732)
Revenues over (under) Expenditures	(133,660)	(133,660)	(149,355)	(15,695)
Other Financing Sources (Uses)				
Depreciation Addback	-	-	83,131	83,131
Total Other Financing Sources (Uses)	-	-	83,131	83,131
Net Change in Fund Balances	(133,660)	(133,660)	(66,225)	67,435
Net Position, January 1	310,014	335,543	335,543	-
Net Position, December 31	\$ 176,354	\$ 201,883	\$ 269,318	\$ 67,435

City of Maple Valley
Central Services Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Service				
Charges to Departments	\$ 1,262,840	\$ 1,286,847	\$ 1,156,593	\$ (130,254)
Total Charges for Service	1,262,840	1,286,847	1,156,593	(130,254)
Miscellaneous Revenue				
Investment Earnings	2,660	2,660	(3,516)	(6,176)
Gain (Loss) on Retirement of Capital Assets	-	-	1,222	1,222
Total Miscellaneous Revenue	2,660	2,660	(2,295)	(4,955)
Total Revenues	1,265,500	1,289,507	1,154,298	(135,209)
EXPENDITURES				
General Government				
Operating	1,164,200	1,187,657	1,054,955	132,702
Depreciation	-	-	22,945	(22,945)
Amortization	-	-	48,465	(48,465)
Capital Expenditures	65,000	65,000	21,476	43,524
Total General Government	1,229,200	1,252,657	1,147,841	104,816
Total Expenditures	1,229,200	1,252,657	1,147,841	104,816
Revenues over (under) Expenditures	36,300	36,850	6,458	(30,392)
Other Financing Sources (Uses)				
Depreciation & Amortization Addback	-	-	71,410	71,410
Book value surplus capital asset	-	-	(1,222)	(1,222)
Total Other Financing Sources (Uses)	-	-	70,188	70,188
Net Change in Fund Balances	36,300	36,850	76,646	39,796
Net Position, January 1	437,524	205,684	205,684	-
Net Position, December 31	\$ 473,824	\$ 242,534	\$ 282,330	\$ 39,796

City of Maple Valley
Unemployment Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous Revenue				
Investment Earnings	\$ 1,480	\$ 1,480	\$ (292)	\$ (1,772)
Total Miscellaneous Revenue	1,480	1,480	(292)	(1,772)
EXPENDITURES				
General Government				
Operating	7,000	17,264	16,597	667
Total General Government	7,000	17,264	16,597	667
Total Expenditures	7,000	17,264	16,597	667
Net Change in Fund Balances	(5,520)	(15,784)	(16,889)	(1,105)
Net Position, January 1	39,758	24,494	24,494	-
Net Position, December 31	\$ 34,238	\$ 8,710	\$ 7,605	\$ (1,105)



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Internal Service Funds

**City of Maple Valley
Internal Service Funds
Combining Statement of Net Position
December 31, 2016**

	<u>Vehicle Rental</u>	<u>Central Service</u>	<u>Unemployment Trust</u>	<u>Total Internal Service Funds</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 308,657	\$ 336,505	\$ 15,398	\$ 660,561
Investments	16,803	18,319	838	35,960
Prepaid Expenses	-	32,638	-	32,638
Total Current Assets	325,460	387,462	16,237	729,158
Noncurrent Assets:				
Capital Assets:				
Machinery, Equipment and Vehicles	948,810	240,817	-	1,189,627
Intangibles-Software	-	410,433	-	410,433
Less: Accumulated Depreciation	(600,794)	(181,970)	-	(782,764)
Less: Accumulated Amortization	-	(241,363)	-	(241,363)
Total Capital Assets (net of Accum. Depreciated)	348,016	227,917	-	575,933
Total Assets	673,476	615,379	16,237	1,305,092
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to Pensions	-	34,924	-	34,924
Total Deferred Outflows of Resources	-	34,924	-	34,924
LIABILITIES				
Current Liabilities:				
Accounts Payable	-	17,716	-	17,716
Payroll Payable	-	12,385	-	12,385
Due to Other Governments	-	2,281	8,632	10,913
Compensated Absences Payable	-	12,592	-	12,592
Unearned Revenue	-	32,638	-	32,638
Total Current Liabilities	-	77,611	8,632	86,243
Noncurrent Liabilities				
Net Pension Liability	-	176,032	-	176,032
Total Noncurrent Liabilities	-	176,032	-	176,032
Total Liabilities	-	253,643	8,632	262,275
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to Pensions	-	9,769	-	9,769
Total Deferred Inflows of Resources	-	9,769	-	9,769
NET POSITION				
Net Investment in Capital Assets	348,016	227,917	-	575,932
Unrestricted	325,460	158,975	7,605	492,040
Total Net Position	\$ 673,476	\$ 386,891	\$ 7,605	\$ 1,067,972

City of Maple Valley
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2016

	<u>Vehicle Rental</u>	<u>Central Service</u>	<u>Unemployment Trust</u>	<u>Total Internal Service Funds</u>
Operating Revenues				
Charges for Sales and Services	\$ 155,703	\$ 1,156,593	\$ -	\$ 1,312,297
Total Operating Revenue	<u>155,703</u>	<u>1,156,593</u>	<u>-</u>	<u>1,312,297</u>
Operating Expenses				
Cost of Sales and Services	51,963	1,054,955	16,597	1,123,516
Depreciation	83,131	22,945	-	106,076
Amortization	-	48,465	-	48,465
Total Operating Expenses	<u>135,093</u>	<u>1,126,365</u>	<u>16,597</u>	<u>1,278,056</u>
Operating Income	<u>20,610</u>	<u>30,228</u>	<u>(16,597)</u>	<u>34,241</u>
Nonoperating Revenues (Expenses)				
Investment Earnings	(4,521)	(3,516)	(292)	(8,329)
Gain (Loss) on Retirement of Capital Assets	11,795	1,222	-	13,016
Total Nonoperating Revenue (Expenses)	<u>7,274</u>	<u>(2,295)</u>	<u>(292)</u>	<u>4,687</u>
Income before Contributions and Transfers	<u>27,884</u>	<u>27,933</u>	<u>(16,889)</u>	<u>38,928</u>
Change in Net Position	<u>27,884</u>	<u>27,933</u>	<u>(16,889)</u>	<u>38,928</u>
Total Net Position, January 1	<u>645,592</u>	<u>358,958</u>	<u>24,494</u>	<u>1,029,044</u>
Total Net Position, December 31	<u>\$ 673,476</u>	<u>\$ 386,891</u>	<u>\$ 7,605</u>	<u>\$ 1,067,972</u>

City of Maple Valley
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2016

	<u>Vehicle Rental</u>	<u>Central Service</u>	<u>Unemployment Trust</u>	<u>Total Internal Service Funds</u>
Cash Flows from Operating Activities				
Cash Received from User Departments	\$ 162,639	\$ 1,156,593	\$ -	\$ 1,319,233
Cash Paid to Suppliers for Goods and Services	(53,348)	(1,071,411)	(7,965)	(1,132,724)
Net Cash From Operating Activities	<u>109,291</u>	<u>85,182</u>	<u>(7,965)</u>	<u>186,508</u>
Cash Flows from Capital & Related Financing Activities				
Capital Assets Purchased for Own Use	(177,239)	(21,476)	-	(198,715)
Proceeds from Sale of Capital Assets	11,795	1,222	-	13,016
Other Miscellaneous Capital Related Activities	-	-	-	-
Net Cash From Capital & Related Financing	<u>(165,444)</u>	<u>(20,254)</u>	<u>-</u>	<u>(185,699)</u>
Cash Flows from Investing Activities				
Purchase of Investments	30,854	17,894	-	48,748
Proceeds from Investment Maturities	-	-	2,184	2,184
Interest on Investments	(4,521)	(3,516)	(292)	(8,329)
Net Cash From Investing Activities	<u>26,333</u>	<u>14,378</u>	<u>1,892</u>	<u>42,603</u>
Net Change in Cash and Cash Equivalents	<u>(29,820)</u>	<u>79,306</u>	<u>(6,073)</u>	<u>43,413</u>
Cash and Cash Equivalents, January 1	<u>338,477</u>	<u>257,200</u>	<u>21,471</u>	<u>617,147</u>
Cash and Cash Equivalents, December 31	<u><u>\$ 308,657</u></u>	<u><u>\$ 336,505</u></u>	<u><u>\$ 15,398</u></u>	<u><u>\$ 660,561</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income	\$ 20,610	\$ 30,228	\$ (16,597)	\$ 34,241
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation/Amortization Expense	83,131	71,410	-	154,540
Change in Receivables (net of uncollectibles)	6,935	19,540	-	26,475
Change in Prepaid Items	-	(6,887)	-	(6,887)
Change in Accounts Payable	(1,385)	(429)	-	(1,814)
Change in Payroll Payable	-	3,580	-	3,580
Change in Due to Other Governments	-	(6,955)	8,632	1,677
Change in Contracts Payable	-	3,645	-	3,645
Change in Unearned Revenue	-	6,887	-	6,887
Change in Net Pension Liability	-	(2,072)	-	(2,072)
Changed in Deferred Outflows of Resources	-	(14,523)	-	(14,523)
Changed in Deferred Inflows of Resources	-	(19,240)	-	(19,240)
Net Cash Provided by Operating Activities	<u><u>\$ 109,291</u></u>	<u><u>\$ 85,182</u></u>	<u><u>\$ (7,965)</u></u>	<u><u>\$ 186,508</u></u>

STATISTICAL SECTION

City of Maple Valley
Net Position by Component
Last Ten Years
(accrual basis of accounting)

	2007	2008	2009
Net Position, December 31			
Governmental Activities			
Net Investment in Capital Assets	\$ 289,946,247	\$ 308,429,579	\$ 347,747,795
Restricted	9,750,610	11,724,658	10,900,630
Unrestricted	3,204,325	2,737,739	2,494,451
Total Governmental Activities Net Position	302,901,182	322,891,976	361,142,876
Business-Type Activities			
Net Investment in Capital Assets	11,768,973	11,885,231	12,479,185
Unrestricted	1,567,684	1,874,326	1,926,248
Total Business-Type Activities Net Position	13,336,657	13,759,557	14,405,433
Primary Government			
Net Investment in Capital Assets	301,715,220	320,314,810	360,226,980
Restricted	11,318,294	13,598,984	12,826,878
Unrestricted	3,204,325	2,737,739	2,494,451
Total Primary Government Net Position	\$ 316,237,839	\$ 336,651,533	\$ 375,548,309

Source:
Applicable years' comprehensive annual financial report.

2010	2011	(Restated) 2012	(Restated) 2013	2014	2015	2016
\$ 344,208,737	\$ 344,710,632	\$ 344,260,772	\$ 363,989,532	\$ 363,865,160	\$ 359,383,737	\$ 355,693,396
9,900,220	9,105,966	10,389,134	10,355,330	10,999,445	11,227,947	11,473,066
2,452,787	3,293,176	3,504,917	3,631,918	4,168,930	2,855,590	3,097,383
356,561,744	357,109,774	358,154,823	377,976,781	379,033,535	373,467,274	370,263,845
12,373,097	12,381,146	12,238,151	12,417,420	16,063,900	16,171,075	16,060,120
2,387,213	2,171,478	2,662,528	2,466,079	2,712,069	2,880,756	2,700,265
14,760,310	14,552,624	14,900,679	14,883,499	18,775,969	19,051,832	18,760,385
356,581,834	357,091,778	356,498,924	376,406,952	379,929,060	375,554,812	371,753,516
12,287,433	11,277,444	13,051,662	12,821,409	13,711,514	11,227,947	11,473,066
2,452,787	3,293,176	3,504,917	3,631,918	4,168,930	5,736,347	5,797,648
\$ 371,322,054	\$ 371,662,398	\$ 373,055,503	\$ 392,860,280	\$ 397,809,504	\$ 392,519,106	\$ 389,024,230

City of Maple Valley
Changes in Net Position
Last Ten years
(accrual basis of accounting)

	2007	2008	2009	2010
Expenses				
Governmental Activities				
General Government	\$ 1,540,862	\$ 1,985,141	\$ 2,014,921	\$ 1,921,807
Economic Environment (Comm. Development)	850,516	953,115	987,928	910,348
Human Services	212,019	200,799	220,294	273,033
Culture and Recreation	1,595,110	1,571,438	1,560,100	1,786,842
Public Safety	2,293,963	2,332,012	2,380,537	2,718,707
Transportation (Public Works)	7,769,571	8,518,674	7,719,635	8,189,722
Utilities and Environment	-	-	-	-
Interest on Long-term Debt	280,554	283,968	282,668	214,583
Total Governmental Activities Expenses	14,542,595	15,845,147	15,166,083	16,015,042
Business-Type Activities				
Surface Water Management	322,363	420,178	657,931	612,978
Golf Course Operations	1,616,237	1,680,058	1,667,791	1,629,806
Total Business-Type Activities Expenses	1,938,600	2,100,236	2,325,722	2,242,784
Total Primary Government Expenses	16,481,195	17,945,383	17,491,805	18,257,826
Program Revenue				
Governmental Activities				
Charges for Services				
General Government	50,072	24,425	20,548	20,116
Economic Environment (Comm. Development)	673,511	499,210	475,388	560,737
Culture and Recreation	432,970	522,833	476,821	900,532
Public Safety	105,056	156,284	142,840	149,392
Transportation (Public Works)	1,855,260	1,398,665	806,329	675,950
Operating Grants and Contributions	570,996	572,302	590,819	620,088
Capital Grants and Contributions	4,220,929	30,455,712	44,319,192	1,442,938
Total Governmental Activities Program Revenue	7,908,794	33,629,431	46,831,937	4,369,753
Business-Type Activities				
Charges for Services				
Surface Water Management	693,419	719,886	760,361	948,030
Golf Course Operations	1,327,390	1,461,769	1,447,843	1,323,279
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	-	210,598	588,328	-
Surface Water Management	-	210,598	588,328	-
Golf Course Operations	-	-	-	-
Total Business-Type Activities Program Revenue	2,020,809	2,392,253	2,796,532	2,271,309
Total Primary Government Program Revenue	9,929,603	36,021,684	49,628,469	6,641,062
Net (Expense) Revenue				
Governmental Activities	(6,633,801)	17,784,284	31,665,854	(11,645,289)
Business-Type Activities	82,209	292,017	470,810	28,525
Total	\$ (6,551,592)	\$ 18,076,301	\$ 32,136,664	\$ (11,616,764)

Source:
Applicable years' comprehensive annual financial report.

	2011	2012	2013	2014	2015	2016
\$	1,772,231	\$ 2,108,677	\$ 2,157,921	\$ 2,261,522	\$ 2,112,028	\$ 2,714,897
	956,927	1,123,475	978,415	1,086,990	983,045	890,881
	217,842	30,000	30,000	30,000	35,000	30,000
	1,853,874	2,121,785	2,377,593	2,485,163	2,466,942	3,020,023
	3,561,153	3,694,747	3,881,719	4,016,691	4,060,303	4,486,366
	8,369,983	7,904,401	7,881,784	9,668,319	10,107,443	10,227,628
	-	121,137	137,236	153,591	103,682	123,695
	195,763	179,773	164,829	172,135	80,200	229,167
	16,927,773	17,283,995	17,609,496	19,874,413	19,948,643	21,722,656
	615,438	731,371	851,342	825,442	821,467	1,078,563
	1,125,041	1,056,980	990,389	1,059,219	1,165,878	1,139,538
	1,740,479	1,788,351	1,841,731	1,884,661	1,987,344	2,218,101
	18,668,252	19,072,346	19,451,227	21,759,074	21,935,987	23,940,757
	14,709	12,975	14,131	11,694	33,139	21,038
	734,187	812,878	538,139	741,068	728,416	578,453
	1,040,820	1,189,208	832,221	1,162,231	877,404	970,958
	309,527	233,418	128,693	153,696	176,726	144,475
	2,059,055	1,362,375	1,406,191	808,864	927,679	506,420
	627,814	673,140	164,331	716,695	671,004	714,684
	3,882,579	4,707,002	24,451,025	6,394,403	1,384,745	2,693,644
	8,668,691	8,990,996	27,534,731	9,988,651	4,799,113	5,629,672
	1,038,247	1,181,664	1,167,564	1,246,787	1,311,972	1,342,437
	942,592	925,368	887,660	891,270	1,099,909	1,032,375
	26,352	101,775	124,130	-	50,000	16,930
	134,246	-	49,030	3,755,899	210,059	-
	-	29,143	-	-	-	-
	2,141,437	2,237,950	2,228,384	5,893,956	2,671,940	2,391,742
	10,810,128	11,228,946	29,763,115	15,882,607	7,471,053	8,021,413
	(8,259,082)	(8,292,999)	9,925,235	(9,885,761)	(15,149,530)	(16,092,984)
	400,958	449,599	386,653	4,009,295	684,596	173,641
\$	(7,858,124)	(7,843,400)	10,311,889	(5,876,467)	(14,464,935)	(15,919,344)

City of Maple Valley
Changes in Net Position
Last Ten years

(accrual basis of accounting)

	2007	2008	2009	2010
General Revenue and Other Changes in Net Position				
Governmental Activities				
Taxes				
Regular Property Taxes	\$ 2,547,157	\$ 2,678,139	\$ 2,971,125	\$ 3,049,990
Sales Taxes	2,313,211	2,119,678	1,865,487	1,942,926
Utility Taxes	573,486	597,819	608,851	745,107
Excise Taxes in Lieu of Property Tax	-	-	-	-
Other Taxes	1,252,081	761,174	528,117	686,659
Gambling Taxes	36,555	39,204	38,373	43,419
Franchise Fees (Taxes)	221,845	241,080	251,766	283,261
Intergovernmental Revenue not restricted to specific programs				
State Shared Revenue	332,767	301,277	321,301	372,712
Miscellaneous Revenue				
Investment Earnings	382,992	262,532	75,708	107,909
Other Miscellaneous Revenue	6,372	11,817	7,263	9,957
Insurance Recoveries	-	-	-	-
Transfers	99,170	(63,529)	(82,945)	(177,783)
Total Governmental Activities	7,765,636	6,949,191	6,585,046	7,064,157
Business-Type Activities				
Non Operating Revenue				
Intergovernmental Revenue	15,776	4,833	70,167	110,354
Investment Earnings	86,962	60,812	20,449	36,269
Other Miscellaneous Revenue and (Expenses)	1,444	1,709	1,505	1,946
Transfers	(99,170)	63,529	82,945	177,783
Total Business-Type Activities	5,012	130,883	175,066	326,352
Total Primary Government	7,770,648	7,080,074	6,760,112	7,390,509
Change in Net Position Before Extraordinary Items				
Governmental Activities	1,131,835	24,733,475	38,250,900	(4,581,132)
Business-Type Activities	87,221	422,900	645,876	354,877
Total Primary Government	1,219,056	25,156,375	38,896,776	(4,226,255)
Extraordinary Items				
Governmental Activities				
Capital Contributions	49,492,697	(4,742,681)	-	-
Total Governmental Activities	49,492,697	(4,742,681)	-	-
Business-Type Activities				
Capital Contributions	578,038	-	-	-
Total Business-Type Activities	578,038	-	-	-
Total Primary Government	50,070,735	(4,742,681)	-	-
Change in Net Position				
Governmental Activities	50,624,532	19,990,794	38,250,900	(4,581,132)
Business-Type Activities	665,259	422,900	645,876	354,877
Total Primary Government	51,289,791	20,413,694	38,896,776	(4,226,255)
Net Position, January 1	264,948,048	316,237,839	336,651,533	375,548,309
Change in Accounting Principles	-	-	-	-
Prior Period Adjustment	-	-	-	-
Net Position, December 31	\$ 316,237,839	\$ 336,651,533	\$ 375,548,309	\$ 371,322,054

Source:

Applicable years' comprehensive annual financial report.

	2011	2012	2013	2014	2015	2016
\$	3,139,117	\$ 3,200,310	\$ 3,312,283	\$ 3,489,468	\$ 3,579,149	\$ 3,672,451
	2,100,009	2,528,876	2,676,444	3,036,207	3,336,309	4,228,554
	1,632,226	1,698,866	1,730,053	1,956,726	1,981,568	1,835,667
	-	-	173,663	345,219	364,041	376,525
	551,843	1,043,963	801,022	1,152,583	1,577,332	1,597,864
	37,520	38,828	45,920	51,873	68,085	73,102
	284,567	308,231	327,210	344,061	309,123	325,212
	322,564	379,185	319,931	353,994	386,439	394,008
	79,202	46,784	55,815	58,850	115,482	(64,072)
	12,760	8,847	-	15,110	22,013	17,597
	-	-	-	8,269	-	1,125
	647,304	137,212	459,006	130,156	341,422	431,522
	8,807,112	9,391,102	9,901,347	10,942,516	12,080,963	12,889,556
	-	-	-	-	-	-
	34,957	19,583	20,561	13,249	31,706	(33,654)
	3,703	2,757	34,612	83	(213)	85
	(647,304)	(7,858)	(459,006)	(130,156)	(341,422)	(431,522)
	(608,644)	14,482	(403,833)	(116,825)	(309,929)	(465,091)
	8,198,468	9,405,584	9,497,514	10,825,691	11,771,034	12,424,465
	548,030	1,098,103	19,826,582	1,056,755	(3,068,568)	(3,203,429)
	(207,686)	464,081	(17,180)	3,892,469	374,667	(291,450)
	340,344	1,562,184	19,809,402	4,949,224	(2,693,901)	(3,494,879)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	548,030	1,098,103	19,826,582	1,056,755	(3,068,568)	(3,203,429)
	(207,686)	464,081	(17,180)	3,892,469	374,667	(291,450)
	340,344	1,562,184	19,809,402	4,949,224	(2,693,901)	(3,494,879)
	371,322,054	371,662,398	373,055,503	392,860,280	397,809,504	392,519,106
	-	-	-	-	(2,596,497)	-
	-	(169,079)	(4,625)	-	-	-
\$	371,662,398	\$ 373,055,503	\$ 392,860,280	\$ 397,809,504	\$ 392,519,106	\$ 389,024,227

City of Maple Valley
Changes in Fund Balances - Governmental Funds (modified accrual basis of accounting)

Last Ten Years
 (modified accrual basis of accounting)

	2007	2008	2009	2010
REVENUES				
Taxes				
Regular Property Tax	\$ 2,547,157	\$ 2,678,139	\$ 2,971,125	\$ 3,049,990
Sales Tax	2,313,211	2,119,678	1,865,487	1,942,926
Utility Tax	573,486	597,819	608,851	745,107
Excise Taxes in Lieu of Property Tax	-	-	-	-
Real Estate Excise Tax	1,252,081	761,174	528,117	686,659
Gambling Tax	36,555	39,204	38,373	43,419
Total Taxes	6,722,490	6,196,014	6,011,953	6,468,101
Licenses & Permits	655,476	551,741	510,479	637,548
Intergovernmental Revenue	5,103,822	2,852,527	1,915,853	2,426,341
Charges for Service	2,042,708	1,849,256	1,222,983	1,453,902
Fines & Forfeitures	77,701	110,401	105,261	106,404
Miscellaneous Revenue	935,003	751,135	391,408	503,013
TOTAL REVENUES	15,537,200	12,311,074	10,157,937	11,595,309
Percent Growth	-3%	-21%	-17%	14%
EXPENDITURES				
Current				
General Government	1,641,869	1,965,539	1,899,627	1,936,460
Economic Environment (Comm. Development)	850,330	952,929	987,742	910,052
Human Services ¹	212,019	200,799	220,294	273,033
Mental & Physical Health ¹	-	-	-	-
Culture & Recreation	1,424,527	1,366,646	1,387,051	1,584,388
Public Safety	2,294,699	2,331,111	2,376,542	2,714,104
Transportation (Public Works)	974,976	1,282,523	1,328,019	1,313,601
Utilities and Environment ¹	-	-	-	-
Capital Outlay	8,223,123	2,433,960	2,083,767	3,030,870
Debt Service				
Principal	418,595	474,668	524,621	544,621
Interest on Long-term Debt	282,200	285,170	276,956	216,558
TOTAL EXPENDITURES	16,322,338	11,293,345	11,084,619	12,523,687
Percent Growth	15%	-31%	-2%	13%
REVENUES OVER (UNDER) EXPENDITURES	(785,138)	1,017,729	(926,682)	(928,378)
OTHER FINANCING SOURCES (USES)				
Issuance of General Obligation Bonds	1,396,500	479,250	-	-
Issuance of Refunding Bonds	-	-	-	-
Payment to Refunding Escrow Agent	-	-	-	-
Transfer In from (Out to) Enterprise Funds	99,170	(31,561)	267,055	(177,783)
Insurance Recoveries	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,495,670	447,689	267,055	(177,783)
REVENUE AND OTHER SOURCES OVER (UNDER)	710,532	1,465,418	(659,627)	(1,106,161)
FUND BALANCE, January 1	11,573,797	12,284,329	13,749,747	13,090,120
Prior Period Adjustment	-	-	-	-
FUND BALANCE, December 31				
Nonspendable - General Fund	12,267	15,815	37,517	47,311
Restricted - Special Revenue Funds	8,994,595	10,904,549	10,439,971	9,900,220
Committed - Capital Improvement Plan	-	-	-	-
Assigned - General Fund	-	-	-	-
Unassigned - General Fund	3,277,467	2,829,383	2,612,632	2,036,428
TOTAL	\$ 12,284,329	\$ 13,749,747	\$ 13,090,120	\$ 11,983,959
Debt Service as % on non Capital Expenditures	9%	9%	9%	8%
Unassigned Fund Balance as % of Current Expenditures	44%	35%	32%	23%
Total Fund Balance as % of Total Expenditures	75%	122%	118%	96%

Source: Applicable years' comprehensive annual financial report.

¹Beginning in 2013 the City reported expenditures for Human Service Grants and Waste Reduction and Recycling separately as Mental and Physical Health and Utilities and Environment respectively. Prior to 2013 these expenditures were reported jointly as

	2011	2012	2013	2014	2015	2016
\$	3,139,117	\$ 3,200,310	\$ 3,312,283	\$ 3,489,468	\$ 3,579,149	\$ 3,672,451
	2,100,009	2,528,876	2,676,444	3,036,207	3,336,309	4,228,554
	1,632,226	1,698,866	1,730,053	1,956,726	1,981,568	1,835,667
	-	-	173,663	345,219	364,041	376,525
	551,843	1,043,963	801,022	1,152,583	1,577,332	1,597,864
	37,520	38,828	45,920	51,873	68,085	73,102
	7,460,715	8,510,843	8,739,384	10,032,076	10,906,484	11,784,164
	782,423	861,982	625,668	948,972	929,695	695,449
	1,515,257	3,085,412	1,704,407	1,112,553	2,210,998	2,676,441
	3,066,003	2,428,849	1,687,780	1,745,764	1,556,472	1,444,222
	176,372	153,605	96,381	87,858	100,983	84,503
	488,306	424,707	404,965	540,626	576,543	271,220
	13,489,076	15,465,398	13,258,584	14,467,849	16,281,174	16,955,998
	16%	15%	-14%	9%	13%	4%
	1,819,336	2,004,745	2,211,505	2,258,726	2,272,577	2,776,030
	956,631	1,123,179	978,415	1,086,990	997,054	897,803
	217,842	232,840	-	-	-	-
	-	-	30,000	30,000	35,000	30,000
	1,584,155	1,680,423	2,114,097	2,173,522	2,186,737	2,499,473
	3,557,118	3,851,964	3,881,719	4,015,425	4,046,669	4,465,882
	1,302,269	1,460,712	1,076,374	1,539,329	1,581,392	1,597,498
	-	-	137,236	153,591	103,682	98,335
	3,950,040	2,970,732	2,419,678	2,832,443	3,269,273	3,467,653
	559,621	579,621	589,621	704,621	814,621	774,621
	197,475	181,551	164,829	197,463	139,682	113,478
	14,144,487	14,085,767	13,603,472	14,992,111	15,446,685	16,720,773
	13%	0%	-3%	10%	3%	8%
	(655,411)	1,379,631	(344,887)	(524,262)	834,489	235,225
	-	-	-	1,530,000	-	-
	-	-	-	-	3,022,980	-
	-	-	-	-	(2,975,277)	-
	647,304	46,893	435,717	130,156	341,422	431,522
	-	-	-	8,269	-	1,125
	647,304	46,893	435,717	1,668,425	389,125	432,647
	(8,107)	1,426,524	90,829	1,144,163	1,223,614	667,872
	11,983,959	11,975,852	13,402,377	13,493,207	14,632,746	15,856,361
	-	-	-	(4,625)	-	-
	37,019	5,000	9,575	55,171	53,944	39,902
	9,105,966	10,389,134	10,364,060	11,013,780	11,260,321	11,505,996
	-	19,025	19,025	19,025	19,025	19,025
	-	-	600,385	439,368	1,117,268	1,124,299
	2,832,867	2,989,217	2,500,162	3,105,401	3,405,803	3,835,010
	\$ 11,975,852	\$ 13,402,376	\$ 13,493,206	\$ 14,632,746	\$ 15,856,361	\$ 16,524,233
	7%	7%	7%	7%	8%	7%
	30%	29%	24%	28%	30%	31%
	85%	95%	99%	98%	103%	99%

**City of Maple Valley
Property Tax Data
Last Ten Years**

	2007	2008	2009	2010
ASSESSED VALUE				
Assessed Value (2)	2,293,057,004	2,579,005,968	2,446,394,927	2,437,805,896
Increase (Decrease) in Assessed Valuation	14%	12%	-5%	0%
Includes Local New Construction of	84,356,197	51,762,393	45,038,436	34,004,314
Includes Increase in Public Utility Value	2,261,297	-	-	3,740,931
Total New Construction	86,617,494	51,762,393	45,038,436	37,745,245
PROPERTY TAX RATES (1)				
Direct Regular and Special				
City of Maple Valley	1.26	1.17	1.08	1.25
Overlapping Regular and Special				
State School Fund	2.33	2.13	1.96	2.22
King County General	1.29	1.21	1.10	1.28
Port of Seattle	0.23	0.22	0.20	0.22
Emergency Medical Services (EMS)	0.21	0.30	0.27	0.30
Ferry District		0.06	0.05	0.00
King County Flood District		0.10	0.09	0.11
Rural Library District	0.50	0.45	0.42	0.49
Tahoma School District Special Levy	2.46	2.32	2.22	2.74
Tahoma School District Bond & Bldg	1.71	1.55	1.44	1.70
Fire District # 43	1.67	1.57	1.45	1.72
Sub Total Overlapping	10.40	9.91	9.20	10.78
Total Property Tax Levy	11.66	11.08	10.27	12.03
PROPERTY TAXES LEVIED AND COLLECTED (1)				
Property Taxes Levied				
Original Levy (2)	2,547,157	2,680,754	2,975,484	3,059,587
Adjustments	776	(1,063)	(244)	(4,210)
Revised Levy	2,547,934	2,679,691	2,975,240	3,055,377
Percent of Levy Change from Prior Year (PY)	8.3%	5.2%	11.0%	2.7%
% of Levy related to New Construction & Annexation	7.3%	4.2%	10.0%	1.7%
Property Taxes Collected				
Collections as of the End of the Levy Year	2,493,940	2,610,891	2,914,436	2,989,404
Percent Collected as of the End of the Levy Year	97.9%	97.4%	98.0%	97.8%
Collections in Subsequent Years	53,995	68,800	60,791	65,937
Total Collections to Date	2,547,935	2,679,691	2,975,227	3,055,341
Percent Collected to Date	100.0%	100.0%	100.0%	100.0%
Current Amount Outstanding	(2)	0	13	36
Percent of Current Amount Outstanding by Year	0.0%	0.0%	0.1%	0.2%
Single Family Residential (SFR) Property Taxes				
Average Value of SFR	364,409	346,837	300,261	302,814
Percent Change from Prior Year (PY)	2.0%	-4.8%	-13.4%	0.9%
City Share of Property Taxes per SFR on PY Value	452	426	373	375
Total Property Taxes per SFR on PY Value	4,166	4,038	3,563	3,613
Percent Change from Prior Year (PY)	28.1%	-3.1%	-11.8%	1.4%

(1) Tax rates are expressed in terms of dollars of tax per thousand dollars of assessed value. Tax rates are applied to previous year's assessed value to determine levy amount. Tax rates are for majority of City property tax parcels. Less than 5% of City parcels are in Public Hospital District #1 with an additional levy rate of \$.50 per \$1,000 of

(2) 2009 includes the annexation of Maple Ridge with an initial assessed valuation of \$262,137,000 and tax levy

Source:
King County Assessor's Office.

2011	2012	2013	2014	2015	2016
2,296,106,212	2,143,931,000	2,332,474,360	2,834,060,029	3,033,278,836	3,270,863,750
-6%	-7%	9%	22%	7%	8%
26,605,677	57,519,249	41,846,659	48,994,139	43,361,321	32,491,497
-	2,315,419	1,405,704	3,853,445	1,752,284	5,000,000
26,605,677	59,834,668	43,252,363	52,847,584	45,113,605	37,491,497
1.29	1.38	1.55	1.47	1.25	1.19
2.28	2.42	2.57	2.47	2.29	2.17
1.34	1.42	1.54	1.52	1.35	1.48
0.22	0.23	0.23	0.22	0.19	0.17
0.30	0.30	0.30	0.34	0.30	0.28
0.00	0.00	0.00	0.00	0.00	0.00
0.11	0.12	0.13	0.15	0.14	0.13
0.57	0.57	0.57	0.56	0.50	0.48
3.39	3.54	3.95	3.73	3.26	3.12
1.89	2.05	2.30	3.48	2.91	3.05
1.62	1.72	1.74	1.86	1.94	1.68
11.72	12.36	13.34	14.33	12.87	12.55
13.01	13.75	14.89	15.79	14.11	13.75
3,142,481	3,205,605	3,320,019	3,419,695	3,526,601	3,617,863
(3,383)	(2,684)	(5,617)	(3,347)	(3,374)	(4,333)
3,139,098	3,202,921	3,314,402	3,416,349	3,523,228	3,613,530
2.7%	2.0%	3.5%	3.1%	3.1%	2.6%
1.7%	1.0%	2.5%	2.1%	2.1%	1.6%
3,085,616	3,161,830	3,275,835	3,383,155	3,486,014	3,577,085
98.3%	98.7%	98.8%	99%	99%	99%
53,516	40,030	34,935	23,825	37,313	30,026
3,139,132	3,201,860	3,310,770	3,406,980	3,523,327	3,607,111
100.0%	100.0%	99.9%	100%	100%	100%
(34)	1,061	3,632	9,369	(100)	6,419
-0.2%	5.2%	17.8%	45.9%	-0.5%	31.5%
275,667	278,251	307,586	364,359	385,315	417,376
-9.0%	0.9%	10.5%	18.5%	5.8%	8.3%
391	382	431	451	455	460
3,941	3,789	4,142	4,858	5,143	5,297
9.1%	-3.8%	9.3%	17.3%	5.9%	3.0%

City of Maple Valley
Sales Tax Data
Last Ten Years

	SIC Group	2007	2008	2009	2010
Sales Tax Revenue (Locally generated) (1)					
Retail Trade	441-454	\$ 591,788	\$ 575,516	\$ 559,551	\$ 568,584
Construction	236-238	503,399	376,299	235,090	263,506
Food Services, Drinking Places	722	176,899	176,353	165,598	180,369
Wholesale Trade	423-425	119,020	100,462	88,004	77,753
Telecommunication	517	80,193	80,524	78,691	78,669
Other Services	811-814	52,180	51,633	60,605	76,875
Public Administration	921-926	76,637	62,532	45,587	53,574
Administrative and Support Services	561-562	82,943	53,296	37,830	40,132
Professional, Scientific & Technical Services	541	23,772	20,446	27,336	26,023
Rental & Leasing	532	73,537	69,803	42,512	36,409
Manufacturing	311-339	13,898	21,651	26,429	25,933
Arts Entertainment & Recreation	711-713	18,443	32,936	21,480	23,706
Finance and Insurance	521-525	27,820	18,814	15,395	14,290
All Other		2,663	3,093	42,389	40,331
		\$ 1,843,192	\$ 1,643,358	\$ 1,446,497	\$ 1,506,154
Overall Annual Percent Growth		-1%	-11%	-12%	4%
Construction Percent Growth		-13%	-25%	-38%	12%
Non Construction Percent Growth		5%	-5%	-4%	3%

(1) Locally generated grouped by Standard Industrial Code (SIC). Additional sales tax is generated county-wide and distributed based on population for criminal justice

Source:
Washington State Department of Revenue.

	2011	2012	2013	2014	2015	2016	% of 2016	
\$	613,889	\$ 797,120	\$ 888,774	\$ 981,093	\$ 1,065,462	\$ 1,146,956	32%	
	330,561	471,520	411,819	524,425	635,660	1,233,298	35%	
	177,852	222,657	266,971	289,384	326,878	384,530	11%	
	89,395	122,330	115,814	139,386	130,116	147,648	4%	Building Suppliers
	83,542	87,401	109,663	128,029	125,248	135,078	4%	
	77,812	79,971	83,850	85,284	94,316	97,248	3%	Auto Services
	51,183	51,787	57,173	62,148	69,761	77,433	2%	State licensing, City of MV
	42,808	51,642	53,004	56,781	68,493	69,720	2%	Landscaping
	22,355	24,662	36,080	37,494	32,624	38,837	1%	
	28,450	27,909	36,002	35,982	47,465	70,868	2%	Equip Leasing, Videos
	32,475	41,243	31,856	42,984	41,106	36,820	1%	Construction Accessories
	25,177	27,657	29,787	32,265	25,619	28,769	1%	Golf Courses, Fitness
	10,665	12,147	15,957	18,358	24,843	26,872	1%	
	56,678	36,743	21,584	35,016	29,319	56,767	2%	
\$	1,642,842	\$ 2,054,789	\$ 2,158,334	\$ 2,468,629	\$ 2,716,910	\$ 3,550,844	100%	
	9%	25%	5%	14%	10%	31%		
	25%	43%	-13%	27%	21%	94%		
	6%	21%	10%	11%	7%	11%		

City of Maple Valley
Private Development Activity
Last Ten Years

	Type	Lots	Sq Ft	Preliminary		2007	2008
				Plat Approved	Project Completed		
Projects Completed in 2016							
Mystic Meadows / Rock Creek Reserve	SF	25		Sep-06	Feb-16		
Total Projects Completed in 2016	1	25	-			-	-
City Approved Projects In Progress							
Ridge @ Lake Wilderness	SF	11		Feb-05		4	
Arbors @ Rock Creek, Phase 3	SF	48		Jul-07			
Arbors @ Rock Creek, Phase 4	SF	9		Jul-07			
Jordan's Crossing	SF	15		Jul-07			
South Fork Maple Plat	SF	10		Jul-07			
Malloy	SF	42		Oct-07			
Wilderness Hills 3	SF	22		Dec-07			
Sun Ridge @ Elk Run 4 Division 1	SF	59		Jun-12			
Sun Ridge @ Elk Run 4 Division 2	SF	6		Sep-12			
Terrace at Maple Woods	SF	35		Apr-14			
Yellow Rock Road	SF	6		Apr-14			
Cedar Peak	SF	17					
Shavano Park	SF	51		Feb-16			
Overlook at Summit Park	SF	135					
Trailside Short Plat	SF	4					
Vanderwaal Short Plat	SF	5					
Hope Fellowship	NC		-				
Tahoma High School	NC		-				
St. George Episcopal	NC		-				
MV Chevron Carwash	NC		-				
Lake Wilderness Elem. School	NC		-				
Other/Previously Approved Plats	SF	38				8	1
Total Projects In Progress	22	513	-			12	1
Projects Completed in Last 9 Years	61	1,410	527,705			136	97
Completed in Last 10 Years and in Progress	84	1,948	527,705			148	98
Last Ten Years						148	246

FR Single (SF) & Multi Family (MF) Residential
 NC New Commercial

Housing Units								SFR	Approved	SFR
2009	2010	2011	2012	2013	2014	2015	2016	Preliminary Plat Lots	Engineering	Recorded Plat Lots
					4	18	3			-
-	-	-	-	-	4	18	3	-	-	-
	1		1	1	2		-			2
							-		48	-
							1		9	-
				1	13		-		10	1
							-	42		-
							-	22		-
						4	20			35
							-	6		-
						6	24			5
							-		6	-
							-			-
							-	51		-
							-			-
							-			-
							-			-
4	2	-	4	7	6	3	3			-
4	3	-	5	9	21	13	48	121	73	43
89	122	156	154	67	144	2	-	-		
93	125	156	159	76	169	33	51	121		
339	464	620	779	855	1,024	1,057	1,108			

As of 12/31/2016

**City of Maple Valley
Principal Property Taxpayers & Employers
Current and Nine Years Prior**

Taxpayer	Type	2007			2016		2016	
		Assessed Valuation	Rank	% of AV	% of AV	Assessed Valuation	Rank	% of AV
Four Corners Northeast LFP	Developer				25.0%	\$ 45,383,800	1	20.7%
Four Corners LLC	Retail	\$ 18,780,700		21%	14.8%	34,618,000	2	15.8%
Wilderness Village Apartments	Apartments	17,190,000		20%	11.9%	32,398,400	3	14.7%
KRG Four Corner Square LLC	Developer			0%	12.1%	26,413,800	4	12.0%
Puget Sound Energy	Utility	9,742,723		11%	10.5%	19,881,836	5	9.0%
Hogate Properties	Retail	7,214,300		8%	6.5%	16,835,200	6	7.7%
NW Apartment Portfolio II	Apartments	11,478,000		13%	6.3%	12,819,300	7	5.8%
CMBA No. 6/7	Retail	8,097,203		9%	5.6%	11,127,900	8	5.1%
Wilderness Village Properties	Retail	6,567,500		7%	4.8%	10,924,100	9	5.0%
Schneider Homes	Developer	2,428,000		3%	2.5%	9,361,800	10	4.3%
Nickel & Company LLC	Retail	4,902,042		6%				
		1,751,800		2%				
Subtotal - Ten Largest Taxpayers		88,152,268				219,764,136		
All Other City Taxpayers		2,204,904,736				3,051,099,614		
Total City Taxpayers		\$ 2,293,057,004				\$ 3,270,863,750		

Major Employers ⁽¹⁾		2016 Employees
Tahoma School District	Government	840
Fred Meyer	Retail	245
Safeway	Retail	121
Quality Food Centers	Retail	73
HopJacks	Retail	70
JR Hayes & Sons, Inc	Construction	61
MV Fire & Life Safety	Government	54
Johnson's Home & Garden	Retail	47
City of Maple Valley	Government	43
Multicare	Health	22

(1) Information on major employers was not reported by the City prior to 2008, so comparative data not available.

Source: King County Assessor's Office

City of Maple Valley
 Computation of Legal Debt Margin
 December 31, 2016

	Assessed Value	Rate	Debt Capacity	Debt Outstanding	Debt Margin Dollars	%
ASSESSED VALUE	\$ 3,270,863,750					
GENERAL PURPOSES						
Non-Voted Only						
Maximum Debt as a percent of Assessed Value		1.5%				
Non-Voted General Obligation Debt Capacity			\$ 49,062,956			
Less: Outstanding Non-Voted Debt				\$ 4,658,834		
Remaining Non-Voted Debt Capacity					\$ 44,404,122	91%
Total Voted and Non Voted						
Maximum Debt as a percent of Assessed Value		2.5%				
Voted General Obligation Debt Capacity			81,771,594			
Less: Outstanding Voted Debt				-		
Less: Outstanding Non-Voted Debt				4,658,834		
Remaining Voted Debt Capacity					77,112,760	94%
TOTAL GENERAL PURPOSES			81,771,594	4,658,834	77,112,760	94%
UTILITY PURPOSES						
Voted						
Maximum Debt as a percent of Assessed Value		2.5%				
Voted General Obligation Debt Capacity			81,771,594			
Less: Outstanding Voted Debt				-		
Remaining Voted Debt Capacity					81,771,594	
TOTAL UTILITY PURPOSES			81,771,594	-	81,771,594	100%
PARKS AND OPEN SPACE AND CAPITAL FACILITIES ASSOCIATED WITH ECONOMIC DEVELOPMENT						
Voted						
Maximum Debt as a percent of Assessed Value		2.5%				
Voted General Obligation Debt Capacity			81,771,594			
Less: Outstanding Voted Debt				-		
Remaining Voted Debt Capacity					81,771,594	
PARKS AND OPEN SPACE AND CAPITAL FACILITIES ASSOCIATED WITH ECONOMIC DEVELOPMENT			81,771,594	-	81,771,594	100%
TOTAL CAPACITY			\$ 245,314,781			
CAPACITY UTILIZED				\$ 4,658,834		
LEGAL DEBT MARGIN					\$ 240,655,947	98%

Source:
 King County Assessor's Office.

**City of Maple Valley
 Computation of Direct and Overlapping Debt
 December 31, 2016**

	Assessed Valuation	Debt	Percent Applicable to Maple Valley	Debt Applicable to Maple Valley
DIRECT DEBT				
City of Maple Valley	\$ 3,270,863,750			
General Obligation Bonds Payable		\$ 3,181,867		
Other General Obligation Debt		1,476,968		
Total General Long Term Debt		<u>4,658,834</u>		
Net Direct Debt		\$ 4,658,834	100.0%	\$ 4,658,834
OVERLAPPING DEBT				
King County	\$ 426,335,605,837	\$ 776,170,000	0.66%	\$ 5,159,579
Port of Seattle	426,335,605,837	283,620,000	0.66%	1,885,360
King County Library District	260,358,061,254	98,720,000	1.09%	1,074,591
Kent School District	19,957,076,436	118,926,628	0.12%	147,931
Tahoma School District	5,515,165,524	169,095,000	50.94%	86,131,181
Fire District # 43	5,503,074,698	<u>1,710,000</u>	51.50%	<u>880,643</u>
Total net overlapping debt		<u>1,448,241,628</u>		<u>95,279,285</u>
Total net direct and overlapping debt		<u>\$ 1,452,900,462</u>		<u>\$ 99,938,119</u>

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Maple Valley. The applicable percentage is determined by the ratio of assessed valuation of taxable property in the overlapping unit to the valuation of property subject to taxation by the City of Maple Valley. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source:

King County Assessor's Office, other governmental units, and the City of Maple Valley's Finance Department.

**City of Maple Valley
Comparative Regional Statistics
2010 Census Bureau Data (1)**

	City of Maple Valley	State of Washington	King County
Population	24,230	6,724,543	1,931,262
Median Age	34.2	37.3	37.1
Median Household Income	\$ 96,462	\$ 59,478	\$ 71,811
Unemployment Rate (2)	4.30%	6.30%	4.20%
Persons under 18 years	41%	29%	27%
Bachelor's Degree or higher, % age 25+	35%	32%	47%

	Neighboring Cities of			
	Auburn	Kent	Renton	Covington
Population	70,180	92,411	90,927	17,575
Median Age	34.4	33.0	35.2	34.7
Median Household Income	\$ 55,483	\$ 57,553	\$ 64,141	\$ 90,280
Unemployment Rate (2)	9.20%	9.60%	8.80%	8.40%
Persons under 18 years	33%	34%	31%	35%
Bachelor's Degree or higher, % age 25+	22%	25%	31%	28%

Source:

(1) Information obtained from US Census Bureau except as noted

(2) Unemployment Rates from Employment Security for State and County for 2010. City unemployment rates are as of September, 2011

	2007	2008	2009	2010
Population (April 1)	20,020	20,480	20,840	22,684
Unemployment Rate (King County) (1)	3.6%	5.6%	8.4%	8.2%
Personal Income (Estimate)				
Median Household Income Estimate (King County) (1)	65,489	67,027	65,877	65,383
Persons per Household	2.96	2.96	2.96	2.96
Per Capita Personal Income	22,125	22,644	22,256	22,089
Other Demographic Statistics				
Age				
17 and Under				
Over 64				
Age 25 and older Bachelor's Degree and higher				
Household Income over \$100,000				
Owner Occupied Housing Units				84.7%
Owner Occupied Housing Unit Values over \$300,000				
Assessed Valuation	\$ 2,293,057,004	\$ 2,579,005,968	\$ 2,446,394,927	\$ 2,437,805,896
Net Direct Bonded Debt	\$ 8,164,447	\$ 8,168,935	\$ 7,644,314	\$ 7,099,693
Net Overlapping Debt	32,550,412	33,469,125	29,521,592	32,266,926
Total Net Direct & Overlapping Debt	<u>\$ 40,714,859</u>	<u>\$ 41,638,060</u>	<u>\$ 37,165,906</u>	<u>\$ 39,366,619</u>
City Employees	39.20	38.10	38.00	39.30
City and Contract Employees	51.77	50.58	50.59	53.29
Ratios				
Assessed value per capita	\$ 114,538	\$ 125,928	\$ 117,389	\$ 107,468
Net direct bonded debt per capita	\$ 408	\$ 399	\$ 367	\$ 313
Net direct and overlapping debt per capita	\$ 2,034	\$ 2,033	\$ 1,783	\$ 1,735
Ratio of net direct debt/capita to per capita personal income	1.8%	1.8%	1.6%	1.4%
Ratio of net total debt/capita to per capita personal income	9.2%	9.0%	8.0%	7.9%
Ratio of net direct bonded debt to assessed value	0.4%	0.3%	0.3%	0.3%
Ratio of net direct & overlapping debt to assessed value	1.8%	1.6%	1.5%	1.6%
City employees per 1000 population	2.0	1.9	1.8	1.7
City and Contract Employees 1000 population	2.6	2.5	2.4	2.3

Source:

(1) State of Washington Office of Financial Management

(2) Hebert Research, Inc City of Maple Valley Residential Profile

2011	2012	2013	2014	2015	2016
22,930	23,340	23,910	24,230	24,700	24,790
7.2%	6.1%	5.2%	4.2%	5.2%	3.4%
66,294	68,313	71,122	75,045	80,998	84,897
2.96	2.96	2.96	2.96	2.96	2.96
22,397	23,079	24,028	25,353	27,364	28,681
31.4%		32.3%	32.0%	38.2%	32.3%
6.5%		6.6%	7.5%	6.6%	6.6%
37.4%		41.1%	34.7%	40.7%	37.0%
37.0%		29.7%	47.4%	49.5%	52.7%
		84.6%	85.5%	80.3%	83.1%
53.8%		56.8%	71.0%	81.2%	86.3%
\$ 2,296,106,212	\$ 2,143,931,000	\$ 2,332,474,360	\$ 2,834,060,029	\$ 3,033,278,836	\$ 3,270,863,750
\$ 6,540,072	\$ 5,960,451	\$ 5,370,830	\$ 6,196,210	\$ 5,301,589	\$ 4,658,834
26,209,775	24,258,742	72,813,764	71,020,592	67,162,334	95,279,285
\$ 32,749,847	\$ 30,219,193	\$ 78,184,594	\$ 77,216,802	\$ 72,463,923	\$ 99,938,119
39.80	38.55	39.30	41.25	42.75	43.75
57.15	56.90	57.65	59.60	61.10	64.10
\$ 100,135	\$ 91,857	\$ 97,552	\$ 116,965	\$ 122,805	\$ 131,943
\$ 285	\$ 255	\$ 225	\$ 256	\$ 215	\$ 188
\$ 1,428	\$ 1,295	\$ 3,270	\$ 3,187	\$ 2,934	\$ 4,031
1.3%	1.1%	0.9%	1.0%	0.8%	0.7%
6.4%	5.6%	13.6%	12.6%	10.7%	14.1%
0.3%	0.3%	0.2%	0.2%	0.2%	0.1%
1.4%	1.4%	3.4%	2.7%	2.4%	3.1%
1.7	1.7	1.6	1.7	1.7	1.8
2.5	2.4	2.4	2.5	2.5	2.6

**City of Maple Valley
Full Time Employee Equivalent History
Last Ten Years**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Employee Data										
City Employees										
City Manager	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Human Resources	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75	0.75
City Clerk	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
City Attorney	1.00	1.00	1.00	1.00	1.00					
Community Development	8.00	8.00	9.00	8.00	8.00	7.00	7.00	7.00	6.00	6.00
Finance	3.70	3.50	3.50	3.80	3.80	3.80	3.80	4.00	4.00	4.00
Information Technology & GIS	1.00	1.00	1.00	1.50	1.50	1.50	2.50	3.00	3.00	4.00
Parks & Recreation	5.50	4.60	5.00	5.00	5.00	6.50	8.25	9.50	11.00	11.00
Public Safety	1.00	1.00	1.00	1.00	2.00	1.00	1.00	1.00	1.00	1.00
Public Works	11.50	11.50	10.00	12.50	12.00	12.00	10.00	10.00	11.00	11.00
Total City Employees	39.20	38.10	38.00	39.30	39.80	38.55	39.30	41.25	42.75	43.75
Contractees										
City Attorney							1.00	1.00	1.00	1.00
Prosecuting Attorney	0.40	0.40	0.40	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Domestic Violence Advocate										1.00
Municipal Court Judge	0.09	0.09	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Court Clerks	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Police										
Police Chief	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Police Sergeant				1.00	1.00	1.00	1.00	1.00	1.00	2.00
Detective	0.58	0.59	0.44	0.74	1.00	3.00	3.00	3.00	3.00	3.00
School Resource Officer										
Police Officers (1)	9.00	9.00	9.00	9.00	12.00	11.00	11.00	11.00	11.00	11.00
Information Services Consultant	0.60	0.50	0.75	0.90	1.00	1.00				
Total Contractees	12.57	12.48	12.59	13.99	17.35	18.35	18.35	18.35	18.35	20.35
Total Full Time Equivalent Employees	51.77	50.58	50.59	53.29	57.15	56.90	57.65	59.60	61.10	64.10

**City of Maple Valley
 Operating Indicators by Function
 Last Ten Years**

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Community Development										
Single Family Residential Permits	148	98	93	125	156	159	76	169	33	54
Total Inspections	4,595	3,712	2,616	3,234	4,529	5,235	3,230	4,981	3,133	2,677
Parks & Recreation										
Events at Lake Wilderness Lodge	656	835	725	964	1,086	1,183	1,269	1,569	1,788	1,882
Park Rentals & Permits	125	479	681	495	581	534	385	506	514	568
City wide Community Events	10	9	11	11	11	11	11	11	11	12
Classes, Leagues, & Programs	23	25	25	32	34	34	37	35	37	44
Number of Transactions	1,631	2,543	4,408	4,983	6,552	6,955	7,285	15,330	20,198	21,259
Public Safety										
Dispatched Calls for Service	3,162	2,811	3,170	2,862	2,787	3,393	3,479	3,536	4,094	4,318
Crimes (Part 1 & 2)	943	914	1,175	912	959	960	910	963	1,168	1,038
Cases Closed	78	94	166	70	89	114	93	84	115	104

Source:
 Various City departments.

City of Maple Valley
Capital Asset Statistics by Function
Last Ten Years

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Parks & Recreation										
Acres of Parks	288	288	288	288	288	288	288	288	288	288
Public Works										
Lane Miles of Streets	115	118	130	130	130	130	146	153	153	153
Surface Water Facilities	141	144	147	147	147	147	150	162	164	164

Source:
 Various City departments.