

City of  
**MAPLE VALLEY**  
Washington

Comprehensive Annual Financial Report  
For Fiscal Year Ended  
**December 31, 2018**

The City of  
MAPLE VALLEY



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**City of Maple Valley  
Washington**

**Comprehensive Annual Financial Report**

**For Fiscal Year Ended**

**December 31, 2018**

Prepared by the:  
Finance Department

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Finance Director

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Sr. Financial Analyst

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Sr. Financial Analyst

Sierra Southworth  
Accountant

The City of  
MAPLE VALLEY



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# INTRODUCTORY SECTION

**City of Maple Valley**  
**2018 Comprehensive Annual Financial Report**  
**Table of Contents**

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**INTRODUCTORY SECTION**

Table of Contents.....4  
 Letter of Transmittal.....6  
 Certificate of Achievement for Excellence in Financial Reporting.....14  
 Organization Chart.....15  
 Principal Officials.....16

**FINANCIAL SECTION**

Independent Auditor’s Report .....19  
 Management’s Discussion and Analysis .....25

**Basic Financial Statements**

Government-wide Financial Statements  
     Statement of Net Position.....47  
     Statement of Activities.....48  
 Fund Financial Statements  
     Balance Sheet – Governmental Funds.....52  
     Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position....55  
     Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .56  
     Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of  
         Governmental Funds to the Statement of Activities .....59  
     Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual –  
         General Fund.....60  
         Transportation Development Fund.....61  
         Park Development Fund .....62  
         Real Estate Excise Tax Fund.....63  
     Statement of Net Position – Proprietary Funds.....64  
     Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.....65  
     Statement of Cash Flows – Proprietary Funds.....66

**Notes to the Financial Statements**

Note 1 – Summary of Significant Accounting Policies .....68  
 Note 2 – Stewardship, Compliance, and Accountability.....72  
 Note 3 – Cash and Investments .....73  
 Note 4 – Receivables and Other Short-Term Assets .....75  
 Note 5 – Interfund Activity .....77  
 Note 6 – Capital Assets.....77  
 Note 7 – Payables and Other Short-Term Liabilities.....80  
 Note 8 – Long-Term Liabilities.....81  
 Note 9 – Net Position .....84  
 Note 10 – Property Taxes .....86  
 Note 11 – Employee Benefits.....87  
 Note 12 – Risk Management.....96  
 Note 13 – Commitments.....98  
 Note 14 – Prior Period Adjustment.....98

**Required Supplementary Information**

Schedule of Employer’s Proportionate Share of Net Pension Liability .....102  
 Schedule of Employer Contributions .....103

**City of Maple Valley  
2018 Comprehensive Annual Financial Report  
Table of Contents, continued**

---

**Combining Statements and Schedules**

Combining Balance Sheet – Nonmajor Governmental Funds.....	106
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds .....	107
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Transportation Benefit Special Revenue Fund .....	110
Drug Seizure Fund .....	111
Bond Proceeds .....	112
Capital Improvement Plan Fund .....	113
Surface Water Management Fund.....	114
Lake Wilderness Golf Course Fund.....	115
Vehicle Rental Fund.....	116
Central Service Fund.....	117
Unemployment Trust Fund .....	118
Internal Service Funds	
Combining Statement of Net Position .....	120
Combining Statement of Revenues, Expenses and Changes in Fund Net Position .....	121
Combining Statement of Cash Flows.....	122

**STATISTICAL SECTION**

Financial Trends	
Net Position by Component.....	124
Changes in Net Position.....	126
Changes in Fund Balance – Governmental Funds .....	130
Revenue Capacity	
Property Tax Data .....	132
Sales Tax Data .....	134
Private Development Activity.....	136
Principal Property Taxpayers & Employers .....	138
Debt Capacity	
Computation of Legal Debt Margin .....	139
Computation of Direct and Overlapping Debt .....	140
Ratios of General Bonded Debt Outstanding.....	141
Ratios of Outstanding Debt by Type.....	142
Demographic and Economic Data	
Comparative Regional Statistics.....	145
Maple Valley Statistics and Ratios .....	146
Operating Information	
Full Time Equivalent Employee History .....	148
Operating Indicators by Function.....	149
Capital Asset Statistics by Function.....	150

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Phone: (425) 413-8800 • Fax: (425) 413-4282

June 25, 2019

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, 2018. 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 25,698. 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 46 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. Back-up jail services are provided via contracts with the City of Enumclaw, the City of Issaquah, and King County. Long-term services are provided via contract with Yakima 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 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 272<sup>nd</sup> 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 2018 population, as provided by the Washington State Office of Financial Management (OFM), was 25,280, an increase of 380 persons from 2017.

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 opened 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 2.2% in 2018 compared with an increase of 2.3% in 2017. The GDP increased by 3.1 % in first quarter, 2019. In the State of Washington, the GDP increased 4.7% in 2017 and 3.1% in 2018. The bureau of Labor Statistics reported that, in the Seattle-Tacoma-Bremerton area, the consumer price index (CPI) increased by 2.8% in 2018 compared to 3.5% in 2017. The Washington State unemployment rate at the end of 2018 was 4.5% compared to 4.8% at the end of 2017.

### **Local**

According to the U.S. Census Bureau, median household incomes within the City of Maple Valley are significantly higher than the county as a whole. According to the census, the government's median family income was \$102,130 while the County's was \$83,571 (in 2017 dollars). The City has seen its population increase from 16,280 in 2004 to 25,698 in 2018, an increase of 9,418. The City issued 123 new single-family residential permits in 2018 and the City's six year forecast assumes that 35 single-family residential permits will be issued in 2018 and 35 each for years 2019 through 2022. The forecast also assumes a 3.6% increase in average sales price of new residential units per year.

In 2018 Maple Valley there was a 12.4% increase in the average selling price of all single family residential homes. The average selling price of new homes increased 20.5% and the average selling price of existing homes increased 10.6%.

Locally, the City issued 123 new single-family residential permits in 2018 compared to 125 being issued in 2017. Assessed property values increased 12% over 2017. The 2018 assessed valuation of \$4,113,881,832 included \$105,802,350 in new construction.

On August 22, 2018, Standard & Poor's completed its bond rating assessment the City of Maple Valley Limited Tax General Obligation Bonds, Series 2018 and assigned a AA+ rating and affirmed its credit rating of AA+ for the City of Maple Valley.

In 2018 there were 863 business licenses issued to businesses located within the City limits and 144 business licenses issued to businesses located outside the City who do business within the City.

The major employers in the City in 2018 were:

1. Tahoma School District	850	6. Johnson's Home & Garden	47
2. Fred Meyer	315	7. City of Maple Valley	46
3. Safeway	135	8. JR Hayes & Sons, Inc	36
4. Quality Food Centers	85	9. Multicare	22
5. MV Fire & Life Safety	53	10. Hops n/ Drops	21

**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:

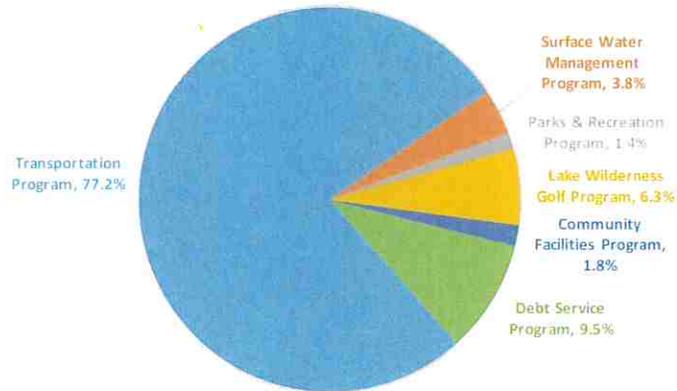
- At the time of the permit, building permit revenue and transportation and park impact fees are generated;
- Within six months, the construction activity generates sales tax revenue;
- When construction is complete, the increase in assessed valuation leads to an increase in property tax revenue;
- When 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 \$63,039,000 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 2019-2024.

**CITY OF MAPLE VALLEY  
CAPITAL IMPROVEMENT PROGRAM  
PROGRAM EXPENDITURES  
2019-24**

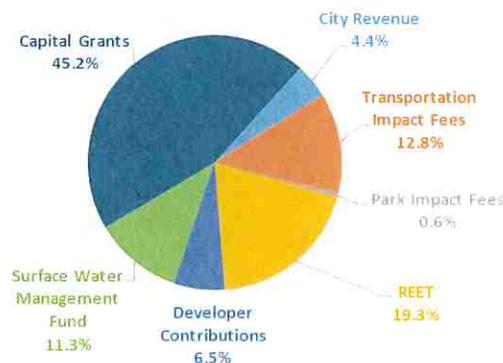


As noted in the chart, 77.2% of the funds are allocated to the transportation program. This allocation is made because transportation has been a top City priority from incorporation. To ensure the best quality transportation network, the City has, as part of the City's Comprehensive Plan, a 20-year transportation 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 by a combination of sources as identified below.

**CITY OF MAPLE VALLEY  
CAPITAL IMPROVEMENT PROGRAM  
FUNDING SUMMARY  
2019 - 2024**



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. 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. The measure was not passed and the City opted to issue Councilmanic General Obligation Bonds in 2018. The budgeted proceeds are reflected in the chart above.

## **CITY PRIORITIES**

In its 2017 retreats, the City Council confirmed its Goals and Objectives. They are stated below as they appear in the 2017-2018 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 2017.

### **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, 2017. This was the eighteenth 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

The City of  
MAPLE VALLEY



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Government Finance Officers Association

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

Presented to

**City of Maple Valley  
Washington**

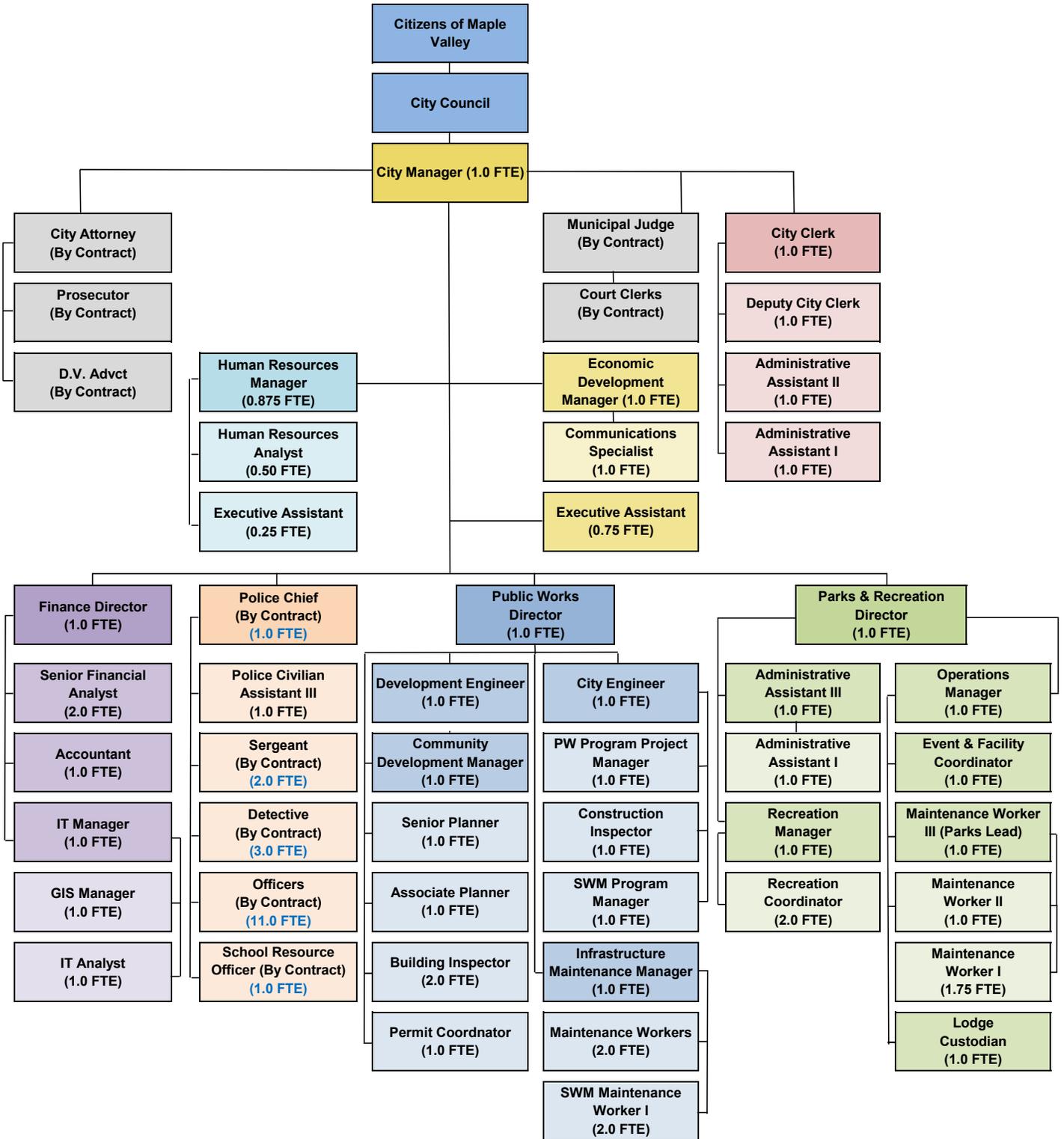
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morill*

Executive Director/CEO

**47.125 Direct City FTEs, 18.00 Contracted FTEs, 65.125 FTEs**



Note: Blue FTE counts are contracted police positions through the King County Sheriffs Office and are not City of Maple Valley employees.

# City of Maple Valley City Council



Mayor Sean Kelly  
Position 1  
Term Expiration 12/2019



Linda Olson  
Position 2  
Term Expiration 12/2021



Leslie Burberry  
Position 3  
Term Expiration 12/2019



Erin Weaver  
Position 4  
Term Expiration 12/2021



Syd Dawson  
Position 5  
Term Expiration 12/2019



Deputy Mayor Dana Parnello  
Position 6  
Term Expiration 12/2021



Linda Johnson  
Position 7  
Term Expiration 12/2019

**Laura Philpot, PE, City Manager**  
**Lighthouse Law Group PLLC, By Contract, City Attorney**  
**Sandy Garrett, Finance Director**  
**Dave Johnson, Parks & Recreation Director**  
**Scott Tkach, Public Works Director**  
**Donald (D.J.) Nesel, King County Sheriff's Office, Police Chief**

The City of  
MAPLE VALLEY



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# FINANCIAL SECTION

The City of  
MAPLE VALLEY



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# Independent Auditor's Report



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

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

June 6, 2019

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, as of and for the year ended December 31, 2018, 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, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for 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 and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements and schedules are

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

Our audit was conducted for the sole purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements as a whole. The Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we will also issue our report dated June 6, 2019, 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,



Pat McCarthy  
State Auditor  
Olympia, WA

The City of  
MAPLE VALLEY



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# Management's Discussion and Analysis

The City of  
MAPLE VALLEY



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As 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 the fiscal year ended December 31, 2018. 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, 2018 by \$395,372,061 (total net position). Of this amount, \$5,763,377 represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors. Of the rest, \$371,249,773 is the City's net investment in capital assets, and \$18,358,911 is restricted for specific operating and capital purposes.
- During 2018, the City's total net position decreased \$66,158. This amount includes a decrease of \$3,112,405 in the net investment in capital assets. Of this decrease, \$42,410 is due to a prior period adjustment which increased the City's net investment in capital assets as of January 1, 2018. The decrease in net position also includes an increase of \$4,657,197 in restricted net position offset by a decrease of \$1,610,950 in unrestricted net position.
- At the close of the fiscal year ended December 31, 2018, the City's governmental funds reported a combined ending fund balance of \$22,467,905, an increase of \$3,147,876 or 16 percent from the prior year amount of \$19,320,030. Approximately 34 percent of the combined ending fund balance, \$7,632,709, is available for use (unassigned fund balance).
- At the end of 2018 the assigned and unassigned fund balance for the General Fund was \$8,566,825, 61.8 % of total General Fund expenditures. This amount is up \$3,118,546 from 2017 ending assigned and unassigned fund balance of \$5,448,279. The proceeds from the sale of land parcels (\$3,010,000) is the main reason for the increase.
- The City of Maple Valley's total liabilities and deferred inflows of resources, shown on the Statement of Net Position, increased \$2,189,537 from \$10,207,548 in 2017 to \$12,397,085 in 2018. The increase was due to a significant increase in long-term debt via annual debt service payments offset by increases in short term liabilities. The 2018 liabilities include \$5,939,196 in general obligation bonded debt. On August 22, 2018, 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. Other supplementary information, in addition to the basic financial statements, is also contained in this report.

**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 *Statement of Net Position* presents information on the City of Maple Valley's assets, liabilities, and deferred inflows/outflows of resources, with the difference as *net position*. Over time, increases or

decreases in net position may serve as a useful indicator of whether the financial position of the City of Maple Valley is improving or deteriorating.

The *Statement of Activities* is designed to show how the City's net position changed during the year. The statement distinguishes revenues generated by specific functions from revenue provided by taxes and other sources not related to a specific function. The revenue generated by the specific functions (charges for services, grants, and contributions) is compared to the expenses for those functions to show the degree to which each function supports itself or relies on taxes and other general funding sources for support. All activity on this statement is reported on the accrual basis of accounting, requiring that revenues are reported when they are earned and expenses are reported when they are incurred, regardless of when cash is received or disbursed. Items such as (but not limited to) uncollected taxes, unpaid vendor invoices for goods or services received during the year, and earned but unused vacation leave are included in the statement of activities as revenue and expenses even though no cash has changed hands.

Both the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The governmental activities of the City include general government, economic environment, mental and physical health, culture and recreation, public safety, transportation, and utilities and environment. These functions are primarily supported by taxes, charges for services, and grants. The business type activities include the surface water management function and the Lake Wilderness Golf Course; and, are primarily supported through user fees and charges.

The *Statistical Section* provides summary information on net position and changes in net position from 2009 through 2018.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Maple Valley, like other state and local governments, uses fund accounting to ensure and demonstrate compliance over finance-related legal requirements. The fund financial statements provide summary information by fund type. 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. The focus of governmental fund financial statements is on near-term inflows and outflows of available financial resources, and on the balances of resources available at the end of the fiscal year. Such information is useful in evaluating whether there are more or less financial resources that can be used in the near future to finance City services.

Since the basis of accounting is different between the governmental fund statements and the government-wide financial statements, reconciliations are provided. The reconciliation between the governmental fund Balance Sheets and the government-wide Statement of Net Position is found at the bottom of the governmental funds' Balance Sheet, while the reconciliation between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the government-wide Statement of Activities is found directly following the governmental funds' Statement of Revenues, Expenditures and Changes in Fund Balances.

A complete reconciliation of the fund financial statements to the government-wide financial statements are required for the following:

- 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 the internal service funds. By including only net revenues, the transactions between the internal service funds and the funds to which they provide services are not double counted.

The City maintains budgetary control over its operating funds through the adoption of an biennial budget. Budgets are adopted at the fund level according to state law. A budgetary comparison statement has been provided for the General Fund and all Special Revenue Funds.

**Proprietary Funds.** *Proprietary funds* are used by governments to account for their business-type activities and use the same basis of accounting utilized in private industry. Business-type activities provide specific goods or services to a group of customers that are paid for by fees charged to those customers. There is a direct relationship between the fees paid and the services received.

The City of Maple Valley has two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to account for good and services provided to citizens, while internal service funds are used to account for goods and services provided internally to various City departments. The City's enterprise funds include the surface water management function and Lake Wilderness Golf Course.

Internal service funds are an essential accounting tool used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds for its fleet of vehicles, central services, and unemployment trust functions. These internal service functions accumulate costs and allocate them to operating departments. They also charge replacement 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 on the *Statement of Net Position* and the *Statement of Activities*.

**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. The notes are located immediately following the basic financial statements.

**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 which is located immediately after the notes to the financial statements.

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.** As noted earlier, net position over time, may serve as a useful indicator of the City's financial position. The City of Maple Valley's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$395,372,061 for the fiscal year ended December 31, 2018. This represents a decrease of \$66,158 from the prior fiscal year.

The table that follows is a condensed version of the government-wide *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.

**Condensed Statement of Net Position**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Assets</b>						
Current and Other Assets	\$ 25,632,590	\$ 23,295,038	\$ 4,728,355	\$ 3,740,901	\$ 30,360,944	\$ 27,035,939
Capital Assets, net of accumulated deprec	360,606,197	361,974,234	16,383,447	16,223,488	376,989,644	378,197,722
<b>Total Assets</b>	<b>386,238,787</b>	<b>385,269,272</b>	<b>21,111,802</b>	<b>19,964,390</b>	<b>407,350,589</b>	<b>405,233,661</b>
<b>Deferred Outflows of Resources</b>						
Pensions	400,765	393,328	17,793	18,778	418,558	412,106
<b>Total Deferred Outflows of Resources</b>	<b>400,765</b>	<b>393,328</b>	<b>17,793</b>	<b>18,778</b>	<b>418,558</b>	<b>412,106</b>
<b>Total Assets and Deferred Outflow of Resources</b>	<b>386,639,552</b>	<b>385,662,599</b>	<b>21,129,595</b>	<b>19,983,168</b>	<b>407,769,146</b>	<b>405,645,767</b>
<b>Liabilities</b>						
Current Liabilities	2,643,722	3,328,186	153,208	190,304	2,796,929	3,518,490
Long-term Liabilities	8,785,066	6,094,961	70,549	102,193	8,855,615	6,197,154
<b>Total Liabilities</b>	<b>11,428,788</b>	<b>9,423,147</b>	<b>223,756</b>	<b>292,497</b>	<b>11,652,544</b>	<b>9,715,644</b>
<b>Deferred Inflows of Resources</b>						
Debt Refunding	27,463	41,791	-	-	27,463	41,791
Pensions	685,754	429,155	31,324	20,957	717,079	450,112
<b>Total Deferred Inflows of Resources</b>	<b>713,217</b>	<b>470,947</b>	<b>31,324</b>	<b>20,957</b>	<b>744,541</b>	<b>491,903</b>
<b>Total Liabilities and Deferred Inflow of Resources</b>	<b>12,142,005</b>	<b>9,894,094</b>	<b>255,081</b>	<b>313,454</b>	<b>12,397,085</b>	<b>10,207,548</b>
<b>Net position</b>						
Net Investment in Capital Assets	354,866,326	358,138,689	16,383,447	16,223,489	371,249,773	374,362,178
Restricted	13,867,844	13,701,714	4,491,067	-	18,358,911	13,701,714
Unrestricted	5,763,377	3,928,103	-	3,446,225	5,763,377	7,374,327
<b>Total Net Position</b>	<b>\$ 374,497,547</b>	<b>\$ 375,768,506</b>	<b>\$ 20,874,514</b>	<b>\$ 19,669,714</b>	<b>\$ 395,372,061</b>	<b>\$ 395,438,219</b>

The largest portion of the City's combined net position (\$371.1 million or 93.9%) reflects net investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to citizens. Accordingly, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (\$18.5 million or 4.7%) represents resources that are subject to external restrictions on how they may be used. For the current year, these funds are restricted for capital projects and the management of surface and storm water. The remaining balance of \$ 5.76 million (1.45% ) is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors.

**Total Current and Other Assets** at December 31, 2018 totaled \$30,360,944, up \$3,325,006 or 12.3% from the prior year amount of \$27,035,939. The majority of this increase is in the category of total of cash & cash equivalents with an increase of \$2,781,489, the result of unspent bond proceeds. Decreases occurred in two asset categories: special assessment receivable (\$39,713) and Inventory (\$18,930).

Cash and cash equivalents make up 85% of current assets and includes: petty cash and other imprest funds totaling \$20,000, the checking account balance of \$2,329,928, and \$23,621,212 invested overnight

with the State of Washington Local Government Investment Pool (LGIP). In addition to the LGIP investments, at year end the City had \$2,231,600 or 7.3% of current assets invested in U.S. government agency securities which will mature in 2019 and 2021. At year-end the LGIP net earnings rate was 2.28% and the other investments were earning an average 1.55%.

The remaining current asset balance at December 31, 2018 was \$2,301,876 or 7.5% of current assets. Of this amount, \$1,075,952 was for taxes receivable, \$206,337 was for accounts receivable, \$82 was for special assessments receivable, \$34,410 was for accrued interest receivable, \$75,526 was for other current receivables, \$722,006 was for intergovernmental receivables, \$54,434 was for inventory, and \$133,129 was for prepaid items.

Of the accounts receivable amount of \$206,337, 55.6% or \$114,644 was in governmental activities for receivables from individuals, businesses, and developers and 44.4% or \$91,693 was in business-type activities which is for surface water management fees. The accounts receivable in governmental activities were \$106,400 in overspent developer deposits and \$8,244 internal services 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 remaining receivables are comprised of \$82 in settlement receivables from the Lake Management District, \$34,410 for accrued interest, and \$75,526 due from others for items such as annual fire permits, maintenance facility lease, false alarms, and delinquent gambling taxes. 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 \$479.41 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 ended September 30, 2018.

The due from other governments amount of \$722,006 is categorized as follows: from the State of Washington, \$238,998; from King County, \$425,361; from the City of Kent, \$20,149, from the City of Enumclaw, \$124, and from other governments, \$37,374. Of the amount due from the State of Washington, \$65,459 is for vehicle excise taxes collected by the State in December 2018 and remitted to the City in January 2019. \$173,539 due from State of Washington is grant revenue; of which \$123,539 on T-41, Rock Creek Shared Use Path; \$50,000 is from Department of Ecology for Surface Water projects. Of the amount due from King County, \$119,322 is for real estate excise taxes, collected by the County in December 2018 and remitted to the City in January 2019. \$295,000 due from King County is grant revenue on T28b Phase 1, Witte Road project. \$5,194 is due from King County for surface water management fees collected by them but not yet remitted to the City. \$5,845 is due from King County for 2018 property taxes paid in 2018 but remitted to the City in January of 2019. 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 \$37,374 due from other governments, \$2,419 is due from the City of Covington for inspection services completed in 2018 under the interlocal agreement; \$34,955 is due from the Port of Seattle for Economic Development grant, but not yet remitted to the City.

In business-type activities, the inventory amount of \$54,434 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 \$133,129,

which include both government-type and business-type activities, relate to 2019 costs required to be paid prior to the end of 2018; this is made up predominantly of the building rental for City Hall, trainings, and memberships for 2019 and beyond.

**Capital assets**, net of accumulated depreciation, totaled \$376,989,639 which is a \$1,250,489 decrease from the adjusted prior year amount of \$378,240,128. For more information on the prior period adjustment related to capital assets see Note 14 to the financial statements. 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)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ 216,736,714	\$ 216,845,045	\$ 14,427,479	\$ 14,162,642	\$ 231,164,192	\$ 231,007,687
Intangibles-Easement	314,018	314,018	-	-	314,018	314,018
Buildings	7,197,316	7,537,369	735,082	762,768	7,932,397	8,300,137
Improvements other than Bldgs	128,076,970	130,122,180	1,218,270	1,290,208	129,295,240	131,412,388
Machinery & Equipment	762,058	468,967	(0)	3,946	762,058	472,913
Intangibles-Field Rights	1,400,000	1,600,000	-	-	1,400,000	1,600,000
Intangibles-Software	130,981	160,517	2,615	3,923	133,596	164,440
Construction in Progress	5,988,137	4,968,545	-	-	5,988,137	4,968,545
<b>Total Capital Assets</b>	<b>\$ 360,606,194</b>	<b>\$ 362,016,641</b>	<b>\$ 16,383,445</b>	<b>\$ 16,223,487</b>	<b>\$376,989,639</b>	<b>\$ 378,240,128</b>

The majority of capital asset activity occurred in the governmental activities, which had \$8,333,606 in additions consisting of land, \$469,179; construction in progress, \$7,049,651; improvements other than buildings, \$594,294; machinery and equipment, \$199,055; and intangibles, \$21,427. The completion of construction projects added an additional \$6,030,059 in capital assets. These increases were offset by depreciation expense of \$9,069,739 in governmental activities. For capital assets of business-type activities, developer contributions increased land by \$264,837, while depreciation expense totaled \$104,879

**Long-term liabilities** at December 31, 2018, totaled \$8,817,576. This reflects an increase of \$2,620,421 from the December 31, 2017 amount of \$6,197,155. The City issued new limited tax general obligation bonds totaling \$3,775,000 for the completion of Summit Park capital project. This increased the current and non-current portion of bonds payable. The net pension liability of the Public Employees Retirement System was lower for both governmental and business activities.

**City of Maple Valley's Total Long-term Liabilities  
(current and non-current portion)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2018	2017	2018	2017	2018	2017
Contracts & Loans - Current	\$ 184,621	\$ 184,621	\$ -	\$ -	\$ 184,621	\$ 184,621
General Obligation Bonds - Current	760,000	625,000	-	-	760,000	625,000
Contracts & Loans Payable	923,105	1,107,726	-	-	923,105	1,107,726
GO Bonds Payable	5,179,196	1,918,199	-	-	5,179,196	1,918,199
<b>Total Long-term Debt</b>	<b>7,046,922</b>	<b>3,835,546</b>	<b>-</b>	<b>-</b>	<b>7,046,922</b>	<b>3,835,546</b>
Net Pension Liability	1,700,106	2,259,416	70,549	102,193	1,770,654	2,361,609
<b>Total Long-term Liabilities</b>	<b>\$ 8,747,028</b>	<b>\$ 6,094,962</b>	<b>\$ 70,549</b>	<b>\$ 102,193</b>	<b>\$ 8,817,576</b>	<b>\$ 6,197,155</b>

**Statement of Activities.** The *Statement of Activities* provides an overview of the changes in net position from December 31, 2017 to December 31, 2018. The condensed *Statement of Activities* shown in the table below compares the revenue and expenses for governmental and business-type activities for the current and prior year, and identifies the changes in net position.

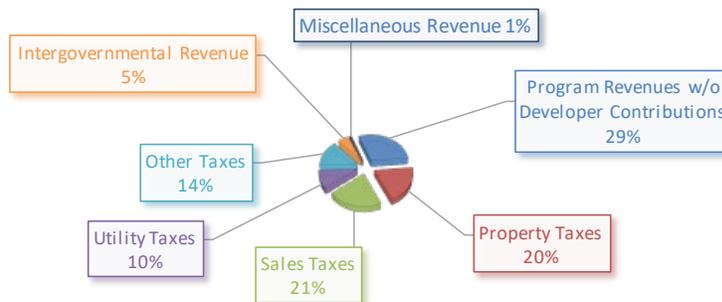
**Condensed Statement of Activities**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2018	2017	2018	2017	2018	2017
<b>Revenues by Major Source</b>						
Program Revenues						
Charges for Services	\$ 3,240,689	\$ 5,345,455	\$ 2,477,897	\$ 2,416,772	\$ 5,718,585	\$ 7,762,227
Operating Grants & Contributions	147,928	168,108	50,000	8,070	197,928	176,178
Capital Grants & Contributions	1,434,476	8,372,925	264,837	262,517	1,699,313	8,635,441
General Revenues						
Property Taxes	3,814,598	3,744,970	-	-	3,814,598	3,744,970
Sales Taxes	4,391,493	4,002,641	22,562	21,213	4,414,054	4,023,853
Utility Taxes	1,928,518	1,918,715	-	-	1,928,518	1,918,715
Other Taxes	2,904,413	2,697,910	-	-	2,904,413	2,697,910
Intergovernmental Revenue	975,233	901,279	-	-	975,233	901,279
Miscellaneous Revenue	247,406	131,577	63,867	23,923	311,273	155,500
<b>Total Revenues</b>	<b>19,084,754</b>	<b>27,283,580</b>	<b>2,879,162</b>	<b>2,732,495</b>	<b>21,963,916</b>	<b>30,016,075</b>
<b>Expenses by Function</b>						
General Government	2,846,225	2,539,533	-	-	2,846,225	2,539,533
Economic Environment	1,334,317	1,181,583	-	-	1,334,317	1,181,583
Mental and Physical Health	94,904	71,646	-	-	94,904	71,646
Culture and Recreation	3,384,233	3,267,360	1,139,718	1,092,835	4,523,950	4,360,194
Public Safety	4,799,103	4,667,646	-	-	4,799,103	4,667,646
Transportation	10,128,399	10,428,814	-	-	10,128,399	10,428,814
Utilities and Environment	174,630	159,538	505,981	687,683	680,611	847,221
Interest on Long-term Debt	97,465	46,022	-	-	97,465	46,022
<b>Total Expenses</b>	<b>22,859,276</b>	<b>22,362,142</b>	<b>1,645,699</b>	<b>1,780,518</b>	<b>24,504,974.53</b>	<b>24,142,660</b>
<b>Excess (Deficiency) of Revenues over Expenses</b>	<b>(3,774,522)</b>	<b>4,921,437</b>	<b>1,233,463</b>	<b>951,977</b>	<b>(2,541,058)</b>	<b>5,873,415</b>
Transfers In/(Out)	28,663	47,877	(28,663)	(47,877)	-	-
Gain (loss) on sale of capital assets - Land	2,432,490	-	-	-	2,432,490	-
<b>Increase (Decrease) in Net Position</b>	<b>(1,313,369)</b>	<b>4,969,314</b>	<b>1,204,801</b>	<b>904,101</b>	<b>(108,568)</b>	<b>5,873,415</b>
<b>Net Position - January 1</b>	<b>375,768,506</b>	<b>370,263,846</b>	<b>19,669,714</b>	<b>18,760,383</b>	<b>395,438,220</b>	<b>389,024,229</b>
Prior Period Adjustment	42,410	535,345.74	-	5,230	42,410	540,576
<b>Net Position - December 31</b>	<b>\$ 374,497,547</b>	<b>\$ 375,768,506</b>	<b>\$ 20,874,515</b>	<b>\$ 19,669,714</b>	<b>\$ 395,372,061</b>	<b>\$ 395,438,220</b>

## Governmental Activities

**Governmental activity revenue** were \$8,198,826 lower than the prior year amount as a result of lower program revenues offset by increases in general revenue for governmental activities. Program revenues of capital grants and contributions decreased \$6,938,448 or 85%. Charges for services was \$2,104,767 or 39% lower, and operating grants and contributions was down by \$20,181. All revenue categories within general revenues for governmental activities showed increases with sales tax growth at 10% and other taxes at 8% over the prior year amount. Program revenues of governmental activities are subject to variable changes for developer contributions and grant funding. 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.

### REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



**Governmental activity general revenues** are up \$864,570 or 6.5% from \$13,397,091 in 2017 to \$14,261,661 in 2018. As stated above, all revenue categories with general revenue of governmental activities have increased. The largest sources of tax revenue increases are identified below.

- Property taxes, which provided 29% of the tax base, increased \$69,628 or 1.9% ;
- Sales taxes make up 34% of the tax base for the City and grew by 10% in 2018;
- Utility taxes, which provide 15% of the tax base, increased 0.5% to \$1,928,518;
- Real estate excise tax, shown as Other Taxes, provided 15% of the tax base, increased \$206,503 or 7.7%.
- Vehicle excise taxes represents 3% of the tax base, and increased \$52,717 or 13%;

The City's property tax levy per \$1,000 of assessed value decreased in 2018 from \$1.13 to \$1.04. This is due to the City's total assessed valuation increased at a higher rate than the City's allowable property tax increase.

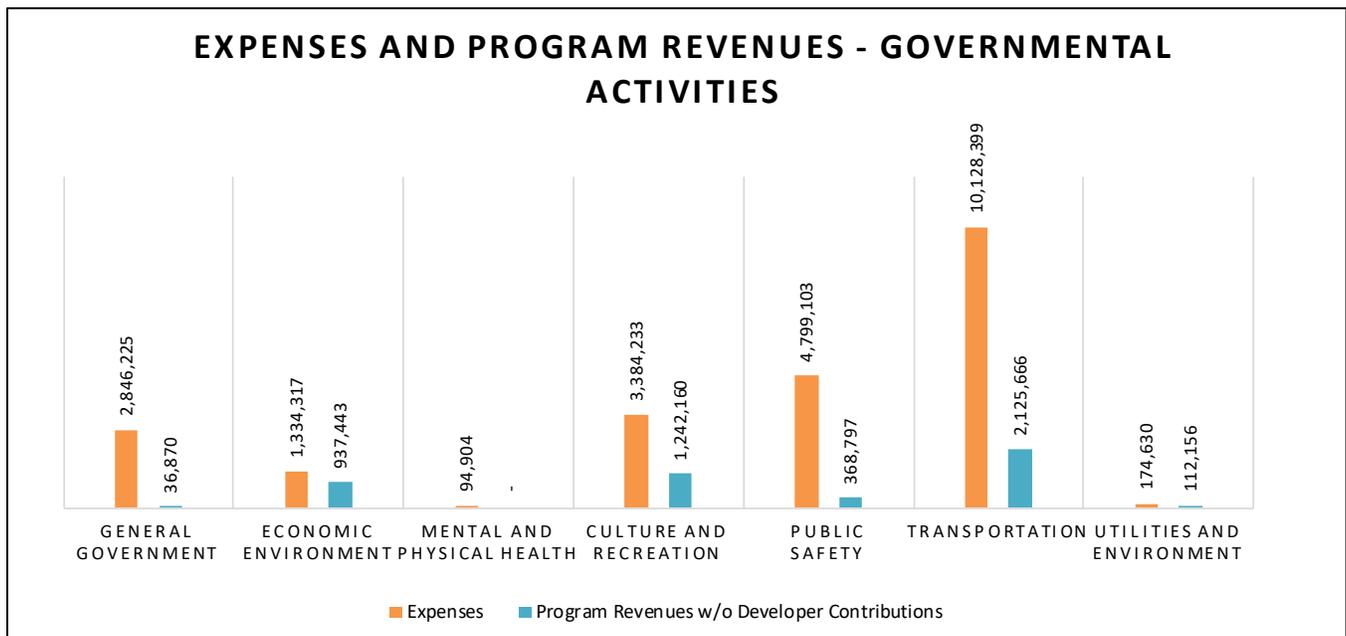
Sales tax revenue includes two components: locally generated revenue, \$3,642,082 and public safety-related revenue distributed to cities based on population, \$749,411. The locally generated revenue is from two main sources, construction and non-construction retail sales. In 2018, construction sales generated 25% of the City's total sales tax revenue, equal to the 2017 rate. The City also allocates the portion of sales tax generated by the Lake Wilderness Golf Course to the Lake Wilderness Golf Course Fund. This amount was \$22,562 in 2018.

Real estate excise tax revenue increased \$206,503 or 7.7% from \$1,872,303 to \$1,990,992 primarily due to an increase in the value of new and existing property sales in 2018 compared to 2017. The number of Single Family Residential (SFR) sales declined by 92; the number of new homes increased by 8 from

94 in the prior year to 102 for 2018 while existing homes declined in number by 100. The average price increased by \$55,819 or 12.4%. Overall the revenue is down 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%.

In 2018, the City sold several land parcels for \$3,010,000 that had a value of \$577,510. The \$2,432,490 gain on the sale of land is shown under general revenues for governmental activities.

The chart below compares program expenses to program revenue.



In all programs, program expenses exceeded program revenues, which confirms that governmental activities are supported in part by general governmental revenues (taxes and intergovernmental revenue). In general government, program revenue from special licenses and passports was 1.3 % of program expenses. For the economic environment function, program revenue was 70.3% of program expenses. Utilities and environment had the next highest coverage of program expenses at 64.2%. Culture and recreation function had a decline in their ratio of charges for services to expenses. It was 67% in 2017 and the current year is 36.7%. Public safety had \$59,373 in operating grants and contributions plus \$309,424 in charges for services that provided 7.7% of coverage for expenses. In transportation, program revenue, without developer contributions, was 21% of program expenses; this represents an increase from 15.3% in 2017.

**Governmental activity expenses** in total increased only 2.2% from \$22,362,142 in 2017 to \$22,859,276 in 2018. The government expenses are reported under the following functions: 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. This function represents 12% of total governmental expenses.

Expenses for the economic environment function include planning, building operations, and economic development. This category increased \$152,733 or 13% over the 2017 amount of \$1,181,583.

Mental and physical health expenses were increased 32% to \$94,904 for 2018. Vine Maple Place received a grant of \$20,000 to support its mission of providing transitional housing, mentorship, child advocacy and life-skills training assistance to homeless single parents. The City also awarded a human service grant to NEXUS, a not-for-profit organization providing drug and alcohol treatment and mental health counseling to youth and their families, and to the Maple Valley Food Bank that provides vital nutritional resources to those in need.

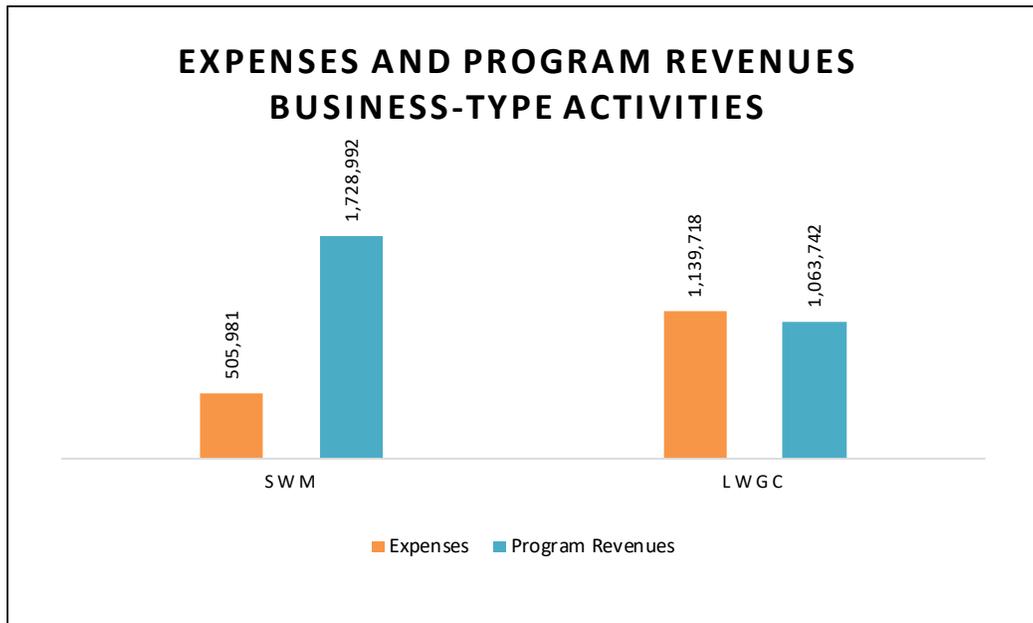
Culture and recreation expenses, including parks maintenance, Lake Wilderness Lodge, recreation programs, community events, and funding for community service agencies, increased \$116,873 or 3.6% to a total of \$3,384,233, which represents 15% of total government expenses. Program revenues are collected to offset a portion of the cost to provide them.

Police, jail and fire services comprise the public safety function. The City contracts with King County for 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. The City has entered into an interlocal agreement with the Tahoma School District which will reimburse the City for 50% of the cost of the School Resource Officer each year. Total expenses for the year were \$4,799,103 and increased less than 3%.

Transportation expenses include development, transportation planning, and street maintenance, and is 44% of total governmental expenses in 2018. Actual expenses went down by \$300,415 or 2.88% compared to the prior year.

The utilities and environment function involves waste reduction and recycling for the community. These expenses increased \$15,092 or 9.46% from 2017. Program revenues of \$112,156 provided 64% coverage of expenses in 2018.

**Business-type activities.** As of December 31, 2018 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 by 2.3% to \$1,404,860. The cost of services were reduced by 28% and depreciation expense was unchanged. During 2018, the change in net position was \$1,258,026, an increase of 33%.

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 traditionally been subsidized by the City each year, though in 2015, 2017, and 2018, it generated a small surplus. During 2018, the City requested bids for management services, and CourseCo was selected.

The golf course had total operating revenues of \$1,086,709 in 2018, which equals a 3% increase over 2017. The golf operations resulted in an 8.7 % increase, while the restaurant operations reduced their revenues by \$38,016 or 15%. Operating expenses increased by 4.6%, and the operating income before depreciation expense was \$11,263. With depreciation and other non-operating revenues and expenses, the change in net position was reduced by \$53,227 to \$3,654,101.

**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 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. This information is useful in determining the City’s ability to meet financial requirements in the near future. In particular, *unassigned fund balances* serve as a good indicator of the City’s resources available for spending at the end of the fiscal year.

At December 31, 2018, the City of Maple Valley's governmental funds reported combined fund balances of \$22,467,905; an increase of \$3,147,874 in comparison with the prior year. Approximately 33% of this amount or \$7,632,709 constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either non-spendable in form (\$79,776), restricted for specific purposes (\$13,779,443), committed for a specific purpose (\$41,861) such as public art, or assigned for a specific purpose (\$934,116).

**Proprietary Funds.** The City of Maple Valley's *proprietary funds* has two types of Enterprise Funds: business-type activities, Surface Water Management and the Lake Wilderness Golf Course Fund, and internal service funds. Internal service funds are used to accumulate and allocate costs internally among the City's various departments. The three internal service funds are Vehicle Rental Fund, Central Service Fund, and the Unemployment Trust Fund. As a reminder, the internal funds in the City of Maple Valley are categorized as governmental activities in the Statement of Net Position and the Statement of Activities.

The total change in net position of the business-type proprietary funds in 2018 was \$1,204,801. The combined total ending net position equal \$20.875 million. The majority of the net position is within the net investment in capital assets (\$16,223,489). The surface water management program represents 77% of total net investments in capital assets with the golf course at 23%.

### **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 expenditure General Fund original budget, for the year ended December 31, 2018.

**General Fund  
Budget Amendments on Total Expenditures**

	<b>Original Budget</b>	<b>Budget Amendments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>% of Budget</b>
<b>General Fund</b>	\$ 13,619,770	\$ 1,097,585	\$ 14,717,355	\$ 13,854,465	94%
<b>Amendments</b>					
Salary Adjustments due to Salary Survey		\$ 78,000			
HR/CC LPT Office Asst		4,930			
WTSC Grant		10,000			
WSU		8,000			
NEXUS House Utilities		3,300			
Greater Maple Valley Community Center		50,000			
Maple Valley Farmer's Market		1,000			
Maple Valey Food Bank & Emerg. Svcs.		5,000			
Maple Valley Historical Society		460			
Adult Classes Contracted Instructors		3,520			
Youth Coach Pitch Baseball Equipment		5,920			
Youth Day Camp Charter Bus Fee		2,890			
Beach Program Salary Increases		3,800			
Beach Training Budget		1,000			
Beach Rental Equipment (Revenue Generating)		6,900			
Parks & Recreation Event Software		98,400			
Dance Floor at LW Lodge		10,000			
Parks Maint. Salary Increase		3,000			
Hometown Holidays - Scissor Lift Rental & Replacement lights		2,120			
Youth Day Camp Salaries		10,420			
Adult Sports Salaries		6,270			
Youth Sports Salaries		2,150			
GRCC Certified Business Advisors		10,000			
Initial ED Operating Budget		38,250			
Nature Vision Lake Education		4,391			
Lake Treatment		6,000			
TrakIt Online Permitting Implementation		28,100			
O'Brien, Barton & Hopkins Contract		14,790			
MuniCast		5,000			
For the Love of Cities Campaign		15,000			
Communication Specialist		82,252			
PW Transportation & Survey Services		50,000			
PW Concurencies Studies		50,000			
Box.net File Transfer Service & GoTo Meeting SAAS		900			
Vision Internet Contract		2,022			
Satellite Phone Service - EOC		2,300			
Port of Seattle Grant		49,400			
Land Appraisal for 122-acre parcel from King Co		10,100			
Communication Specialist - Workstation		2,600			
Ford F550		48,000			
Adult Classes Contracted Instructors		6,000			
Youth Classes Contracted Instructors		31,000			
216th Sales Cost		188,430			
Nexus Grant		60,720			
Police Admin Asst III Reclassification		7,010			
MV Historical Society Storage Building		68,240			
<b>Total General Fund Budget Amendments</b>		<b>\$ 1,097,585</b>			

General Fund amendments in 2018 totaled \$1,097,585 which are detailed above. The General Fund's actual expenditures were 94% of its budget, a decrease from 96% in 2017.

The City of Maple Valley has historically prepared annual budgets for all funds but 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.

### **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. An Economic Development Manager has been hired and provides 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](http://www.maplevalleywa.gov).

The City of  
MAPLE VALLEY



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# Basic Financial Statements

The City of  
MAPLE VALLEY



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# Government-wide Financial Statements

The City of  
MAPLE VALLEY



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City of Maple Valley  
Statement of Net Position  
December 31, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and Cash Equivalents	\$ 21,674,790	\$ 4,152,678	\$ 25,827,468
Investments	1,868,121	363,479	2,231,600
Taxes Receivable	1,075,952	-	1,075,952
Accounts Receivable	114,645	91,693	206,338
Special Assessments Receivable	82	-	82
Accrued Interest Receivable	34,407	4	34,411
Other Current Receivables	75,526	-	75,526
Due from Other Governments	666,812	55,194	722,006
Inventory	-	54,434	54,434
Prepayments	122,255	10,873	133,128
<b>Total current assets</b>	<b>\$ 25,632,590</b>	<b>\$ 4,728,355</b>	<b>\$ 30,360,945</b>
Noncurrent assets:			
Capital Assets Not Being Depreciated:			
Land	\$ 216,736,715	\$ 14,427,480	\$ 231,164,195
Intangibles - Easement	314,018	0	314,018
Construction in Progress	5,988,137	0	5,988,137
Capital assets net of accumulated depreciation:			
Buildings	7,197,316	735,082	7,932,398
Machinery & Equipment	762,059	0	762,059
Intangibles - Software	130,981	2,615	133,596
Intangibles - Field Rights	1,400,000	0	1,400,000
Infrastructure	128,003,967	0	128,003,967
Other Capital Assets	73,004	1,218,270	1,291,274
<b>Total noncurrent assets</b>	<b>\$ 360,606,197</b>	<b>\$ 16,383,447</b>	<b>\$ 376,989,644</b>
<b>Total assets</b>	<b>\$ 386,238,787</b>	<b>\$ 21,111,802</b>	<b>\$ 407,350,589</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	\$ 400,765	\$ 17,793	\$ 418,558
Total deferred outflows of resources	\$ 400,765	\$ 17,793	\$ 418,558
<b>Total assets and deferred outflows of resources</b>	<b>\$ 386,639,552</b>	<b>\$ 21,129,595</b>	<b>\$ 407,769,147</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts Payable	\$ 643,156	\$ 88,072	\$ 731,228
Payroll Payable	116,965	12,259	129,224
Due to Other Governments	177,238	15,076	192,314
Taxes Payable	324	7	331
Custodial Accounts	24,631	-	24,631
Customer Deposits	887,363	12,648	900,011
Unearned Revenue	482,723	21,208	503,931
Contracts Payable	68,977	-	68,977
Compensated Absences	191,309	3,937	195,246
Accrued Interest Payable	51,036	-	51,036
<b>Total current liabilities</b>	<b>\$ 2,643,722</b>	<b>\$ 153,207</b>	<b>\$ 2,796,929</b>
Noncurrent liabilities:			
Deferred Inflows Related to Property Tax	\$ 38,038	\$ -	\$ 38,038
Contracts & Loans - Due within one year	184,621	-	184,621
General Obligation Bonds - Due within one year	760,000	-	760,000
Contracts & Loans - Due after one year	923,105	-	923,105
General Obligation Bonds - due after one year	5,179,196	-	5,179,196
Net Pension Liability	1,700,106	70,549	1,770,655
<b>Total noncurrent liabilities</b>	<b>\$ 8,785,066</b>	<b>\$ 70,549</b>	<b>\$ 8,855,615</b>
<b>Total liabilities</b>	<b>\$ 11,428,788</b>	<b>\$ 223,756</b>	<b>\$ 11,652,544</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Debt Refunding	\$ 27,462	\$ -	\$ 27,462
Deferred Inflows Related to Pensions	685,754	31,325	717,079
Total deferred inflows of resources	\$ 713,216	\$ 31,325	\$ 744,541
<b>Total liabilities and deferred inflows of resources</b>	<b>\$ 12,142,004</b>	<b>\$ 255,081</b>	<b>\$ 12,397,085</b>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 354,866,326	\$ 16,383,447	\$ 371,249,773
Restricted for:			
General Capital Projects	6,428,785	-	6,428,785
Golf Course Management	-	39,250	39,250
Park Capital Projects	2,463,029	-	2,463,029
Street Capital Projects	4,976,030	-	4,976,030
Surface and Storm Water Management	-	4,451,817	4,451,817
Unrestricted	5,763,377	-	5,763,377
<b>Total net position</b>	<b>\$ 374,497,547</b>	<b>\$ 20,874,514</b>	<b>\$ 395,372,061</b>

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

City of Maple Valley  
Statement of Activities  
For the Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General Government	\$ 2,846,225	\$ 36,870	\$ -	\$ -	\$ (2,809,355)	\$ -	\$ (2,809,355)
Economic Environment	1,334,317	909,108	28,335	-	(396,874)	-	(396,874)
Mental & Physical Health	94,904	-	-	-	(94,904)	-	(94,904)
Culture & Recreation	3,384,233	1,210,947	18,213	13,000	(2,142,073)	-	(2,142,073)
Public Safety	4,799,103	309,424	59,373	-	(4,430,306)	-	(4,430,306)
Transportation	10,128,399	704,190	-	1,421,476	(8,002,733)	-	(8,002,733)
Utilities & Environment	174,630	70,149	42,007	-	(62,473)	-	(62,473)
Debt Service	-	-	-	-	-	-	-
Interest on Long-Term Debt	67,265	-	-	-	(67,265)	-	(67,265)
Debt Issue Cost	30,200	-	-	-	(30,200)	-	(30,200)
Total governmental activities	<u>22,859,276</u>	<u>3,240,689</u>	<u>147,928</u>	<u>1,434,476</u>	<u>(18,036,183)</u>	<u>-</u>	<u>(18,036,183)</u>
Business-type activities:							
Lake Wilderness Golf Course	1,139,718	1,063,742	-	-	-	(75,976)	(75,976)
Surface Water Management Program	<u>505,981</u>	<u>1,414,155</u>	<u>50,000</u>	<u>264,837</u>	<u>-</u>	<u>1,223,011</u>	<u>1,223,011</u>
Total business-type activities	<u>1,645,699</u>	<u>2,477,897</u>	<u>50,000</u>	<u>264,837</u>	<u>-</u>	<u>1,147,035</u>	<u>1,147,035</u>
Total primary government	<u>\$ 24,504,975</u>	<u>\$ 5,718,585</u>	<u>\$ 197,928</u>	<u>\$ 1,699,313</u>	<u>\$ (18,036,183)</u>	<u>\$ 1,147,035</u>	<u>\$ (16,889,148)</u>
General revenues:							
Property Tax					3,814,598	-	3,814,598
Sales Tax					4,391,493	22,562	4,414,054
Utility Tax					1,928,518	-	1,928,518
Excise Tax in Lieu of Property Tax					445,051	-	445,051
Other Taxes (Real Estate Excise)					1,990,992	-	1,990,992
Business & Occupation (Gambling) Tax					115,698	-	115,698
Franchise Fees (Taxes)					352,672	-	352,672
State Shared Revenue					975,233	-	975,233
Investment Earnings					281,862	64,121	345,983
Other Miscellaneous Revenue					(34,456)	(254)	(34,711)
Gain On Sale of Capital Asset - Land					2,432,490	-	2,432,490
Transfers					<u>28,663</u>	<u>(28,663)</u>	<u>-</u>
Total general revenues, special items, and transfers					<u>16,722,814</u>	<u>57,766</u>	<u>16,780,580</u>
Change in net position					<u>(1,313,369)</u>	<u>1,204,801</u>	<u>(108,568)</u>
Net position - beginning					<u>375,768,506</u>	<u>19,669,714</u>	<u>395,438,220</u>
Prior Period Adjustment					<u>42,410</u>	<u>-</u>	<u>42,410</u>
Net position - ending					<u>374,497,547</u>	<u>20,874,514</u>	<u>395,372,061</u>

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

# Fund Financial Statements

The City of  
MAPLE VALLEY



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City of Maple Valley  
Balance Sheet  
Governmental Funds  
December 31, 2018

	GENERAL FUND	Real Estate Excise Tax	Transportation Development	Park Development	Capital Improvement Plan	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 8,109,822	\$ 5,800,229	\$ 3,875,958	\$ 780,839	\$ 421,782	\$ 1,996,436	\$ 20,985,066
Investments	711,328	509,233	340,590	69,303	-	174,551	1,805,006
Taxes Receivable	1,075,952	-	-	-	-	-	1,075,952
Accounts Receivable	106,400	-	-	-	-	-	106,400
Special Assessments Receivable	82	-	-	-	-	-	82
Accrued Interest Receivable	34,407	-	-	-	-	-	34,407
Other Current Receivables	75,526	-	-	-	-	-	75,526
Intergovernmental Receivable	56,027	119,322	-	-	418,539	65,459	659,347
Prepayments	79,776	-	-	-	41,861	618	122,255
Total assets	<u>\$ 10,249,320</u>	<u>\$ 6,428,784</u>	<u>\$ 4,216,549</u>	<u>\$ 850,142</u>	<u>\$ 882,182</u>	<u>\$ 2,237,064</u>	<u>\$ 24,864,040</u>
<b>LIABILITIES</b>							
Accounts Payable	\$ 184,384	\$ -	\$ 4,241	\$ 2,754	\$ 421,015	\$ 618	\$ 613,013
Payroll Payable	103,821	-	-	-	5,105	-	108,926
Intergovernmental Payable	164,227	-	-	-	8,237	-	172,465
Custodial Accounts	24,631	-	-	-	68,977	-	93,608
Customer Deposits	887,363	-	-	-	-	-	887,363
Unearned Revenue	200,254	-	282,469	-	-	-	482,723
Deferred Inflows Related to Property Tax	38,039	-	-	-	-	-	38,039
Total liabilities	<u>1,602,719</u>	<u>-</u>	<u>286,710</u>	<u>2,754</u>	<u>503,334</u>	<u>618</u>	<u>2,396,136</u>
<b>FUND BALANCES (DEFICITS)</b>							
Nonspendable							
Prepaid Items	79,776	-	-	-	-	-	79,776
Restricted							
1st .25% Capital Purposes	-	2,774,634	-	-	-	-	2,774,634
2nd .25% Capital Purposes	-	3,654,151	-	-	-	-	3,654,151
Drug Investigations	-	-	-	-	-	91,600	91,600
Park Capital Projects	-	-	-	847,388	336,986	1,278,655	2,463,029
Street Capital Projects	-	-	3,929,839	-	-	-	3,929,839
Transportation Infrastructure	-	-	-	-	-	866,191	866,191
Committed							
Public Art Purposes	-	-	-	-	41,861	-	41,861
Assigned							
Next year's budget appropriation of fund balance	634,141	-	-	-	-	-	634,141
Offset of projected decline in permitting revenue	299,975	-	-	-	-	-	299,975
Unassigned	7,632,709	-	-	-	-	-	7,632,709
Total fund balances (deficits)	<u>\$ 8,646,601</u>	<u>\$ 6,428,784</u>	<u>\$ 3,929,839</u>	<u>\$ 847,388</u>	<u>\$ 378,847</u>	<u>\$ 2,236,446</u>	<u>\$ 22,467,905</u>
Total liabilities and fund balances (deficits)	<u>\$ 10,249,320</u>	<u>\$ 6,428,784</u>	<u>\$ 4,216,549</u>	<u>\$ 850,142</u>	<u>\$ 882,182</u>	<u>\$ 2,237,064</u>	<u>\$ 24,864,040</u>

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

**City of Maple Valley  
Reconciliation of Balance Sheet  
To the Statement of Net Position  
December 31, 2018**

Fund balances of governmental funds		\$22,467,905
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:		
Non-Depreciable Capital Assets		
Land	216,736,715.00	
Intangibles-Easement	314,018.00	
Construction in Progress	<u>5,988,137.00</u>	223,038,870
Depreciable Capital Assets		
Buildings	10,332,798	
Improvements Other Than Buildings	285,506,404	
Machinery, Equipment, and Vehicles	1,856,114	
Intangibles - Software	474,270	
Intangibles - Field Rights	2,000,000	
Infrastructure		
Less: Accumulated Depreciation	(161,658,970)	
Less: Accumulated Amortization	<u>(943,289)</u>	137,567,327
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 Contracts, Loans, and Bonds Payable	(51,036)	
Compensated Absences, excluding the Internal Service Funds	(184,260)	
Contracts, Loans, and Bonds Payable	(7,046,922)	
Net Pension Liability, excluding the Internal Service Funds	<u>(1,599,256)</u>	(8,881,473)
Some deferred inflows and outflows of resources are not reported in the funds. (Notes 8 and 11)		
Deferred Inflow on Refunding General Obligation Bonds	(27,463)	
Deferred Outflow Related to Pensions, excluding the Internal Service Funds	373,759	
Deferred Inflow Related to Pensions, excluding the Internal Service Funds	<u>(637,102)</u>	(290,806)
Unrestricted net assets of internal service funds are included in the governmental activities in the Statement of Net Position.		
		<u>595,724</u>
Net position of governmental activities		<u><u>\$374,497,547</u></u>

The notes to 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, 2018

	GENERAL FUND	Real Estate Excise Tax	Transportation Development	Park Development	Capital Improvement Plan	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>							
Property Tax	\$ 3,763,037	\$ -	\$ -	\$ 51,561	\$ -	\$ -	\$ 3,814,598
Sales Tax	4,391,493	-	-	-	-	-	4,391,493
Utility Tax	1,928,518	-	-	-	-	-	1,928,518
Gambling Tax	115,698	-	-	-	-	-	115,698
Excise Tax in Lieu of Property Tax	3,896	-	-	-	-	441,155	445,051
Licenses & Permits	946,494	-	-	-	-	-	946,494
Other Taxes (Real Estate Excise)	-	1,990,992	-	-	-	-	1,990,992
Intergovernmental Revenue	1,150,336	-	-	-	363,003	-	1,513,339
Charges for Services	1,276,295	-	448,397	289,170	-	-	2,013,862
Fines & Forfeitures	103,952	-	-	-	-	-	103,952
Miscellaneous Revenue	594,352	99,439	71,592	26,622	8,000	34,481	834,487
Total revenues	<u>14,274,072</u>	<u>2,090,431</u>	<u>519,989</u>	<u>367,354</u>	<u>371,003</u>	<u>475,636</u>	<u>18,098,485</u>
<b>EXPENDITURES</b>							
Current:							
General Government	2,927,273	-	-	-	-	-	2,927,273
Economic Environment	1,370,063	-	-	-	-	-	1,370,063
Mental & Physical Health	94,904	-	-	-	-	-	94,904
Culture & Recreation	2,924,474	-	-	-	-	-	2,924,474
Public Safety	4,774,896	-	-	-	-	13,021	4,787,917
Transportation	1,546,238	-	-	-	203,482	-	1,749,720
Utilities & Environment	150,676	-	-	-	-	-	150,676
Debt service:							
Interest	-	-	-	-	77,882	-	77,882
Debt Issue Cost	-	-	-	-	-	30,200	30,200
Principal	-	-	-	-	809,621	-	809,621
Capital outlay:							
Capital Outlay	65,942	-	-	-	7,049,651	7,500	7,123,093
Total expenditures	<u>13,854,465</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,140,636</u>	<u>50,721</u>	<u>22,045,822</u>
Excess (deficiency) of revenues over expenditures	<u>419,607</u>	<u>2,090,431</u>	<u>519,989</u>	<u>367,354</u>	<u>(7,769,633)</u>	<u>424,914</u>	<u>(3,947,338)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Long-Term Debt Issued	-	-	-	-	-	4,059,139	4,059,139
Proceeds from Sale of Capital Asset - Land	3,010,000	-	-	-	-	-	3,010,000
Transfers In	25,443	-	-	-	7,728,507	-	7,753,949
Transfers Out	(342,027)	(1,357,646)	(747,652)	(2,244,420)	-	(3,078,541)	(7,770,287)
Total other financing sources (uses)	<u>2,693,416</u>	<u>(1,357,646)</u>	<u>(747,652)</u>	<u>(2,244,420)</u>	<u>7,728,507</u>	<u>980,597</u>	<u>7,052,801</u>
<b>SPECIAL ITEM</b>							
Prior Period Adjustment	42,410	-	-	-	-	-	42,410
Total special items	<u>42,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,410</u>
Net change in fund balances	3,155,433	732,785	(227,663)	(1,877,067)	(41,126)	1,405,512	3,147,874
Fund balances - beginning	5,491,168	5,695,999	4,157,502	2,724,454	419,974	830,934	19,320,031
Fund balances - ending	<u>\$ 8,646,601</u>	<u>\$ 6,428,784</u>	<u>\$ 3,929,839</u>	<u>\$ 847,388</u>	<u>\$ 378,847</u>	<u>\$ 2,236,446</u>	<u>\$ 22,467,905</u>

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

**City of Maple Valley**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balances to the Statement of Activities**  
**For the Year Ended December 31, 2018**

Net change in fund balances - total governmental funds \$3,147,874

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 at contribution.

Developer Contributions - Land	469,179	
Developer Contributions - Infrastructure	594,294	
		1,063,473

In the Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds report capital outlays as expenditures.

Capital Outlay	7,270,133	
Capital Disposals	(674,314)	
		6,595,820

A Prior Period Adjustment was done to Record the 2017 Purchase of TRAKiT Software

Capital Asset Acquisition	(42,410)	
		(42,410)

In the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense.

General Government	(50,028)	
Economic Environment	(5,781)	
Culture and Recreation	(546,214)	
Public Safety	(16,328)	
Transportation	(8,427,436)	
Utilities and Environment	(23,954)	
		(9,069,739)

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	809,621	
Amortization of Bond Premium	38,141	
Decrease in Accrued Interest on Long-Term Debt	(41,853)	
Increase in Compensated Absences Payable	(38,678)	
Debt Issuance	(4,059,139)	
		(3,291,907)

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

Pension Expense, excluding the Internal Service Funds	283,593	
		283,593

Amortization of some deferred outflows of resources are not reported in the funds.

Deferred Inflow on Refunding of GO Bonds & Annual Amortization	14,328	
		14,328

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.

Funds Transferred from the General Fund to the Unemployment Trust Fund		45,000.00
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(\$1,313,369)

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

City of Maple Valley  
GENERAL FUND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Tax	\$ 3,774,110	\$ 3,799,432	\$ 3,763,037	\$ (36,395)
Sales Tax	3,608,670	3,608,670	4,391,493	782,823
Utility Tax	2,126,270	2,126,270	1,928,518	(197,752)
Gambling Tax	41,390	41,390	115,698	74,308
Excise Tax in Lieu of Property Tax	-	-	3,896	3,896
Licenses & Permits	1,184,940	1,184,940	946,494	(238,446)
Intergovernmental Revenue	1,062,850	1,060,650	1,150,336	89,686
Charges for Services	1,171,310	1,295,270	1,276,295	(18,975)
Fines & Forfeitures	89,660	89,660	103,952	14,292
Miscellaneous Revenue	437,550	3,459,850	594,352	(2,865,498)
Total revenues	<u>13,496,750</u>	<u>16,666,132</u>	<u>14,274,072</u>	<u>(2,392,060)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	2,953,850	3,042,225	2,927,273	114,952
Economic Environment	918,260	1,434,335	1,370,063	64,272
Mental & Physical Health	35,000	104,020	94,904	9,116
Culture & Recreation	2,731,050	3,104,450	2,924,474	179,976
Public Safety	4,963,880	4,996,999	4,774,896	222,103
Transportation	1,843,090	1,856,265	1,546,238	310,027
Utilities & Environment	168,000	162,421	150,676	11,745
Total current	<u>13,613,130</u>	<u>14,700,715</u>	<u>13,788,523</u>	<u>912,192</u>
Debt service:				
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay:				
Capital Outlay	6,640	16,640	65,942	(49,302)
Total capital outlay	<u>6,640</u>	<u>16,640</u>	<u>65,942</u>	<u>(49,302)</u>
Total expenditures	<u>13,619,770</u>	<u>14,717,355</u>	<u>13,854,465</u>	<u>862,890</u>
Excess (deficiency) of revenues over expenditures	<u>(123,020)</u>	<u>1,948,777</u>	<u>419,607</u>	<u>(3,254,950)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Capital Asset - Land	-	-	3,010,000	3,010,000
Transfers In	75,430	75,430	25,443	(49,987)
Transfers Out	(297,121)	(3,496,191)	(342,027)	3,154,164
Total other financing sources (uses)	<u>(221,691)</u>	<u>(3,420,761)</u>	<u>2,693,416</u>	<u>6,114,177</u>
<b>SPECIAL ITEM</b>				
Prior Period Adjustment	-	-	42,410	42,410
Total special items	<u>-</u>	<u>-</u>	<u>42,410</u>	<u>42,410</u>
Net change in fund balances	<u>(344,711)</u>	<u>(1,471,984)</u>	<u>3,155,433</u>	<u>4,627,417</u>
Fund balances - beginning	5,491,168	5,491,168	5,491,168	-
Fund balances - ending	<u>\$ 5,146,457</u>	<u>\$ 4,019,184</u>	<u>\$ 8,646,601</u>	<u>\$ 4,627,417</u>

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

City of Maple Valley  
Transportation Development  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 675,250	\$ 725,250	\$ 448,397	\$ (276,853)
Miscellaneous Revenue	19,380	21,180	71,592	50,412
Total revenues	<u>694,630</u>	<u>746,430</u>	<u>519,989</u>	<u>(226,441)</u>
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>694,630</u>	<u>746,430</u>	<u>519,989</u>	<u>(226,441)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(2,020,458)</u>	<u>(2,141,033)</u>	<u>(747,652)</u>	<u>1,393,381</u>
Total other financing sources (uses)	<u>(2,020,458)</u>	<u>(2,141,033)</u>	<u>(747,652)</u>	<u>1,393,381</u>
<b>SPECIAL ITEM</b>				
Total special items	-	-	-	-
Net change in fund balances	<u>(1,325,828)</u>	<u>(1,394,603)</u>	<u>(227,663)</u>	<u>1,166,940</u>
Fund balances - beginning	<u>4,157,502</u>	<u>4,157,502</u>	<u>4,157,502</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,831,674</u>	<u>\$ 2,762,899</u>	<u>\$ 3,929,839</u>	<u>\$ 1,166,940</u>

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

City of Maple Valley  
Park Development  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Tax	\$ 22,490	\$ 22,490	\$ 51,561	\$ 29,071
Charges for Services	244,760	244,760	289,170	44,410
Miscellaneous Revenue	6,910	6,910	26,622	19,712
Total revenues	<u>274,160</u>	<u>274,160</u>	<u>367,354</u>	<u>93,194</u>
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	274,160	274,160	367,354	93,194
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(62,500)	(2,499,715)	(2,244,420)	255,295
Total other financing sources (uses)	<u>(62,500)</u>	<u>(2,499,715)</u>	<u>(2,244,420)</u>	<u>255,295</u>
<b>SPECIAL ITEM</b>				
Total special items	-	-	-	-
Net change in fund balances	211,660	(2,225,555)	(1,877,067)	348,488
Fund balances - beginning	2,724,454	2,724,454	2,724,454	-
Fund balances - ending	<u>\$ 2,936,114</u>	<u>\$ 498,899</u>	<u>\$ 847,388</u>	<u>\$ 348,488</u>

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

City of Maple Valley  
Real Estate Excise Tax  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Other Taxes (Real Estate Excise)	\$ 1,543,360	\$ 1,543,360	\$ 1,990,992	\$ 447,632
Miscellaneous Revenue	15,250	15,250	99,439	84,189
Total revenues	<u>1,558,610</u>	<u>1,558,610</u>	<u>2,090,431</u>	<u>531,821</u>
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>1,558,610</u>	<u>1,558,610</u>	<u>2,090,431</u>	<u>531,821</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(1,778,578)</u>	<u>(4,881,788)</u>	<u>(1,357,646)</u>	<u>3,524,142</u>
Total other financing sources (uses)	<u>(1,778,578)</u>	<u>(4,881,788)</u>	<u>(1,357,646)</u>	<u>3,524,142</u>
<b>SPECIAL ITEM</b>				
Total special items	-	-	-	-
Net change in fund balances	(219,968)	(3,323,178)	732,785	4,055,963
Fund balances - beginning	5,695,999	5,695,999	5,695,999	-
Fund balances - ending	<u>\$ 5,476,031</u>	<u>\$ 2,372,821</u>	<u>\$ 6,428,784</u>	<u>\$ 4,055,963</u>

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

City of Maple Valley  
Statement of Net Position  
Proprietary Funds  
December 31, 2018

	Business-type Activities		Governmental Activities	
	Surface Water Management Program	Lake Wilderness Golf Course	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>				
Current assets:				
Cash and Cash Equivalents	\$ 4,096,272	\$ 56,406	\$ 4,152,678	\$ 689,725
Investments	359,429	4,050	363,479	63,115
Accounts Receivable	91,693	-	91,693	8,244
Accrued Interest Receivable	-	4	4	-
Intergovernmental Receivable	55,194	-	55,194	7,465
Inventory	-	54,434	54,434	-
Prepayments	9,034	1,839	10,873	62,308
Total current assets	<u>4,611,622</u>	<u>116,733</u>	<u>4,728,355</u>	<u>830,857</u>
Noncurrent assets:				
Land	12,147,262	2,280,218	14,427,480	-
Buildings	18,245	1,040,000	1,058,245	-
Machinery & Equipment	-	234,822	234,822	1,297,008
Intangibles	6,538	-	6,538	468,764
Other Capital Assets	1,128,379	1,013,977	2,142,356	-
Less: Accumulated Depreciation	(531,827)	(954,167)	(1,485,994)	(918,398)
Less: Accumulated Amortization	-	-	-	(343,288)
Total noncurrent assets	<u>12,768,597</u>	<u>3,614,850</u>	<u>16,383,447</u>	<u>504,086</u>
Total assets	<u>17,380,218</u>	<u>3,731,583</u>	<u>21,111,802</u>	<u>1,334,943</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows Related to Pensions	17,464	329	17,793	27,006
Total deferred outflows of resources	<u>17,464</u>	<u>329</u>	<u>17,793</u>	<u>27,006</u>
Total assets and deferred outflows of resources	<u>17,397,682</u>	<u>3,731,913</u>	<u>21,129,595</u>	<u>1,361,949</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts Payable	40,219	37,796	78,015	30,143
Payroll Payable	12,003	256	12,259	8,038
Intergovernmental Payable	12,412	2,672	15,084	5,098
Custodial Accounts	8,776	1,280	10,056	-
Unearned Revenue	-	33,856	33,856	62,308
Compensated Absences Payable	3,937	-	3,937	7,050
Total current liabilities	<u>77,347</u>	<u>75,860</u>	<u>153,207</u>	<u>112,637</u>
Noncurrent liabilities:				
Net Pension Liability	69,162	1,386	70,548	100,850
Total noncurrent liabilities	<u>69,162</u>	<u>1,386</u>	<u>70,548</u>	<u>100,850</u>
Total liabilities	<u>146,509</u>	<u>77,246</u>	<u>223,755</u>	<u>213,487</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows Related to Pensions	30,759	565	31,324	48,653
Total deferred inflows of resources	<u>30,759</u>	<u>565</u>	<u>31,324</u>	<u>48,653</u>
Total liabilities and deferred inflows of resources	<u>177,268</u>	<u>77,812</u>	<u>255,080</u>	<u>262,139</u>
<b>NET POSITION</b>				
Net investment in capital assets	12,768,597	3,614,850	16,383,447	504,086
Restricted for:				
Golf Course Management	-	39,251	39,251	-
Surface and Storm Water Management	4,451,817	-	4,451,817	-
Unrestricted	-	-	-	595,724
Total net position	<u>17,220,413</u>	<u>3,654,101</u>	<u>20,874,514</u>	<u>1,099,810</u>

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

City of Maple Valley  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2018

	Business-type Activities		Governmental Activities	
	Surface Water Management Program	Lake Wilderness Golf Course	Total Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES</b>				
Surface Water Management Fees	\$ 1,404,860	\$ -	\$ 1,404,860	\$ -
Golf Operations	-	877,163	877,163	-
Restaurant Operations	-	209,546	209,546	-
Other Services	9,295	-	9,295	1,329,912
Total operating revenues	<u>1,414,155</u>	<u>1,086,709</u>	<u>2,500,864</u>	<u>1,329,912</u>
<b>OPERATING EXPENSES</b>				
Salaries & Benefits	161,217	3,594	164,811	311,731
Supplies	6,635	288,523	295,158	103,781
Professional Services	214,010	782,382	996,392	813,222
Intergovernmental Services	83,512	947	84,459	1,083
Depreciation & Amortization	40,607	64,272	104,879	145,480
Total operating expenses	<u>505,981</u>	<u>1,139,718</u>	<u>1,645,699</u>	<u>1,375,297</u>
Operating income (loss)	<u>908,174</u>	<u>(53,009)</u>	<u>855,165</u>	<u>(45,385)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Intergovernmental Revenue	50,000	-	50,000	-
Gains (Losses)	-	-	-	7,465
Investment Earnings (Expense)	63,679	442	64,121	12,135
Other Nonoperating Revenue (Expense)	-	(660)	(660)	-
Total nonoperating revenues (expenses)	<u>113,679</u>	<u>(218)</u>	<u>113,461</u>	<u>19,600</u>
Income (loss) before contributions and transfers	1,021,853	(53,227)	968,626	(25,785)
Capital Contributions	264,837	-	264,837	-
Transfers In	-	-	-	45,000
Transfers Out	(28,663)	-	(28,663)	-
Change in net position	1,258,027	(53,227)	1,204,800	19,215
Total net position - beginning	15,962,386	3,707,328	19,669,714	1,080,595
Total net position - ending	<u>\$ 17,220,413</u>	<u>\$ 3,654,101</u>	<u>\$ 20,874,514</u>	<u>\$ 1,099,810</u>

The notes to 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, 2018

	Business-type Activities - Enterprise Funds			Governmental Activities
	Surface Water Management Program	Lake Wilderness Golf Course	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Payments to suppliers	\$ (516,950)	\$ (1,082,873)	\$ (1,599,823)	\$ (1,247,843)
Cash Received from User Departments	-	-	-	1,346,511
Cash receipts from customers	1,382,119	1,105,414	2,487,533	-
Cash Other	-	-	-	(33,833)
Payments to employees	-	-	-	(77)
Net cash provided (used) by operating activities	<u>865,170</u>	<u>22,541</u>	<u>887,711</u>	<u>64,758</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Intergovernmental Revenue	50,000	-	50,000	-
Transfers to Other Funds	(28,663)	-	(28,663)	45,000
Net cash provided (used) by noncapital financing activities	<u>21,337</u>	<u>-</u>	<u>21,337</u>	<u>45,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital Assets Purchased for Own Use	-	-	-	(187,671)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(187,671)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of Investments	-	-	-	9,936
Proceeds from Investment Maturities	(357,785)	(4,041)	(361,826)	-
Interest on Investments	63,679	(219)	63,460	12,135
Net cash provided (used) by investing activities	<u>(294,106)</u>	<u>(4,261)</u>	<u>(298,367)</u>	<u>22,071</u>
Net increase (decrease) in cash and cash equivalents	592,401	18,280	610,681	(55,842)
Balances - beginning of year	3,503,870	38,126	3,541,996	745,566
Balances - end of the year	<u>\$ 4,096,271</u>	<u>\$ 56,406</u>	<u>\$ 4,152,678</u>	<u>\$ 689,724</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating Income	\$ 908,174	\$ (53,008)	\$ 855,165	\$ (45,385)
Changes in assets and liabilities:				
Change in Accumulated Depreciation	40,607	64,272	104,879	60,684
Change in Accumulated Amortization	-	-	-	50,963
Change of Receivables (Net of Uncollectibles)	(3,927)	-	(3,927)	16,599
Changes in Due from Other Governments	(42,775)	-	(42,775)	-
Change in Inventory	-	18,930	18,930	-
Change in Prepaid Items	14,667	(1,839)	12,827	(40,497)
Change in Accounts Payable	(20,010)	(4,855)	(24,865)	14,006
Change in Payroll Payable	2,711	-	2,711	(7,849)
Change in Due to Other Governments	(10,352)	(459)	(10,811)	4,204
Change in Deposits & Unearned Revenue	-	(225)	(225)	40,497
Change in Compensated Absences Payable	(3,906)	-	(3,906)	(1,906)
Change in Net Pension Liability	(31,165)	(479)	(31,644)	(44,350)
Change in Deferred Outflows of Resources	987	(2)	985	1,012
Change in Deferred Inflows of Resources	10,160	208	10,368	16,782
Net cash provided (used) by operating activities	<u>\$ 865,170</u>	<u>\$ 22,541</u>	<u>\$ 887,711</u>	<u>\$ 64,759</u>
<b>Noncash investing, capital and financing activities:</b>				
Capital contributions from developers	\$ 264,837	\$ -	\$ 264,837	\$ -

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

The City of  
MAPLE VALLEY



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# Notes to the Financial Statements

The City of  
MAPLE VALLEY



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## **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. 86, *Certain Debt Extinguishment Issues*, the last statement that has a 2018 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 the 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 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 levels. 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 2018. 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.

State law requires that the City adopt, at a minimum, an annual budget by December 31<sup>st</sup> of the preceding fiscal year. The City has opted to prepare a biennial budget. The first step in the biennial budget process is the identification by the Council of its priorities for the following biennium. 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 two years 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 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 biennium. 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

quarterly financial reports which the Finance Director reviews with 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 is responsible for establishing the investment policy for the pool and reviews the policy annually and proposed changes are reviewed by the LGIP advisory committee. 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.

Investments in the LGIP, a qualified external investment pool, are reported at amortized cost which approximates fair value. This measurement is done at the end of the reporting period. The LGIP is considered to be an extremely low risk investment. The pool is unrated by financial rating agencies. The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by the GASB Statement 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. LGIP Interest rates ranged from 1.44% to 2.38% in 2018. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals. The LGIP 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.

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

*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 City measures and reports investments at fair value using the valuation input hierarchy established by Generally Accepted Accounting Principles as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: These are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable;
- Level 3: Unobservable inputs for an asset or liability.

The following summarizes the City's cash and investment activity at December 31, 2018.

	<b>Beginning Balance</b>	<b>Receipts and Investments Purchased</b>	<b>Disbursements and Investments Sold</b>	<b>Ending Balance</b>
<b>Cash &amp; Cash Equivalents</b>				
Petty Cash	20,500	4,850	5,350	20,000
Demand Deposits	7,253,361	25,195,371	30,118,804	2,329,928
Investments (LGIP)	15,772,118	9,061,028	1,211,934	23,621,212
<b>Total Cash &amp; Cash Equivalents</b>	<b>\$ 23,045,979</b>	<b>\$ 34,261,249</b>	<b>\$ 31,336,088</b>	<b>\$ 25,971,140</b>
<b>Investments (Level 1)</b>				
Other Investments (Gov. Agency)	\$ 2,184,234	\$ 1,250,000	\$ 1,202,634	\$ 2,231,600
<b>Total Investments</b>	<b>\$ 2,184,234</b>	<b>\$ 1,250,000</b>	<b>\$ 1,202,634</b>	<b>\$ 2,231,600</b>

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 amortized cost and at fair value.

	<b>Amortized Cost</b>	<b>Fair Value</b>
<b>Other Investments</b>		
U.S. Government Securities	\$ 2,211,660	\$ 2,231,600

## NOTE 4 RECEIVABLES AND OTHER SHORT-TERM ASSETS

Receivable and other short-term asset amounts at year-end totaled \$2,301,877, up \$496,151 from the prior year amount of \$1,805,726. The increase is related to a substantial increase in due from other governments in 2018. 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.

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Receivables (net of uncollectibles)						
Taxes	\$ 1,075,952	\$ 1,027,406	\$ -	\$ -	\$ 1,075,952	\$ 1,027,406
Accounts	114,644	70,548	91,693	87,766	206,337	158,314
Special Assessments	82	39,795	-	-	82	39,795
Accrued Interest	34,407	30,280	4	3	34,410	30,283
Other Current	75,526	9,493	-	-	75,526	9,493
Due from Other Gov'ts	666,812	388,061	55,194	12,419	722,006	400,480
Inventory	-	-	54,434	73,364	54,434	73,364
Prepaid Items	122,255	42,889	10,873	23,701	133,129	66,590
<b>Total Receivables &amp; Short-term Assets</b>	<b>\$ 2,089,679</b>	<b>\$ 1,608,473</b>	<b>\$ 212,198</b>	<b>\$ 197,252</b>	<b>\$ 2,301,877</b>	<b>\$ 1,805,726</b>

The taxes receivable amount of \$1,075,952 is categorized as follows: property taxes, \$48,355; sales taxes, \$642,346; utility taxes, \$256,477; gambling taxes, \$28,599; and franchise fees \$100,175. The property taxes are billed and collected by King County and remitted to the City daily as collected. Of the

property taxes receivable amount, 80.9% is from 2018 delinquencies, with 19.1% from prior year 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 2019.

Of the accounts receivable amount of \$206,337, 55.6% or \$114,644 was in governmental activities for receivables from individuals, businesses, and developers and 44.4% or \$91,693 was in business-type activities which is for surface water management fees. The accounts receivable in governmental activities were \$106,400 in overspent developer deposits and \$8,244 internal services 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 remaining receivables are comprised of \$82 in settlement receivables from the Lake Management District, \$34,410 for accrued interest, and \$75,526 due from others for items such as annual fire permits, maintenance facility lease, false alarms, and delinquent gambling taxes. 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 \$479.41 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 ended September 30, 2018.

The due from other governments amount of \$722,006 is categorized as follows: from the State of Washington, \$238,998; from King County, \$425,361; from the City of Kent, \$20,149, from the City of Enumclaw, \$124, and from other governments, \$37,374. Of the amount due from the State of Washington, \$65,459 is for vehicle excise taxes collected by the State in December 2018 and remitted to the City in January 2019. \$173,539 due from State of Washington is grant revenue; of which \$123,539 on T-41, Rock Creek Shared Use Path; \$50,000 is from Department of Ecology for Surface Water projects. Of the amount due from King County, \$119,322 is for real estate excise taxes, collected by the County in December 2018 and remitted to the City in January 2019. \$295,000 due from King County is grant revenue on T28b Phase 1, Witte Road project. \$5,194 is due from King County for surface water management fees collected by them but not yet remitted to the City. \$5,845 is due from King County for 2018 property taxes paid in 2018 but remitted to the City in January of 2019. 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 \$37,374 due from other governments, \$2,419 is due from the City of Covington for inspection services completed in 2018 under the interlocal agreement; \$34,955 is due from the Port of Seattle for Economic Development grant, but not yet remitted to the City.

In business-type activities, the inventory amount of \$54,434 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 \$133,129, which include both government-type and business-type activities, relate to 2019 costs required to be paid prior to the end of 2018; this is made up predominantly of the building rental for City Hall, trainings, and memberships for 2019 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 2018 interfund transfers, excluding Internal Service Fund activity:

	<b>Transfers</b>	
	<b>In</b>	<b>Out</b>
General Fund	\$ 25,443	\$ 342,027
Transportation Development Fund	-	747,652
Park Development Fund	-	2,244,420
Real Estate Excise Tax Fund	-	1,357,646
Transportation Benefit Special Revenue Fund	-	326,452
Bond Proceeds Fund	-	2,752,089
Capital Improvement Plan Fund	7,728,507	-
Surface Water Management Fund	-	28,663
Lake Wilderness Golf Course Fund	-	-
Vehicle Rental Fund	-	-
Unemployment Fund	45,000	-
Central Services Fund	-	-
	<b>\$ 7,798,949</b>	<b>\$ 7,798,949</b>

The General Fund received transfers-in amounting to \$25,443 was from the Surface Water Management Fund to fund lake management expenditures.

The Capital Improvement Plan Fund received transfers of \$7,728,507 as funds were budgeted and expended for capital projects as follows:

<b>FUND</b>	<b>Transfer Amount</b>
General Fund	297,028
Transportation Development Fund	747,652
Park Development Fund	2,244,420
Real Estate Excise Tax Fund	1,357,646
Transportation Benefit Special Revenue Fund	326,452
Bond Proceeds Fund	2,752,089
Surface Water Management Fund	3,220
	<b>7,728,507</b>

The Unemployment Trust Fund received a transfer of \$45,000 from the General Fund to fund claimant payments.

## **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.

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. Donated capital assets are recorded at acquisition value. 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 2018.

	Beginning Balance (Restated)	Additions	Transfers	Retirements	Ending Balance
<b>Governmental Activities</b>					
<b>Capital Assets not being depreciated</b>					
Land	\$ 216,845,045	\$ 469,179		\$ (577,510)	\$ 216,736,714
Intangibles-Easement	\$ 314,018				314,018
Construction in Progress	4,968,545	7,049,651	\$ (6,030,059)		5,988,137
<b>Total</b>	<b>\$ 222,127,608</b>	<b>\$ 7,518,830</b>	<b>\$ (6,030,059)</b>	<b>\$ (577,510)</b>	<b>\$ 223,038,869</b>
<b>Capital Assets being depreciated</b>					
Buildings	\$ 10,465,688		\$ 17,111	\$ (150,000)	\$ 10,332,799
Improvements Other Than Buildings	279,121,683	\$ 594,294	5,790,427		285,506,404
Machinery & Equipment	338,243	15,413	242,991	(37,542)	559,105
Machinery & Equipment (IS Funds)	1,167,668	183,642	(20,469)	(33,833)	1,297,008
Intangibles-Field Rights	2,000,000				2,000,000
Intangibles (IS Funds)	452,843	21,427			474,270
<b>Total</b>	<b>293,546,125</b>	<b>\$ 814,776</b>	<b>\$ 6,030,059</b>	<b>\$ (221,375)</b>	<b>\$ 300,169,585</b>
<b>Accumulated Depreciation</b>					
Buildings	(2,928,319)	\$ (263,414)		\$ 56,250	\$ (3,135,483)
Improvements Other Than Buildings	(148,999,503)	(8,429,930)			(157,429,433)
Machinery & Equipment	(179,230)	(30,915)		34,489	(175,656)
Machinery & Equipment (IS Funds)	(857,714)	(94,517)		33,833	(918,398)
Intangibles-Field Rights	(400,000)	(200,000)			(600,000)
Intangibles (IS Funds)	(292,326)	(50,963)			(343,289)
<b>Total</b>	<b>\$ (153,657,092)</b>	<b>\$ (9,069,739)</b>	<b>\$ -</b>	<b>\$ 124,572</b>	<b>\$ (162,602,259)</b>
<b>Net Capital Assets being depreciated</b>	<b>139,889,033</b>	<b>(8,254,964)</b>	<b>\$ 6,030,059</b>	<b>(96,803)</b>	<b>137,567,325</b>
<b>Governmental Activities, Net Capital Assets</b>	<b>\$ 362,016,641</b>	<b>\$ (736,134)</b>	<b>\$ 0</b>	<b>\$ (674,314)</b>	<b>\$ 360,606,194</b>
<b>Business-type Activities</b>					
<b>Capital Assets not being depreciated</b>					
Land	\$ 14,162,642	\$ 264,837			\$ 14,427,479
<b>Total</b>	<b>\$ 14,162,642</b>	<b>\$ 264,837</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,427,479</b>
<b>Capital Assets being depreciated</b>					
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
<b>Total</b>	<b>\$ 3,441,961</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,441,961</b>
<b>Accumulated Depreciation</b>					
Buildings	\$ (295,477.00)	(27,686)			\$ (323,163)
Improvements Other Than Buildings	(852,148)	(71,938)			(924,086)
Machinery & Equipment	(230,876)	(3,947)			(234,823)
Intangibles	(2,615)	(1,308)			(3,923)
<b>Total</b>	<b>\$ (1,381,116)</b>	<b>(104,879)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,485,995)</b>
<b>Net Capital Assets being depreciated</b>	<b>2,060,845</b>	<b>(104,879)</b>	<b>-</b>	<b>-</b>	<b>1,955,967</b>
<b>Business-type, Net Capital Assets</b>	<b>\$ 16,223,487</b>	<b>\$ 159,958</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,383,445</b>
<b>Grand Total</b>	<b>\$ 378,240,128</b>	<b>\$ (576,175)</b>	<b>\$ 0</b>	<b>\$ (674,314)</b>	<b>\$ 376,989,639</b>

In 2018 the City had a net capital asset decrease of \$576,175. The amount reflects the fact that capital asset additions of \$8,598,443 are offset by increases in accumulated depreciation of \$9,174,618.

The net additions to land of \$734,016 represent developer contributions from Overlook Phase 1, Wilderness Hills Division 3 and 4, 228<sup>th</sup> Ave SE Project, North Point at Maple Centre, and Yellow Rock Road Phase II.

The additions to construction in progress totaled \$7,409,651 for fourteen capital projects for which the City made expenditures in 2018. The three significant transportation projects were the SR 169 – Witte

Road to SE 244<sup>th</sup> Street, \$270,007, SR 516 and 218<sup>th</sup> Ave SE Intersection, \$781,663, and Witte Road SE 256<sup>th</sup> Street Realignment, \$984,764. The three significant parks and recreation projects were the Summit Ballfields, \$2,752,089, Beach House Remodel, \$1,909,127, and the Community Center Parking Lot \$189,851. Also in 2018, other minor construction in progress expenditures totaling \$522,151 were spent on a variety of transportation, parks, and facilities projects.

Net additions to improvements other than buildings of \$594,294 is entirely made up of improved street lane miles donated to the City by developers.

Machinery and equipment additions in governmental funds totaled \$220,482. The purchases included \$34,976 Remote Control Pond Mower, \$12,311 Zero Turn Mower, \$35,800 2016 Ford F-550, \$9,045 Wide Format Printer, \$38,987 Backup Storage, \$15,921 PerfectMind Software, \$5,506 TRAKiT Software, \$52,523 2018 Ford F-550, \$7,913 Portable Speed Trailer, and \$7,500 Video Surveillance Equipment. There were no additions to machinery and equipment in the business-type funds.

The sale of land owned by the City in 2018 resulted in a decrease to capital assets (land) of \$577,510. The property was sold for \$3,010,000 and resulted in a gain of \$2,432,490.

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>
<b>Buildings</b>	
Buildings	40
Building Improvements	10
<b>Improvements Other Than Buildings</b>	
Leasehold Improvements	7-10
Infrastructure Improvements	25-30
Other Improvements	10-30
<b>Machinery and Equipment</b>	
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 the purchase of the asset. The following table shows the amount of depreciation charged to each governmental function.

<b>Functions/Programs</b>	
General Government	\$ 50,028
Economic Environment	5,781
Culture & Recreation	546,214
Public Safety	16,328
Transportation	8,427,436
Utilities & Environment	23,954
	<u>9,069,739</u>
Proprietary Fund Depreciation	<u>104,879</u>
Total Depreciation	<u>\$ 9,174,618</u>

A prior period adjustment was made to account for a software purchase made in 2017 but not capitalized at that time. Additional details are provided in Note 14.

## **NOTE 7 PAYABLES AND OTHER SHORT-TERM LIABILITIES**

Payables and other short-term liabilities at year-end totaled \$2,796,929, down \$721,561 from the prior year amount of \$3,518,490. The majority of the decrease is in due to other governments and deposits and unearned revenue as discussed below. The following table summarizes the year-end payables and short-term liabilities and compares the amounts to the prior year.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Accounts Payable	\$ 643,156	\$ 812,186	\$ 88,072	\$ 101,830	\$ 731,228	\$ 914,016
Payroll Payable	116,964	188,594	12,259	9,292	129,224	197,886
Due to Other Gov'ts	177,562	924,981	15,084	25,895	192,646	950,875
Deposits and Unearned Revenue	1,463,694	1,238,705	33,856	45,445	1,497,550	1,284,150
Compensated Absences	191,309	154,538	3,937	7,843	195,246	162,381
Accrued Interest Payable	51,036	9,183	-	-	51,036	9,183
Total Payables & Short-term Liabilities	<u>\$ 2,643,722</u>	<u>\$ 3,328,186</u>	<u>\$ 153,208</u>	<u>\$ 190,304</u>	<u>\$ 2,796,929</u>	<u>\$ 3,518,490</u>

The accounts payable balance of \$731,228 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 2018 with a corresponding accounts payable accrual. The payroll payable balance of \$129,224 is related to the accrued liability for salaries and wages earned in 2018 but not paid until 2019. The due to other government's balance of \$192,646 is primarily payables due to State of Washington, King County, City of Kent, the Department of Retirement Systems, and others at year-end.

The deposits and unearned revenue increase of \$213,400 is predominately related to more developer deposits received in 2018 for new residential developments being submitted. At year-end the account category totaled \$1,497,550 and was made up of the following components: developer deposits of \$853,413; lease deposit for Recology CleanScapes \$450; Lake Wilderness Lodge deposits and unearned revenue, \$131,398; Recreation Programs unearned revenue, \$101,511; Lake Management District fees, \$82; donations for recreation scholarships, \$763; and Lake Wilderness Golf Course deposits and unearned revenue, \$33,856. Unearned revenue from developers totaling \$282,469 is for amounts

collected from developers for their portion of the cost of future transportation improvement projects. Retainage payable totaling \$68,977 to be paid to contractors at the completion of capital projects. The remaining \$24,631 is made up of banking fees, event insurance, and bid deposits.

The developer deposits are collected from applicants at the beginning of a development project. The amount increased \$165,444 from the 2017 amount of \$687,969 to \$853,413 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 \$131,398 is for rental deposits collected in 2018 for events to be held in 2019 or later. Unearned revenue for the Lake Wilderness Golf Course is for memberships, \$8,339; tournament and banquet deposits, \$12,648 and gift cards, \$12,869.

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 \$156,184 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 \$26,887. The City also accrues the cost of benefits for accumulated compensated absences. The benefit accrual was \$12,175 in 2018. 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, 2018 to December 31, 2018 on the City's general obligation bonds, \$48,267, and the interest due from July 1, 2018 to December 31, 2018 on the City's contracts and loans payable, \$2,769.

## **NOTE 8 LONG-TERM LIABILITIES**

Long-term liabilities totaled \$8,817,577 at year-end. This was a \$2,260,421 increase from the 2017 balance of \$6,197,156. 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.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2018	2017	2018	2017	2018	2017
Contracts & Loans - Current	\$ 184,621	\$ 184,621	\$ -	\$ -	\$ 184,621	\$ 184,621
General Obligation Bonds - Current	760,000	625,000	-	-	760,000	625,000
Contracts & Loans Payable	923,105	1,107,726	-	-	923,105	1,107,726
GO Bonds Payable	5,179,196	1,918,199	-	-	5,179,196	1,918,199
<b>Total Long-term Liabilities</b>	<b>7,046,923</b>	<b>3,835,547</b>	<b>-</b>	<b>-</b>	<b>7,046,923</b>	<b>3,835,547</b>
Net Pension Liability	1,700,106	2,259,416	70,549	102,193	1,770,654	2,361,609
<b>Total Long-term Liabilities</b>	<b>\$ 8,747,029</b>	<b>\$ 6,094,963</b>	<b>\$ 70,549</b>	<b>\$ 102,193</b>	<b>\$ 8,817,577</b>	<b>\$ 6,197,156</b>

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 \$23,881 and current year amortization of \$14,328 resulting in a year-end balance of \$41,791.

On September 11, 2018, the City issued limited tax general obligation bonds totaling \$3,775,000 with a coupon rate of 3% for the first five years, increasing to 4% for the remaining debt service years. 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, 2037. Annual debt service costs after the initial partial year, begin at approximately \$140,000 and decline in each subsequent year of the debt service. The bonds were issued so the City could complete the Summit Park project located on the South end of the City. As of December 31, 2018, \$2,752,089 of bond proceeds were spent, with the remainder to be spent on the completion of the project in 2019.

In addition to bonded debt, the City had State infrastructure loans payable of \$1,292,347 at December 31, 2017. State infrastructure loans outstanding are for two projects: the SR 169 – SR 516 to SE 264<sup>th</sup> Street project and the SR 516 – 228<sup>th</sup> 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.

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
State Infrastructure Loan	\$ 1,292,347	\$ -	\$ 184,621	\$ 1,107,726	\$ 184,621
GO Bonds	2,543,199	3,775,000	625,000	5,693,199	760,000
<b>Total Long-term Debt</b>	<b>\$ 3,835,545</b>	<b>\$ 3,775,000</b>	<b>\$ 809,621</b>	<b>\$ 6,800,926</b>	<b>\$ 944,621</b>

Total long-term debt of \$6,800,926 includes the principal amount of \$6,702,727 and the unamortized premium of \$98,199. The remaining debt service schedule to maturity for the general obligation loans and bonds is shown in the table below.

Year	2014 Councilmanic GO Bonds			2015 Refunding GO Bonds			2018 Councilmanic GO Bonds		
	Principal	Interest	Balance	Principal	Interest	Balance	Principal	Interest	Balance
2019	160,000	19,205	675,000	485,000	34,550	500,000	115,000	175,572	3,660,000
2020	165,000	15,525	510,000	500,000	20,000	-	150,000	140,200	3,510,000
2021	165,000	11,730	345,000	-	-	-	155,000	135,700	3,355,000
2022	170,000	7,935	175,000	-	-	-	155,000	131,050	3,200,000
2023-37	175,000	4,025	-	-	-	-	3,200,000	1,114,400	-
	<b>\$ 835,000</b>	<b>\$ 58,420</b>	<b>\$ 893,420</b>	<b>\$ 985,000</b>	<b>\$ 54,550</b>	<b>\$ 1,039,550</b>	<b>\$ 3,775,000</b>	<b>\$1,696,922</b>	<b>\$ 5,471,922</b>

Year	State Infrastructure Loan 0.5% 2005 Loan - SR 516 - Witte to 228th			State Infrastructure Loan 0.5% 2005 Loan - SR 169 - SR 516 to 264th		
	Principal	Interest	Balance	Principal	Interest	Balance
	2019	75,356	2,261	376,779	109,265	3,278
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	75,356	1,130	150,712	109,265	1,639	218,530
2023-24	150,712	1,130	(0)	218,530	1,639	(0)
	<b>\$ 452,135</b>	<b>\$ 7,912</b>	<b>\$ 460,047</b>	<b>\$ 655,591</b>	<b>\$ 11,473</b>	<b>\$ 667,064</b>

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

Year	Governmental Activities		Total
	Principal	Interest	
2019	944,621	234,866	1,179,487
2020	999,621	180,341	1,179,961
2021	504,621	151,122	655,743
2022	509,621	141,754	651,375
2023-37	3,744,242	1,121,194	4,865,436
<b>Total</b>	<b>\$ 6,702,726</b>	<b>\$ 1,829,277</b>	<b>\$ 8,532,003</b>

On August 22, 2018 Standard and Poor's Rating Services affirmed the AA+ underlying rating on these bonds. Standard and Poor's views the outlook for this rating as stable.

The City's Net Pension Liability of \$1,770,654 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, 2018. The total liability is made up of \$1,700,106 or 96.0% in governmental activities and \$70,548 or 4.0% 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, 2022. For the year-ended December 31, 2018, the City expended \$314,008 for its office space lease down from the prior year amount of \$351,748. 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, 2022. The future minimum lease payments are as follows:

<b>City Hall Lease</b>	
<b>Minimum</b>	
<b>Year</b>	<b>Lease Payment</b>
2019	345,858
2020	351,046
2021	356,339
2022	361,735
2023-24	-
<b>Total</b>	<b>\$ 1,414,977</b>

The above amounts assume the current level of charges for common area maintenance of \$7,419 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.
- 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 \$79,776 for prepaid expenses, predominately for memberships and trainings in 2019; an amount assigned for the appropriation of fund balance for the subsequent year of \$634,141; 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, 2018, General Fund's assigned and unassigned fund balance was 61.8% of 2018 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
- Unspent funds in the Capital Improvement Plan fund are restricted for street, parks, and City facilities 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. 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 1st, 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 2018, 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 \$1.04 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 31<sup>st</sup>. Taxes are levied annually on January 1<sup>st</sup> and become a lien on the property on that day.

Tax bills are mailed on February 14<sup>th</sup> and are due on April 30<sup>th</sup>. Payments may be made in two equal installments by April 30<sup>th</sup> and October 31<sup>st</sup>, but if the first half is not paid by April 30<sup>th</sup>, the full amount 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 2018 property taxes, the City's final revised levy was \$3,797,480, up \$109,726 or 3.0% from the 2017 revised levy of \$3,687,754. The levy amount produced a City levy rate of \$1.04 per thousand dollars of assessed valuation, down from \$1.13 the previous year. Of the revised levy amount for 2018, only

\$48,355 or 1.41% remained outstanding at December 31, 2018. Of that \$48,355, the outstanding amount for all levies prior to 2018 is \$9,219. 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 with verification 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, 2018 is \$195,246, up from the 2017 amount of \$162,381. Of the total \$195,246, \$26,887 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>2018</u>	<u>2017</u>	<u>2016</u>
Total Payroll	\$ 4,134,945	\$ 3,714,348	\$ 3,649,487
PERS Payroll	3,742,062	3,390,930	3,196,613

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:

	<b>2018</b>	<b>2017</b>	<b>2016</b>
Medicare portion of Social Security			
Employer Contributions	\$ 58,834	\$ 52,845	\$ 52,027
Employee Contributions	58,834	52,845	52,542
Total Medicare contributions	117,668	105,690	104,569
Substitute Social Security Plan (401(a))			
Employer Contributions	215,018	193,147	218,686
Employee Contributions	256,367	230,290	226,376
Total 401(a) contributions	471,385	423,436	445,062
Public Employees Retirement System (PERS)			
Employer Contributions	476,903	405,289	357,302
Employee Contributions	271,561	228,648	189,420
Total PERS contributions	748,464	633,937	546,722
<b>Total Contributions</b>	<b>\$ 1,337,517</b>	<b>\$ 1,163,063</b>	<b>\$ 1,096,353</b>
Total Employer Contributions	\$ 750,756	\$ 651,282	\$ 628,015
Total Employee Contributions	586,762	511,782	468,338
<b>Total Contributions</b>	<b>\$ 1,337,518</b>	<b>\$ 1,163,064</b>	<b>\$ 1,096,353</b>

### (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 2018:

<b>Aggregate Pension Amounts - All Plans</b>	
Net Pension Liability	\$ 1,770,654
Deferred Outflows of Resources	\$ 431,072
Deferred Inflows of Resources	\$ 694,135
Pension Expense	\$ 139,726

<b><u>Reconciliation of Contributions to Pension Expense</u></b>	
Annual Contributions	\$ 470,167
Adjustments to Pension Expense:	
Governmental Funds	(283,593)
Internal Service Funds	(26,556)
Enterprise Funds	<u>(20,292)</u>
<b>Pension Expense</b>	<b><u>\$ 139,726</u></b>

### **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](http://www.drs.wa.gov).

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

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

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

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan contribution rates (expressed as a percentage of covered payroll) for 2018 were as follows:

<b>PERS Plan 1</b>	<b>January - August 2018</b>		<b>September - December 2018</b>	
	<b>Employer</b>	<b>Employee</b>	<b>Employer</b>	<b>Employee</b>
<b>Actual Contributions Rates:</b>				
PERS Plan 1	7.49%	6.00%	7.62%	6.00%
PERS Plan 1 UAAL	5.03%		5.03%	
Administrative Fee	0.18%		0.18%	
<b>Total</b>	<b>12.70%</b>	<b>6.00%</b>	<b>12.83%</b>	<b>6.00%</b>

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

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

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

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

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2018 were as follows:

<b>PERS Plan 2/3</b>	<b>January - August 2018</b>		<b>September - December 2018</b>	
	<b>Employer</b>	<b>Employee</b>	<b>Employer</b>	<b>Employee</b>
<b>Actual Contributions Rates:</b>				
PERS Plan 2	7.49%	7.38%	7.62%	7.41%
PERS Plan 1 UAAL	5.03%		5.03%	
Administrative Fee	0.18%		0.18%	
Employee PERS Plan 3		varies		varies
<b>Total</b>	<b>12.70%</b>	<b>7.38%</b>	<b>12.83%</b>	<b>7.41%</b>

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

<b>Plan</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
PERS 2	\$ 445,223	\$ 382,411	\$ 329,885
PERS 3	31,680	22,878	27,416
<b>Total</b>	<b>\$ 476,903</b>	<b>\$ 405,289</b>	<b>\$ 357,302</b>

**Actuarial Assumptions**

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2018 with a valuation date of June 30, 2018. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary’s (OSA) *2007-2012 Experience Study* and the *2015 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2017 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2018. Plan liabilities were rolled forward from June 30, 2017 to June 30, 2018, reflecting each plan’s normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

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

Mortality rates were based on the RP-2000 report's "Combined Healthy Table and Combined Disabled Table," published by the Society of Actuaries. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100% 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.

Actuarial results that OSA provided reflect the following changes in assumptions and methods:

- For all plans except LEOFF Plan 1, how terminated and vested member benefits are valued was corrected.
- How the basic minimum COLA in PERS Plan 1 and TRS Plan 1 is valued for legal order payees was improved.
- The average expected remaining service lives calculation was revised. It is used to recognize the changes in pension expense to no longer discount future years of service back to the present day.

### **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, 2018, are summarized in the table below. The inflation component used to create the table is 2.2 % and represents the WSIB's most recent long-term estimate of broad economic inflation.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Expected Real Rate of Return Arithmetic</b>
Fixed Income	20.00%	1.70%
Tangible Assets	7.00%	4.90%
Real Estate	18.00%	5.80%
Global Equity	32.00%	6.30%
Private Equity	23.00%	9.30%
	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%, 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%) or 1-percentage point higher (8.5%) than the current rate.

<b>Plan</b>	<b>1% Decrease (6.5%)</b>	<b>Current Discount Rate (7.5%)</b>	<b>1% Increase (8.5%)</b>
PERS 1	\$ 1,459,496	\$ 1,187,608	\$ 952,098
PERS 2/3	2,666,869	583,047	(1,125,455)
<b>Total</b>	<b>\$ 4,126,365</b>	<b>\$ 1,770,654</b>	<b>\$ (173,357)</b>

### 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 December 31, 2018, the City of Maple Valley reported a total pension liability of \$1,770,654 for its proportionate share of the net pension liabilities as follows:

<b>Plan</b>	<b>Liability</b>
PERS 1	\$ 1,187,608
PERS 2/3	583,047
<b>Total</b>	<b>\$ 1,770,654</b>

At June 30, 2018 the City of Maple Valley’s proportionate share of the collective net pension liabilities was as follows:

<b>Plan</b>	<b>Proportionate Share 6/30/17</b>	<b>Proportionate Share 6/30/18</b>	<b>Change in Proportionate Share</b>
PERS 1	0.025630%	0.026592%	0.000962%
PERS 2/3	0.032967%	0.034148%	0.001181%

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, 2018, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2017, with update procedures used to roll forward the total pension liability to the measurement date.

### **Pension Expense**

For the year ended December 31, 2018, the City of Maple Valley recognized pension expense as follows:

<b>Plan</b>	<b>Pension Expense</b>
PERS 1	\$ 151,005
PERS 2/3	(11,279)
<b>Total</b>	<b>\$ 139,726</b>

### **Deferred Outflows of Resources and Deferred Inflows of Resources**

At December 31, 2018, the City of Maple Valley reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>PERS 1</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Contributions subsequent to the measurement date	\$ 104,885	\$ -
Difference between expected and actual earnings	-	47,195
<b>Total</b>	<b>\$ 104,885</b>	<b>\$ 47,195</b>

<b>PERS 2/3</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of Assumptions	\$ 6,821	\$ 165,930
Contributions subsequent to the measurement date	154,661	-
Difference between expected and actual earnings	-	357,784
Difference between expected and actual experience	71,466	102,081
Changes in proportion and differences between contributions and proportionate share of contributions	93,239	21,144
<b>Total</b>	<b>\$ 326,187</b>	<b>\$ 646,940</b>

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, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended December 31:</b>	<b>PERS 1</b>	<b>PERS 2/3</b>	<b>Total Amortization</b>
2019	2,065	(56,700)	(54,635)
2020	(10,317)	(105,846)	(116,163)
2021	(30,959)	(202,036)	(232,995)
2022	(7,984)	(64,136)	(72,119)
2023	-	(13,056)	(13,056)
Thereafter	-	(33,641)	(33,641)
<b>Total</b>	<b>\$ (47,195)</b>	<b>\$ (475,414)</b>	<b>\$ (522,609)</b>

### 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:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Worker's Compensation	\$ 66,884	\$ 66,546	\$ 53,375
Medical, Dental and Vision (Health)	667,034	665,435	620,772
Group Life and Long-term Disability	18,887	17,052	16,568
	<u>\$ 752,804</u>	<u>\$ 749,033</u>	<u>\$ 690,715</u>
Other Benefit Cost as a % of Total Payroll	18%	20%	19%

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, 2018, was \$667,034 or 18.0% 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 160 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

aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

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

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

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

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

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

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>2018</u>	<u>2017</u>	<u>2016</u>
Claims Paid	\$ 46,901	\$ 10,487	\$ 16,597
Net Position	\$ 2,871	\$ 56	\$ 7,605

Beginning in 2018, the City allocated additional funds each year as part of the budget process to insure adequate funding.

## 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, 2018. The City's commitments with contractors are as follows:

<b>Construction Commitments</b>				
<b>Contract Name</b>	<b>Project No.</b>	<b>Contract Amount</b>	<b>Payments</b>	<b>Balance at 12/31/2018</b>
<b>Construction Contracts</b>				
Daley Morrow Poblete, Inc.	T33c	\$ 25,000	\$ 12,708	\$ 12,293
David Evans & Associates, Inc.	T24	10,000	5,090	4,910
David Evans & Associates, Inc.	T39	824,245	739,414	84,831
LaBonde Land Inc.	T28b	29,260	13,829	15,431
PBS Engineering & Environmental Inc.	T28b Ph 2	58,610	31,378	27,232
Terra Dynamics	P03	10,135,779	4,166,432	5,969,347
Welwest Construction Co, Inc.	T42	698,947	672,819	26,128
<b>Interlocal Agreements:</b>				
King County Water & Land Resource Division - WRIA 8		1,061	-	1,061
King County Water & Land Resource Division - WRIA 9		6,506	-	6,506
<b>Total</b>		<b>\$ 11,789,408</b>	<b>\$ 5,641,670</b>	<b>\$ 6,147,738</b>

## NOTE 14 PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$42,410 was made to record a Governmental Activities increase in Net Investment in Capital Assets as of January 1, 2018. The adjustment, was made to capitalize TRAKiT Permitting software that was acquired in 2017 but not capitalized at that time. The adjustment increased Net Investment in Capital Assets from the December 31, 2017 amount of \$358,138,689 to \$358,181,099 as of January 1, 2018.

	<b>Balance December 31, 2017, as Previously Reported</b>	<b>Increase for Corrections to Asset Value and Depreciation</b>	<b>Balance January 1, 2018, as Restated</b>
<b>Statement of Net Position (Government-wide)</b>			
<b>Governmental Activities</b>			
<b>Net Position</b>			
Net Investment in Capital Assets	\$ 358,138,689	\$ 42,410	\$ 358,181,099
Restricted for:			
Street Capital Projects	5,703,200	-	5,703,200
Park Capital Projects	2,553,359	-	2,553,359
General Capital Projects	5,445,155	-	5,445,155
Unrestricted	3,928,103	-	3,928,103
<b>Total Net Position, Governmental Activities</b>	<u>375,768,507</u>	<u>42,410</u>	<u>375,810,917</u>
<b>Business-type Activities</b>			
<b>Net Position</b>			
Net Investment in Capital Assets	16,223,489	-	16,223,489
Unrestricted	3,446,225	-	3,446,225
<b>Total Net Position, Business-type Activities</b>	<u>19,669,714</u>	<u>-</u>	<u>19,669,714</u>
<b>Total Net Position</b>	<u>\$ 395,438,220</u>	<u>\$ 42,410</u>	<u>\$ 395,480,629</u>

The City of  
MAPLE VALLEY



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# Required Supplementary Information

The City of  
MAPLE VALLEY



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**City of Maple Valley**  
**Schedule of Employer's Proportionate Share of Net Pension Liability**  
**Public Employees' Retirement System**  
**As of June 30, 2018**  
**Last Ten Years** *(Additional years will be displayed as they become available)*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>PERS 1</b>					
Employer's Proportion of the Net Pension Liability	0.026592%	0.025630%	0.024720%	0.025622%	0.025956%
Employer's Proportionate Share of the Net Pension Liability	\$ 1,187,608	\$ 1,216,163	\$ 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	N/A	N/A	872%	1039%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.52%	61.24%	57.03%	59.10%	61.19%
<b>PERS Plan 2/3</b>					
Employer's Proportion of the Net Pension Liability	0.034148%	0.032967%	0.031244%	0.029457%	0.030008%
Employer's Proportionate Share of the Net Pension Liability	\$ 583,047	\$ 1,145,446	\$ 1,573,111	\$ 1,052,515	\$ 606,570
Employer's Covered Payroll	\$ 3,540,856	\$ 3,247,474	\$ 2,836,456	\$ 2,473,491	\$ 2,462,184
Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	16%	35%	55%	43%	25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.88%	90.97%	85.82%	89.20%	93.29%

**Notes to required schedule:**

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

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, 2018**

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

	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)<sup>(1)</sup></b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a % of Covered Employee Payroll</b>
<b>PERS 1</b>					
2018	\$ -	\$ -	\$ -	\$ -	N/A
2017	\$ -	\$ -	\$ -	\$ -	N/A
2016	\$ -	\$ -	\$ -	\$ -	N/A
2015	\$ 8,014	\$ 8,014	\$ (0)	\$ 87,014	9.21%
2014	\$ 12,836	\$ 12,836	\$ (0)	\$ 139,373	9.21%
<b>PERS 2/3</b>					
2018	\$ 476,994	\$ 476,903	\$ 91	\$ 3,742,062	12.74%
2017	\$ 405,289	\$ 405,289	\$ 0	\$ 3,390,930	11.95%
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%

**Notes to required schedule:**

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

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

# Combining Statements and Schedules

The City of  
MAPLE VALLEY



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**City of Maple Valley**  
**Supplemental Information**  
**December 31, 2018**

This part of the City of Maple Valley's Comprehensive Annual Financial Report presents detailed financial information required for management of City operations.

**Combining Statements - Nonmajor Governmental Funds**

These statements provide the detailed financial statements for the nonmajor governmental funds.

Combining Balance Sheet - Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds

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

These schedules provide budget and actual information that is useful to management but not required financial reporting.

Drug Seizure Fund

Transportation Benefit District Fund

Transportation Benefit Special Revenue Fund

Bond Proceeds Fund

Capital Improvement Plan Fund

Surface Water Management Fund

Lake Wilderness Golf Course Fund

Vehicle Rental Fund

Central Service Fund

Unemployment Trust Fund

**Internal Service Fund Statements**

These statements provide the detailed financial statements for the individual internal service funds.

Combining Statement of Net Position

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Combining Statement of Cash Flows

City of Maple Valley  
Combining Balance Sheet  
Nonmajor Special revenue funds  
December 31, 2018

	Transportation Benefit Special Revenue Fund	Drug Seizure Fund	Bond Proceeds Fund	Total Nonmajor Special revenue funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 736,108	\$ 84,607	\$ 1,175,720	\$ 1,996,435
Investments	64,624	6,993	102,935	174,552
Intergovernmental Receivable	65,459	-	-	65,459
Prepayments	-	618	-	618
Total assets	<u>\$ 866,191</u>	<u>\$ 92,218</u>	<u>\$ 1,278,655</u>	<u>\$ 2,237,064</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 618	\$ -	\$ 618
Total liabilities	<u>\$ -</u>	<u>\$ 618</u>	<u>\$ -</u>	<u>\$ 618</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable				
Restricted				
Drug Investigations	-	91,600	-	91,600
Park Capital Projects	-	-	1,278,655	1,278,655
Transportation Infrastructure	866,191	-	-	866,191
Committed				
Assigned				
Unassigned				
Total fund balances (deficits)	<u>\$ 866,191</u>	<u>\$ 91,600</u>	<u>\$ 1,278,655</u>	<u>\$ 2,236,446</u>
Total liabilities and fund balances (deficits)	<u>\$ 866,191</u>	<u>\$ 92,218</u>	<u>\$ 1,278,655</u>	<u>\$ 2,237,064</u>

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

City of Maple Valley  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Special revenue funds  
For the Year Ended December 31, 2018

	Transportation Benefit Special Revenue Fund	Drug Seizure Fund	Bond Proceeds Fund	Total Nonmajor Special revenue funds
<b>REVENUES</b>				
Excise Tax in Lieu of Property Tax	\$ 441,155	\$ -	\$ -	\$ 441,155
Miscellaneous Revenue	13,844	18,831	1,805	34,480
Total revenues	<u>454,999</u>	<u>18,831</u>	<u>1,805</u>	<u>475,635</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	-	13,021	-	13,021
Debt service:				
Debt Issue Cost	-	-	30,200	30,200
Capital outlay:				
Capital Outlay	-	7,500	-	7,500
Total expenditures	-	20,521	30,200	50,721
Excess (deficiency) of revenues over expenditures	<u>454,999</u>	<u>(1,690)</u>	<u>(28,395)</u>	<u>424,914</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-Term Debt Issued	-	-	4,059,139	4,059,139
Transfers Out	(326,452)	-	(2,752,089)	(3,078,541)
Total other financing sources (uses)	<u>(326,452)</u>	<u>-</u>	<u>1,307,050</u>	<u>980,598</u>
<b>SPECIAL ITEM</b>				
Total special items	-	-	-	-
Net change in fund balances	128,547	(1,690)	1,278,655	1,405,512
Fund balances - beginning	737,644	93,290	-	830,934
Fund balances - ending	<u>\$ 866,191</u>	<u>\$ 91,600</u>	<u>\$ 1,278,655</u>	<u>\$ 2,236,446</u>

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

The City of  
MAPLE VALLEY



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

The City of  
MAPLE VALLEY



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City of Maple Valley  
Drug Seizure Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Miscellaneous Revenue	\$ 10,320	\$ 10,320	\$ 18,831	\$ 8,511
Total revenues	<u>10,320</u>	<u>10,320</u>	<u>18,831</u>	<u>8,511</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	8,730	28,730	13,021	15,709
Total current	<u>8,730</u>	<u>28,730</u>	<u>13,021</u>	<u>15,709</u>
Debt service:				
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay:				
Capital Outlay	-	-	7,500	(7,500)
Total capital outlay	<u>-</u>	<u>-</u>	<u>7,500</u>	<u>(7,500)</u>
Total expenditures	<u>8,730</u>	<u>28,730</u>	<u>20,521</u>	<u>8,209</u>
Excess (deficiency) of revenues over expenditures	<u>1,590</u>	<u>(18,410)</u>	<u>(1,690)</u>	<u>16,720</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>SPECIAL ITEM</b>				
Total special items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,590	(18,410)	(1,690)	16,720
Fund balances - beginning	93,290	93,290	93,290	-
Fund balances - ending	<u>\$ 94,880</u>	<u>\$ 74,880</u>	<u>\$ 91,600</u>	<u>\$ 16,720</u>

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

City of Maple Valley  
Transportation Benefit Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Excise Tax in Lieu of Property Tax	\$ 382,500	\$ 382,500	\$ 441,155	\$ 58,655
Miscellaneous Revenue	100	100	13,844	13,744
Total revenues	<u>382,600</u>	<u>382,600</u>	<u>454,999</u>	<u>72,399</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	420	420	-	420
Total current	<u>420</u>	<u>420</u>	<u>-</u>	<u>420</u>
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	<u>420</u>	<u>420</u>	<u>-</u>	<u>420</u>
Excess (deficiency) of revenues over expenditures	<u>382,180</u>	<u>382,180</u>	<u>454,999</u>	<u>72,819</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(371,500)	(555,174)	(326,452)	228,722
Total other financing sources (uses)	<u>(371,500)</u>	<u>(555,174)</u>	<u>(326,452)</u>	<u>228,722</u>
<b>SPECIAL ITEM</b>				
Total special items	-	-	-	-
Net change in fund balances	10,680	(172,994)	128,547	301,541
Fund balances - beginning	737,644	737,644	737,644	-
Fund balances - ending	<u>\$ 748,324</u>	<u>\$ 564,650</u>	<u>\$ 866,191</u>	<u>\$ 301,541</u>

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

City of Maple Valley  
Bond Proceeds Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Miscellaneous Revenue	\$ -	\$ -	\$ 1,805	\$ 1,805
Total revenues	-	-	1,805	1,805
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Debt Issue Cost	-	56,200	30,200	26,000
Total debt service	-	56,200	30,200	26,000
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	56,200	30,200	26,000
Excess (deficiency) of revenues over expenditures	-	(56,200)	(28,395)	27,805
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-Term Debt Issued	8,000,000	4,059,140	4,059,139	(1)
Transfers Out	(8,000,000)	(4,002,940)	(2,752,089)	1,250,851
Total other financing sources (uses)	-	56,200	1,307,049	1,250,849
<b>SPECIAL ITEM</b>				
Total special items	-	-	-	-
Net change in fund balances	-	-	1,278,655	1,278,655
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 1,278,655	\$ 1,278,655

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

City of Maple Valley  
Capital Improvement Plan  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenue	\$ 5,538,500	\$ 1,125,000	\$ 363,003	\$ (761,997)
Miscellaneous Revenue	-	8,000	8,000	-
Capital Outlay	3,095,000	295,000	-	(295,000)
Total revenues	<u>8,633,500</u>	<u>1,428,000</u>	<u>371,003</u>	<u>(1,056,997)</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	1,000,000	575,000	203,482	371,518
Capital Outlay	-	(155,248)	-	(155,248)
Total current	<u>1,000,000</u>	<u>419,752</u>	<u>203,482</u>	<u>216,270</u>
Debt service:				
Interest	-	-	77,882	(77,882)
Principal	890,158	890,158	809,621	80,537
Total debt service	<u>890,158</u>	<u>890,158</u>	<u>887,503</u>	<u>2,655</u>
Capital outlay:				
Capital Outlay	21,522,000	17,724,744	7,049,651	10,675,093
Total capital outlay	<u>21,522,000</u>	<u>17,724,744</u>	<u>7,049,651</u>	<u>10,675,093</u>
Total expenditures	<u>23,412,158</u>	<u>19,034,654</u>	<u>8,140,636</u>	<u>10,894,018</u>
Excess (deficiency) of revenues over expenditures	<u>(14,778,658)</u>	<u>(17,606,654)</u>	<u>(7,769,633)</u>	<u>9,837,021</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital Outlay	143,000	-	-	-
Transfers In	14,635,657	18,133,451	7,728,507	(10,404,944)
Total other financing sources (uses)	<u>14,778,657</u>	<u>18,133,451</u>	<u>7,728,507</u>	<u>(10,404,944)</u>
<b>SPECIAL ITEM</b>				
Total special items	-	-	-	-
Net change in fund balances	(1)	526,797	(41,126)	(567,923)
Fund balances - beginning	419,974	419,974	419,974	-
Fund balances - ending	<u>\$ 419,973</u>	<u>\$ 946,771</u>	<u>\$ 378,848</u>	<u>\$ (567,923)</u>

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

City of Maple Valley  
Schedule of Revenues, Expenditures, and Changes in Net Position -Budget and Actual  
Surface Water Management Program  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>OPERATING REVENUES</b>				
Surface Water Management Fees	\$ 1,316,890	\$ 1,316,890	\$ 1,404,860	\$ 87,970
Other Services	3,800	3,800	9,295	5,495
Total operating revenues	<u>1,320,690</u>	<u>1,320,690</u>	<u>1,414,155</u>	<u>93,465</u>
<b>OPERATING EXPENSES</b>				
Cost of Services	975,460	975,460	465,375	510,085
Depreciation & Amortization	-	-	40,607	(40,607)
Total operating expenses	<u>975,460</u>	<u>975,460</u>	<u>505,981</u>	<u>469,479</u>
Operating income (loss)	<u>345,230</u>	<u>345,230</u>	<u>908,174</u>	<u>562,944</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Intergovernmental Revenue	51,000	51,000	50,000	(1,000)
Investment Earnings (Expense)	10,840	10,840	63,679	52,839
Total nonoperating revenues (expenses)	<u>61,840</u>	<u>61,840</u>	<u>113,679</u>	<u>51,839</u>
Income (loss) before contributions and transfers	407,070	407,070	1,021,853	614,783
Capital Contributions	-	-	264,837	264,837
Transfers Out	(275,430)	(727,040)	(28,663)	698,377
Change in net position	<u>131,640</u>	<u>(319,970)</u>	<u>1,258,027</u>	<u>1,577,997</u>
Total net position - beginning	15,962,386	15,962,386	15,962,386	-
Total net position - ending	<u>\$ 16,094,026</u>	<u>\$ 15,642,416</u>	<u>\$ 17,220,413</u>	<u>\$ 1,577,997</u>

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

City of Maple Valley  
Schedule of Revenues, Expenditures, and Changes in Net Position -Budget and Actual  
Lake Wilderness Golf Course  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>OPERATING REVENUES</b>				
Golf Operations	\$ 822,300	\$ 822,300	\$ 877,163	\$ 54,863
Restaurant Operations	307,660	307,660	209,546	(98,114)
Total operating revenues	<u>1,129,960</u>	<u>1,129,960</u>	<u>1,086,709</u>	<u>(43,251)</u>
<b>OPERATING EXPENSES</b>				
Capital Outlay	25,000	10,000	-	10,000
Cost of Services	1,100,420	1,115,420	1,075,446	39,974
Depreciation & Amortization	-	-	64,272	(64,272)
Total operating expenses	<u>1,125,420</u>	<u>1,125,420</u>	<u>1,139,718</u>	<u>(14,298)</u>
Operating income (loss)	<u>4,540</u>	<u>4,540</u>	<u>(53,009)</u>	<u>(57,549)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment Earnings (Expense)	20	20	442	422
Other Nonoperating Revenue (Expense)	50	50	(660)	(710)
Total nonoperating revenues (expenses)	<u>70</u>	<u>70</u>	<u>(218)</u>	<u>(288)</u>
Income (loss) before contributions and transfers	<u>4,610</u>	<u>4,610</u>	<u>(53,227)</u>	<u>(57,837)</u>
Change in net position	4,610	4,610	(53,227)	(57,837)
Total net position - beginning	3,707,328	3,707,328	3,707,328	-
Total net position - ending	<u>\$ 3,711,938</u>	<u>\$ 3,711,938</u>	<u>\$ 3,654,101</u>	<u>\$ (57,837)</u>

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

City of Maple Valley  
Schedule of Revenues, Expenditures, and Changes in Net Position -Budget and Actual  
PW Centralized Services  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>OPERATING REVENUES</b>				
Other Services	\$ 188,510	\$ 140,510	\$ 184,672	\$ 44,162
Total operating revenues	<u>188,510</u>	<u>140,510</u>	<u>184,672</u>	<u>44,162</u>
<b>OPERATING EXPENSES</b>				
Cost of Services	45,510	45,510	61,203	(15,693)
Depreciation & Amortization	-	-	74,216	(74,216)
Total operating expenses	<u>45,510</u>	<u>45,510</u>	<u>135,419</u>	<u>(89,909)</u>
Operating income (loss)	<u>143,000</u>	<u>95,000</u>	<u>49,253</u>	<u>(45,747)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Gains (Losses)	16,040	16,040	7,465	(8,575)
Investment Earnings (Expense)	1,140	1,140	7,604	6,464
Total nonoperating revenues (expenses)	<u>17,180</u>	<u>17,180</u>	<u>15,069</u>	<u>(2,111)</u>
Income (loss) before contributions and transfers	160,180	112,180	64,322	(47,858)
Capital Outlay	(213,200)	(331,980)	-	331,980
Change in net position	<u>(53,020)</u>	<u>(219,800)</u>	<u>64,322</u>	<u>284,122</u>
Total net position - beginning	719,592	719,592	719,592	-
Total net position - ending	<u>\$ 666,572</u>	<u>\$ 499,792</u>	<u>\$ 783,914</u>	<u>\$ 284,122</u>

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

City of Maple Valley  
Schedule of Revenues, Expenditures, and Changes in Net Position -Budget and Actual  
General Centralized Services  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>OPERATING REVENUES</b>				
Other Services	\$ 1,473,540	\$ 1,510,892	\$ 1,145,240	\$ (365,652)
Total operating revenues	<u>1,473,540</u>	<u>1,510,892</u>	<u>1,145,240</u>	<u>(365,652)</u>
<b>OPERATING EXPENSES</b>				
Cost of Services	1,314,910	1,352,262	1,126,507	225,755
Depreciation & Amortization	-	-	71,264	(71,264)
Total operating expenses	<u>1,314,910</u>	<u>1,352,262</u>	<u>1,197,771</u>	<u>154,491</u>
Operating income (loss)	<u>158,630</u>	<u>158,630</u>	<u>(52,531)</u>	<u>(211,161)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment Earnings (Expense)	940	940	4,610	3,670
Total nonoperating revenues (expenses)	<u>940</u>	<u>940</u>	<u>4,610</u>	<u>3,670</u>
Income (loss) before contributions and transfers	159,570	159,570	(47,921)	(207,491)
Capital Outlay	(47,800)	(73,100)	-	73,100
Change in net position	111,770	86,470	(47,921)	(134,391)
Total net position - beginning	360,947	360,947	360,947	-
Total net position - ending	<u>\$ 472,717</u>	<u>\$ 447,417</u>	<u>\$ 313,026</u>	<u>\$ (134,391)</u>

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

City of Maple Valley  
Schedule of Revenues, Expenditures, and Changes in Net Position -Budget and Actual  
Unemployment Trust Fund  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>OPERATING REVENUES</b>				
Total operating revenues	-	-	-	-
<b>OPERATING EXPENSES</b>				
Cost of Services	\$ 7,140	\$ 45,000	\$ 42,107	\$ 2,893
Total operating expenses	7,140	45,000	42,107	2,893
Operating income (loss)	(7,140)	(45,000)	(42,107)	2,893
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment Earnings (Expense)	50	50	(80)	(130)
Total nonoperating revenues (expenses)	50	50	(80)	(130)
Income (loss) before contributions and transfers	(7,090)	(44,950)	(42,187)	2,763
Transfers In	-	45,000	45,000	-
Change in net position	(7,090)	50	2,813	2,763
Total net position - beginning	56	56	56	-
Total net position - ending	\$ (7,034)	\$ 106	\$ 2,869	\$ 2,763

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

The City of  
MAPLE VALLEY



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# Internal Service Funds

The City of  
MAPLE VALLEY



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City of Maple Valley  
Combining Statement of Net Position  
Nonmajor Internal service funds  
December 31, 2018

	PW Centralized Services	General Centralized Services	Unemployment Trust Fund	Total Nonmajor Internal service funds
<b>ASSETS</b>				
Current assets:				
Cash and Cash Equivalents	\$ 419,988	\$ 265,667	\$ 4,070	\$ 689,725
Investments	39,687	23,072	356	63,115
Accounts Receivable	-	8,244	-	8,244
Intergovernmental Receivable	7,465	-	-	7,465
Prepayments	-	62,308	-	62,308
Total current assets	<u>467,140</u>	<u>359,291</u>	<u>4,426</u>	<u>830,857</u>
Noncurrent assets:				
Machinery & Equipment	1,018,371	278,637	-	1,297,008
Intangibles	-	468,764	-	468,764
Less: Accumulated Depreciation	(701,597)	(216,801)	-	(918,398)
Less: Accumulated Amortization	-	(343,288)	-	(343,288)
Total noncurrent assets	<u>316,774</u>	<u>187,312</u>	<u>-</u>	<u>504,086</u>
Total assets	<u>783,914</u>	<u>546,603</u>	<u>4,426</u>	<u>1,334,943</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows Related to Pensions	-	27,006	-	27,006
Total deferred outflows of resources	<u>-</u>	<u>27,006</u>	<u>-</u>	<u>27,006</u>
Total assets and deferred outflows of resources	<u>783,914</u>	<u>573,609</u>	<u>4,426</u>	<u>1,361,949</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts Payable	-	30,143	-	30,143
Payroll Payable	-	8,038	-	8,038
Intergovernmental Payable	-	3,542	1,556	5,098
Unearned Revenue	-	62,308	-	62,308
Compensated Absences Payable	-	7,050	-	7,050
Total current liabilities	<u>-</u>	<u>111,081</u>	<u>1,556</u>	<u>112,637</u>
Noncurrent liabilities:				
Net Pension Liability	-	100,850	-	100,850
Total noncurrent liabilities	<u>-</u>	<u>100,850</u>	<u>-</u>	<u>100,850</u>
Total liabilities	<u>-</u>	<u>211,931</u>	<u>1,556</u>	<u>213,487</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows Related to Pensions	-	48,653	-	48,653
Total deferred inflows of resources	<u>-</u>	<u>48,653</u>	<u>-</u>	<u>48,653</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>260,583</u>	<u>1,556</u>	<u>262,139</u>
<b>NET POSITION</b>				
Net investment in capital assets	316,774	187,312	-	504,086
Restricted for:				
Unrestricted	467,140	125,714	2,869	595,724
Total net position	<u>\$ 783,914</u>	<u>\$ 313,026</u>	<u>\$ 2,869</u>	<u>\$ 1,099,810</u>

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

City of Maple Valley  
Combining Statement of Revenues, Expenditures, and Changes in Net Position  
Internal service funds  
For the Year Ended December 31, 2018

	PW Centralized Services	General Centralized Services	Unemployment Trust Fund	Total Internal service funds
<b>OPERATING REVENUES</b>				
Other Services	\$ 184,672	\$ 1,145,240	\$ -	\$ 1,329,912
Total operating revenues	<u>184,672</u>	<u>1,145,240</u>	<u>-</u>	<u>1,329,912</u>
<b>OPERATING EXPENSES</b>				
Cost of Services	61,203	1,126,507	42,107	1,229,817
Depreciation & Amortization	74,216	71,264	-	145,480
Total operating expenses	<u>135,419</u>	<u>1,197,771</u>	<u>42,107</u>	<u>1,375,297</u>
Operating income (loss)	<u>49,253</u>	<u>(52,531)</u>	<u>(42,107)</u>	<u>(45,385)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Gains (Losses)	7,465	-	-	7,465
Investment Earnings (Expense)	7,604	4,610	(79)	12,135
Total nonoperating revenues (expenses)	<u>15,069</u>	<u>4,610</u>	<u>(79)</u>	<u>19,600</u>
Income (loss) before contributions and transfers	<u>64,322</u>	<u>(47,921)</u>	<u>(42,186)</u>	<u>(25,785)</u>
Transfers In	-	-	45,000	45,000
Change in net position	<u>64,322</u>	<u>(47,921)</u>	<u>2,814</u>	<u>19,215</u>
Total net position - beginning	<u>719,592</u>	<u>360,947</u>	<u>56</u>	<u>1,080,595</u>
Total net position - ending	<u>\$ 783,914</u>	<u>\$ 313,026</u>	<u>\$ 2,870</u>	<u>\$ 1,099,810</u>

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

City of Maple Valley  
Statement of Cash Flows  
Internal service funds  
For the Year Ended December 31, 2018

	PW Centralized Services	General Centralized Services	Unemployment Trust Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Payments to suppliers	\$ (61,203)	\$ (1,146,088)	\$ (40,552)	\$ (1,247,843)
Cash Received from User Departments	184,672	1,161,839	-	1,346,511
Cash Other	(23,621)	(10,212)	-	(33,833)
Payments to employees	-	(77)	-	(77)
Net cash provided (used) by operating activities	<u>99,848</u>	<u>5,462</u>	<u>(40,552)</u>	<u>64,759</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers to Other Funds	-	-	45,000	45,000
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>45,000</u>	<u>45,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital Assets Purchased for Own Use	(91,520)	(96,151)	-	(187,671)
Net cash provided (used) by capital and related financing activities	<u>(91,520)</u>	<u>(96,151)</u>	<u>-</u>	<u>(187,671)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of Investments	84	10,206	(354)	9,936
Interest on Investments	7,604	4,610	(79)	12,135
Net cash provided (used) by investing activities	<u>7,688</u>	<u>14,816</u>	<u>(433)</u>	<u>22,071</u>
Net increase (decrease) in cash and cash equivalents	16,016	(75,873)	4,016	(55,841)
Balances - beginning of year	403,972	341,540	54	745,566
Balances - end of the year	<u>\$ 419,988</u>	<u>\$ 265,667</u>	<u>\$ 4,070</u>	<u>\$ 689,725</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating Income	\$ 49,253	\$ (52,531)	\$ (42,107)	\$ (45,385)
Changes in assets and liabilities:				
Change in Accumulated Depreciation	50,595	10,089	-	60,684
Change in Accumulated Amortization	-	50,963	-	50,963
Change of Receivables (Net of Uncollectibles)	-	16,599	-	16,599
Change in Prepaid Items	-	(40,497)	-	(40,497)
Change in Accounts Payable	-	14,006	-	14,006
Change in Payroll Payable	-	(7,849)	-	(7,849)
Change in Due to Other Governments	-	2,647	1,556	4,203
Change in Deposits & Unearned Revenue	-	40,497	-	40,497
Change in Compensated Absences Payable	-	(1,906)	-	(1,906)
Change in Net Pension Liability	-	(44,350)	-	(44,350)
Change in Deferred Outflows of Resources	-	1,012	-	1,012
Change in Deferred Inflows of Resources	-	16,782	-	16,782
Net cash provided (used) by operating activities	<u>\$ 99,848</u>	<u>\$ 5,462</u>	<u>\$ (40,551)</u>	<u>\$ 64,758</u>

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

The City of  
MAPLE VALLEY



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# STATISTICAL SECTION

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

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Net Position, December 31</b>				
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 347,747,795	\$ 344,208,737	\$ 344,710,632	\$ 344,260,772
Restricted	10,900,630	9,900,220	9,105,966	10,389,134
Unrestricted	2,494,451	2,452,787	3,293,176	3,504,917
<b>Total Governmental Activities Net Position</b>	<b>361,142,876</b>	<b>356,561,744</b>	<b>357,109,774</b>	<b>358,154,823</b>
<b>Business-Type Activities</b>				
Net Investment in Capital Assets	12,479,185	12,373,097	12,381,146	12,238,151
Restricted	-	-	-	-
Unrestricted	1,926,248	2,387,213	2,171,478	2,662,528
<b>Total Business-Type Activities Net Position</b>	<b>14,405,433</b>	<b>14,760,310</b>	<b>14,552,624</b>	<b>14,900,679</b>
<b>Primary Government</b>				
Net Investment in Capital Assets	360,226,980	356,581,834	357,091,778	356,498,924
Restricted	12,826,878	12,287,433	11,277,444	13,051,662
Unrestricted	2,494,451	2,452,787	3,293,176	3,504,917
<b>Total Primary Government Net Position</b>	<b>\$ 375,548,309</b>	<b>\$ 371,322,054</b>	<b>\$ 371,662,398</b>	<b>\$ 373,055,503</b>

**Source:**  
Applicable years' comprehensive annual financial report.

<i>(Restated)</i>					
<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 363,989,532	\$ 363,865,160	\$ 359,383,737	\$ 355,693,396	\$ 358,138,689	\$ 354,866,326
10,355,330	10,999,445	11,227,947	11,473,066	13,701,714	13,867,844
3,631,918	4,168,930	2,855,590	3,097,383	3,928,103	5,763,377
<b>377,976,781</b>	<b>379,033,535</b>	<b>373,467,274</b>	<b>370,263,845</b>	<b>375,768,506</b>	<b>\$ 374,497,547</b>
12,417,420	16,063,900	16,171,075	16,060,120	16,223,489	\$ 16,223,489
-	-	-	-	-	4,651,025
2,466,079	2,712,069	2,880,756	2,700,265	3,446,225	-
<b>14,883,499</b>	<b>18,775,969</b>	<b>19,051,832</b>	<b>18,760,385</b>	<b>19,669,714</b>	<b>\$ 20,874,514</b>
376,406,952	379,929,060	375,554,812	371,753,516	374,362,178	\$ 371,089,815
12,821,409	13,711,514	11,227,947	11,473,066	13,701,714	18,518,869
3,631,918	4,168,930	5,736,347	5,797,648	7,374,327	5,763,377
<b>\$ 392,860,280</b>	<b>\$ 397,809,504</b>	<b>\$ 392,519,106</b>	<b>\$ 389,024,230</b>	<b>\$ 395,438,219</b>	<b>\$ 395,372,061</b>

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

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Expenses</b>				
<b>Governmental Activities</b>				
General Government	\$ 2,014,921	\$ 1,921,807	\$ 1,772,231	\$ 2,108,677
Economic Environment (Comm. Development)	987,928	910,348	956,927	1,123,475
Human Services	220,294	273,033	217,842	30,000
Culture and Recreation	1,560,100	1,786,842	1,853,874	2,121,785
Public Safety	2,380,537	2,718,707	3,561,153	3,694,747
Transportation (Public Works)	7,719,635	8,189,722	8,369,983	7,904,401
Utilities and Environment	-	-	-	121,137
Interest on Long-term Debt	282,668	214,583	195,763	179,773
<b>Total Governmental Activities Expenses</b>	<b>15,166,083</b>	<b>16,015,042</b>	<b>16,927,773</b>	<b>17,283,995</b>
<b>Business-Type Activities</b>				
Surface Water Management	657,931	612,978	615,438	731,371
Golf Course Operations	1,667,791	1,629,806	1,125,041	1,056,980
<b>Total Business-Type Activities Expenses</b>	<b>2,325,722</b>	<b>2,242,784</b>	<b>1,740,479</b>	<b>1,788,351</b>
<b>Total Primary Government Expenses</b>	<b>17,491,805</b>	<b>18,257,826</b>	<b>18,668,252</b>	<b>19,072,346</b>
<b>Program Revenue</b>				
<b>Governmental Activities</b>				
<b>Charges for Services</b>				
General Government	20,548	20,116	14,709	12,975
Economic Environment (Comm. Development)	475,388	560,737	734,187	812,878
Culture and Recreation	476,821	900,532	1,040,820	1,189,208
Public Safety	142,840	149,392	309,527	233,418
Transportation (Public Works)	806,329	675,950	2,059,055	1,362,375
<b>Operating Grants and Contributions</b>	590,819	620,088	627,814	673,140
<b>Capital Grants and Contributions</b>	44,319,192	1,442,938	3,882,579	4,707,002
<b>Total Governmental Activities Program Revenue</b>	<b>46,831,937</b>	<b>4,369,753</b>	<b>8,668,691</b>	<b>8,990,996</b>
<b>Business-Type Activities</b>				
<b>Charges for Services</b>				
Surface Water Management	760,361	948,030	1,038,247	1,181,664
Golf Course Operations	1,447,843	1,323,279	942,592	925,368
<b>Operating Grants and Contributions</b>				
Surface Water Management	-	-	26,352	101,775
<b>Capital Grants and Contributions</b>				
Surface Water Management	588,328	-	134,246	-
Golf Course Operations	-	-	-	29,143
<b>Total Business-Type Activities Program Revenue</b>	<b>2,796,532</b>	<b>2,271,309</b>	<b>2,141,437</b>	<b>2,237,950</b>
<b>Total Primary Government Program Revenue</b>	<b>49,628,469</b>	<b>6,641,062</b>	<b>10,810,128</b>	<b>11,228,946</b>
<b>Net (Expense) Revenue</b>				
Governmental Activities	31,665,854	(11,645,289)	(8,259,082)	(8,292,999)
Business-Type Activities	470,810	28,525	400,958	449,599
	<b>\$ 32,136,664</b>	<b>\$ (11,616,764)</b>	<b>\$ (7,858,124)</b>	<b>\$ (7,843,400)</b>

**Source:**  
Applicable years' comprehensive annual financial report.

	2013	2014	2015	2016	2017	2018
\$	2,157,921	\$ 2,261,522	\$ 2,112,028	\$ 2,714,897	\$ 2,539,533	\$ 2,846,225
	978,415	1,086,990	983,045	890,881	1,181,583	1,334,317
	30,000	30,000	35,000	30,000	71,646	94,904
	2,377,593	2,485,163	2,466,942	3,020,023	3,267,360	3,384,233
	3,881,719	4,016,691	4,060,303	4,486,366	4,667,646	4,799,103
	7,881,784	9,668,319	10,107,443	10,227,628	10,428,814	10,128,399
	137,236	153,591	103,682	123,695	159,538	174,630
	164,829	172,135	80,200	229,167	46,022	97,465
	<b>17,609,496</b>	<b>19,874,413</b>	<b>19,948,643</b>	<b>21,722,656</b>	<b>22,362,142</b>	<b>22,859,276</b>
	851,342	825,442	821,467	1,078,561	1,092,835	505,981
	990,389	1,059,219	1,165,878	1,139,538	687,683	1,139,718
	<b>1,841,731</b>	<b>1,884,661</b>	<b>1,987,344</b>	<b>2,218,099</b>	<b>1,780,518</b>	<b>1,645,699</b>
	<b>19,451,227</b>	<b>21,759,074</b>	<b>21,935,987</b>	<b>23,940,755</b>	<b>24,142,660</b>	<b>24,504,975</b>
	14,131	11,694	33,139	21,038	27,125	36,870
	538,139	741,068	728,416	578,453	1,249,964	909,108
	832,221	1,162,231	877,404	970,958	2,032,802	1,210,947
	128,693	153,696	176,726	144,475	435,196	309,424
	1,406,191	808,864	927,679	506,420	1,600,367	774,339
	164,331	716,695	671,004	714,684	168,108	147,928
	24,451,025	6,394,403	1,384,745	2,693,644	8,372,925	1,434,476
	<b>27,534,731</b>	<b>9,988,651</b>	<b>4,799,113</b>	<b>5,629,672</b>	<b>13,886,488</b>	<b>4,823,093</b>
	1,167,564	1,246,787	1,311,972	1,342,437	1,383,742	1,414,155
	887,660	891,270	1,099,909	1,032,375	1,033,030	1,063,742
	124,130	-	50,000	16,930	8,070	50,000
	49,030	3,755,899	210,059	-	262,517	264,837
	-	-	-	-	-	-
	<b>2,228,384</b>	<b>5,893,956</b>	<b>2,671,940</b>	<b>2,391,742</b>	<b>2,687,359</b>	<b>2,792,734</b>
	<b>29,763,115</b>	<b>15,882,607</b>	<b>7,471,053</b>	<b>8,021,413</b>	<b>16,573,847</b>	<b>7,615,826</b>
	9,925,235	(9,885,761)	(15,149,530)	(16,092,984)	(8,475,654)	(18,036,183)
	386,653	4,009,295	684,596	173,643	906,841	1,147,035
<b>\$</b>	<b>10,311,889</b>	<b>\$ (5,876,467)</b>	<b>\$ (14,464,935)</b>	<b>\$ (15,919,342)</b>	<b>\$ (7,568,813)</b>	<b>\$ (16,889,148)</b>

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

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>General Revenue and Other Changes in Net Position</b>				
<b>Governmental Activities</b>				
Taxes				
Regular Property Taxes	\$ 2,971,125	\$ 3,049,990	\$ 3,139,117	\$ 3,200,310
Sales Taxes	1,865,487	1,942,926	2,100,009	2,528,876
Utility Taxes	608,851	745,107	1,632,226	1,698,866
Excise Taxes in Lieu of Property Tax	-	-	-	-
Other Taxes	528,117	686,659	551,843	1,043,963
Gambling Taxes	38,373	43,419	37,520	38,828
Franchise Fees (Taxes)	251,766	283,261	284,567	308,231
Intergovernmental Revenue not restricted to specific programs				
State Shared Revenue	321,301	372,712	322,564	379,185
Miscellaneous Revenue				
Investment Earnings	75,708	107,909	79,202	46,784
Other Miscellaneous Revenue	7,263	9,957	12,760	8,847
Insurance Recoveries	-	-	-	-
Transfers	(82,945)	(177,783)	647,304	137,212
<b>Total Governmental Activities</b>	<b>6,585,046</b>	<b>7,064,157</b>	<b>8,807,112</b>	<b>9,391,102</b>
<b>Business-Type Activities</b>				
Non Operating Revenue				
Intergovernmental Revenue	70,167	110,354	-	-
Investment Earnings	20,449	36,269	34,957	19,583
Other Miscellaneous Revenue and (Expenses)	1,505	1,946	3,703	2,757
Transfers	82,945	177,783	(647,304)	(7,858)
<b>Total Business-Type Activities</b>	<b>175,066</b>	<b>326,352</b>	<b>(608,644)</b>	<b>14,482</b>
<b>Total Primary Government</b>	<b>6,760,112</b>	<b>7,390,509</b>	<b>8,198,468</b>	<b>9,405,584</b>
<b>Change in Net Position Before Extraordinary Items</b>				
<b>Governmental Activities</b>	38,250,900	(4,581,132)	548,030	1,098,103
<b>Business-Type Activities</b>	645,876	354,877	(207,686)	464,081
<b>Total Primary Government</b>	<b>38,896,776</b>	<b>(4,226,255)</b>	<b>340,344</b>	<b>1,562,184</b>
<b>Extraordinary Items</b>				
<b>Governmental Activities</b>				
Capital Contributions	-	-	-	-
<b>Total Governmental Activities</b>	-	-	-	-
<b>Business-Type Activities</b>				
Capital Contributions	-	-	-	-
<b>Total Business-Type Activities</b>	-	-	-	-
<b>Total Primary Government</b>	-	-	-	-
<b>Change in Net Position</b>				
Governmental Activities	38,250,900	(4,581,132)	548,030	1,098,103
Business-Type Activities	645,876	354,877	(207,686)	464,081
<b>Total Primary Government</b>	<b>38,896,776</b>	<b>(4,226,255)</b>	<b>340,344</b>	<b>1,562,184</b>
<b>Net Position, January 1</b>	336,651,533	375,548,309	371,322,054	371,662,398
<b>Change in Accounting Principles</b>	-	-	-	-
<b>Prior Period Adjustment</b>	-	-	-	(169,079)
<b>Net Position, December 31</b>	<b>\$ 375,548,309</b>	<b>\$ 371,322,054</b>	<b>\$ 371,662,398</b>	<b>\$ 373,055,503</b>

**Source:**

Applicable years' comprehensive annual financial report.

	2013	2014	2015	2016	2017	2018
\$	3,312,283	\$ 3,489,468	\$ 3,579,149	\$ 3,672,451	\$ 3,744,970	\$ 3,814,598
	2,676,444	3,036,207	3,336,309	4,228,554	4,002,641	4,391,493
	1,730,053	1,956,726	1,981,568	1,835,667	1,918,715	1,928,518
	173,663	345,219	364,041	376,525	392,334	445,051
	801,022	1,152,583	1,577,332	1,597,864	1,872,303	1,990,992
	45,920	51,873	68,085	73,102	59,603	115,698
	327,210	344,061	309,123	325,212	373,671	352,672
	319,931	353,994	386,439	394,008	901,279	975,233
	55,815	58,850	115,482	(64,072)	116,544	281,862
	-	15,110	22,013	17,597	9,532	(34,456)
	-	8,269	-	1,125	5,500	-
	459,006	130,156	341,422	431,522	47,877	28,663
	<b>9,901,347</b>	<b>10,942,516</b>	<b>12,080,963</b>	<b>12,889,556</b>	<b>13,444,968</b>	<b>14,290,324</b>
	-	-	-	-	21,213	22,562
	20,561	13,249	31,706	(33,654)	23,707	64,121
	34,612	83	(213)	85	216	(254)
	(459,006)	(130,156)	(341,422)	(431,522)	(47,877)	(28,663)
	<b>(403,833)</b>	<b>(116,825)</b>	<b>(309,929)</b>	<b>(465,091)</b>	<b>(2,741)</b>	<b>57,766</b>
	<b>9,497,514</b>	<b>10,825,691</b>	<b>11,771,034</b>	<b>12,424,465</b>	<b>13,442,227</b>	<b>14,348,090</b>
	19,826,582	1,056,755	(3,068,568)	(3,203,429)	4,969,314	(1,313,369)
	(17,180)	3,892,469	374,667	(291,448)	904,101	1,204,801
	<b>19,809,402</b>	<b>4,949,224</b>	<b>(2,693,901)</b>	<b>(3,494,877)</b>	<b>5,873,415</b>	<b>(108,568)</b>
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	19,826,582	1,056,755	(3,068,568)	(3,203,429)	4,969,314	(1,313,369)
	(17,180)	3,892,469	374,667	(291,448)	904,101	1,204,801
	<b>19,809,402</b>	<b>4,949,224</b>	<b>(2,693,901)</b>	<b>(3,494,877)</b>	<b>5,873,415</b>	<b>(108,568)</b>
	373,055,503	392,860,280	397,809,504	392,519,106	389,024,229	395,438,219
	-	-	(2,596,497)	-	-	-
	(4,625)	-	-	-	540,576	2,432,490
<b>\$</b>	<b>392,860,280</b>	<b>\$ 397,809,504</b>	<b>\$ 392,519,106</b>	<b>\$ 389,024,229</b>	<b>\$ 395,438,219</b>	<b>\$ 397,762,141</b>

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

**Last Ten Years**

Page 1 of 2

(modified accrual basis of accounting)

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>REVENUES</b>				
Taxes				
Regular Property Tax	\$ 2,971,125	\$ 3,049,990	\$ 3,139,117	\$ 3,200,310
Sales Tax	1,865,487	1,942,926	2,100,009	2,528,876
Utility Tax	608,851	745,107	1,632,226	1,698,866
Excise Taxes in Lieu of Property Tax	-	-	-	-
Real Estate Excise Tax	528,117	686,659	551,843	1,043,963
Gambling Tax	38,373	43,419	37,520	38,828
<b>Total Taxes</b>	<b>6,011,953</b>	<b>6,468,101</b>	<b>7,460,715</b>	<b>8,510,843</b>
Licenses & Permits	510,479	637,548	782,423	861,982
Intergovernmental Revenue	1,915,853	2,426,341	1,515,257	3,085,412
Charges for Service	1,222,983	1,453,902	3,066,003	2,428,849
Fines & Forfeitures	105,261	106,404	176,372	153,605
Miscellaneous Revenue	391,408	503,013	488,306	424,707
<b>TOTAL REVENUES</b>	<b>10,157,937</b>	<b>11,595,309</b>	<b>13,489,076</b>	<b>15,465,398</b>
Percent Growth	-17%	14%	16%	15%
<b>EXPENDITURES</b>				
<b>Current</b>				
General Government	1,899,627	1,936,460	1,819,336	2,004,745
Economic Environment (Comm. Development)	987,742	910,052	956,631	1,123,179
Human Services <sup>1</sup>	220,294	273,033	217,842	232,840
Mental & Physical Health <sup>1</sup>	-	-	-	-
Culture & Recreation	1,387,051	1,584,388	1,584,155	1,680,423
Public Safety	2,376,542	2,714,104	3,557,118	3,851,964
Transportation (Public Works)	1,328,019	1,313,601	1,302,269	1,460,712
Utilities and Environment <sup>1</sup>	-	-	-	-
<b>Capital Outlay</b>	<b>2,083,767</b>	<b>3,030,870</b>	<b>3,950,040</b>	<b>2,970,732</b>
<b>Debt Service</b>				
Principal	524,621	544,621	559,621	579,621
Interest on Long-term Debt	276,956	216,558	197,475	181,551
<b>TOTAL EXPENDITURES</b>	<b>11,084,619</b>	<b>12,523,687</b>	<b>14,144,487</b>	<b>14,085,767</b>
Percent Growth	-2%	13%	13%	0%
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(926,682)</b>	<b>(928,378)</b>	<b>(655,411)</b>	<b>1,379,631</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of General Obligation Bonds	-	-	-	-
Issuance of Refunding Bonds	-	-	-	-
Payment to Refunding Escrow Agent	-	-	-	-
Transfer In from (Out to) Enterprise Funds	267,055	(177,783)	647,304	46,893
Insurance Recoveries	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>267,055</b>	<b>(177,783)</b>	<b>647,304</b>	<b>46,893</b>
<b>REVENUE AND OTHER SOURCES OVER (UNDER)</b>	<b>(659,627)</b>	<b>(1,106,161)</b>	<b>(8,107)</b>	<b>1,426,524</b>
<b>FUND BALANCE, January 1</b>	<b>13,749,747</b>	<b>13,090,120</b>	<b>11,983,959</b>	<b>11,975,852</b>
Prior Period Adjustment	-	-	-	-
<b>FUND BALANCE, December 31</b>				
Nonspendable - General Fund	37,517	47,311	37,019	5,000
Restricted - Special Revenue Funds	10,439,971	9,900,220	9,105,966	10,389,134
Committed - Capital Improvement Plan	-	-	-	19,025
Assigned - General Fund	-	-	-	-
Unassigned - General Fund	2,612,632	2,036,428	2,832,867	2,989,217
<b>TOTAL</b>	<b>\$ 13,090,120</b>	<b>\$ 11,983,959</b>	<b>\$ 11,975,852</b>	<b>\$ 13,402,376</b>
Debt Service as % on non Capital Expenditures	9%	8%	7%	7%
Unassigned Fund Balance as % of Current Expenditures	32%	23%	30%	29%
Total Fund Balance as % of Total Expenditures	118%	96%	85%	95%

Source: Applicable years' comprehensive annual financial report.

<sup>1</sup>Beginning in 2013 the City reported expenditures for Human Service Grants and Waste Reduction and Recycling separately as Mental and Physical Health and Utilities and

	2013	2014	2015	2016	2017	2018
\$	3,312,283	\$ 3,489,468	\$ 3,579,149	\$ 3,672,451	\$ 3,744,970	\$ 3,814,598
	2,676,444	3,036,207	3,336,309	4,228,554	4,002,641	4,391,493
	1,730,053	1,956,726	1,981,568	1,835,667	1,918,715	1,928,518
	173,663	345,219	364,041	376,525	392,334	445,051
	801,022	1,152,583	1,577,332	1,597,864	1,872,303	1,990,992
	45,920	51,873	68,085	73,102	59,603	115,698
	<b>8,739,384</b>	<b>10,032,076</b>	<b>10,906,484</b>	<b>11,784,164</b>	<b>11,990,564</b>	<b>12,686,350</b>
	625,668	948,972	929,695	695,449	1,157,688	946,494
	1,704,407	1,112,553	2,210,998	2,676,441	1,174,308	1,513,339
	1,687,780	1,745,764	1,556,472	1,444,222	3,867,770	2,013,862
	96,381	87,858	100,983	84,503	95,574	103,952
	404,965	540,626	576,543	271,220	676,220	3,844,487
	<b>13,258,584</b>	<b>14,467,849</b>	<b>16,281,174</b>	<b>16,955,998</b>	<b>18,962,125</b>	<b>21,108,485</b>
	-14%	9%	13%	4%	12%	11%
	2,211,505	2,258,726	2,272,577	2,776,030	2,652,948	2,927,273
	978,415	1,086,990	997,054	897,803	1,195,066	1,370,063
	-	-	-	-	-	-
	30,000	30,000	35,000	30,000	278,618	94,904
	2,114,097	2,173,522	2,186,737	2,499,473	2,545,425	2,924,474
	3,881,719	4,015,425	4,046,669	4,465,882	4,648,293	4,787,917
	1,076,374	1,539,329	1,581,392	1,597,498	2,180,810	1,749,720
	137,236	153,591	103,682	98,335	134,178	150,676
	2,419,678	2,832,443	3,269,273	3,467,653	1,711,611	
	589,621	704,621	814,621	774,621	789,621	809,621
	164,829	197,463	139,682	113,478	95,905	108,082
	<b>13,603,472</b>	<b>14,992,111</b>	<b>15,446,685</b>	<b>16,720,773</b>	<b>16,232,474</b>	<b>14,922,729</b>
	-3%	10%	3%	8%	-3%	-8%
	<b>(344,887)</b>	<b>(524,262)</b>	<b>834,489</b>	<b>235,225</b>	<b>2,729,651</b>	<b>6,185,756</b>
	-	1,530,000	-	-	-	4,059,139
	-	-	3,022,980	-	-	-
	-	-	(2,975,277)	-	-	-
	435,717	130,156	341,422	431,522	46,140	(16,337)
	-	8,269	-	1,125	5,500	-
	<b>435,717</b>	<b>1,668,425</b>	<b>389,125</b>	<b>432,647</b>	<b>51,640</b>	<b>4,042,801</b>
	<b>90,829</b>	<b>1,144,163</b>	<b>1,223,614</b>	<b>667,872</b>	<b>2,781,291</b>	<b>10,228,557</b>
	<b>13,402,377</b>	<b>13,493,207</b>	<b>14,632,746</b>	<b>15,856,361</b>	<b>16,524,233</b>	<b>19,320,032</b>
	-	(4,625)	-	-	14,508	42,410
	9,575	55,171	53,944	39,902	42,889	79,776
	10,364,060	11,013,780	11,260,321	11,505,996	13,809,838	13,779,443
	19,025	19,025	19,025	19,025	19,025	41,861
	600,385	439,368	1,117,268	1,124,299	994,294	934,116
	2,500,162	3,105,401	3,405,803	3,835,010	4,453,985	7,632,709
	<b>\$ 13,493,206</b>	<b>\$ 14,632,746</b>	<b>\$ 15,856,361</b>	<b>\$ 16,524,233</b>	<b>\$ 19,320,032</b>	<b>\$ 29,590,998</b>
	7%	7%	8%	7%	6%	6%
	24%	28%	30%	31%	33%	54%
	99%	98%	103%	99%	119%	198%

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

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>ASSESSED VALUE</b>				
Assessed Value (2)	2,446,394,927	2,437,805,896	2,296,106,212	2,143,931,000
Increase (Decrease) in Assessed Valuation	-5%	0%	-6%	-7%
Includes Local New Construction of	45,038,436	34,004,314	26,605,677	57,519,249
Includes Increase in Public Utility Value	-	3,740,931	-	2,315,419
Total New Construction	45,038,436	37,745,245	26,605,677	59,834,668
<b>PROPERTY TAX RATES (1)</b>				
<b>Direct Regular and Special</b>				
City of Maple Valley	<b>1.08</b>	<b>1.25</b>	<b>1.29</b>	<b>1.38</b>
<b>Overlapping Regular and Special</b>				
State School Fund	1.96	2.22	2.28	2.42
King County General	1.10	1.28	1.34	1.42
Port of Seattle	0.20	0.22	0.22	0.23
Emergency Medical Services (EMS)	0.27	0.30	0.30	0.30
Ferry District	0.05	0.00	0.00	0.00
King County Flood District	0.09	0.11	0.11	0.12
Rural Library District	0.42	0.49	0.57	0.57
Tahoma School District Special Levy	2.22	2.74	3.39	3.54
Tahoma School District Bond & Bldg	1.44	1.70	1.89	2.05
Fire District # 43	1.45	1.72	1.62	1.72
<b>Sub Total Overlapping</b>	<b>9.20</b>	<b>10.78</b>	<b>11.72</b>	<b>12.36</b>
<b>Total Property Tax Levy</b>	<b>10.27</b>	<b>12.03</b>	<b>13.01</b>	<b>13.75</b>
<b>PROPERTY TAXES LEVIED AND COLLECTED (1)</b>				
<b>Property Taxes Levied</b>				
Original Levy (2)	2,975,484	3,059,587	3,142,481	3,205,605
Adjustments	(244)	(4,210)	(3,383)	(2,684)
Revised Levy	2,975,240	3,055,377	3,139,098	3,202,921
Percent of Levy Change from Prior Year (PY)	11.0%	2.7%	2.7%	2.0%
% of Levy related to New Construction & Annexation	10.0%	1.7%	1.7%	1.0%
<b>Property Taxes Collected</b>				
Collections as of the End of the Levy Year	2,914,436	2,989,404	3,085,616	3,161,830
Percent Collected as of the End of the Levy Year	98.0%	97.8%	98.3%	98.7%
Collections in Subsequent Years	60,791	65,937	53,516	40,030
Total Collections to Date	2,975,227	3,055,341	3,139,132	3,201,860
Percent Collected to Date	100.0%	100.0%	100.0%	100.0%
Current Amount Outstanding	13	36	(34)	1,061
Percent of Current Amount Outstanding by Year	0.1%	0.2%	-0.2%	7.1%
<b>Single Family Residential (SFR) Property Taxes</b>				
Average Value of SFR	300,261	302,814	275,667	278,251
Percent Change from Prior Year (PY)	-13.4%	0.9%	-9.0%	0.9%
City Share of Property Taxes per SFR on PY Value	373	375	391	382
Total Property Taxes per SFR on PY Value	3,563	3,613	3,941	3,789
Percent Change from Prior Year (PY)	-11.8%	1.4%	9.1%	-3.8%

(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.

(2) 2009 includes the annexation of Maple Ridge with an initial assessed

**Source:**  
King County Assessor's Office.

2013	2014	2015	2016	2017	2018
2,332,474,360	2,834,060,029	3,033,278,836	3,268,616,351	3,665,996,644	4,113,881,832
9%	22%	7%	8%	12%	12%
41,846,659	48,994,139	43,361,321	32,491,497	48,002,749	105,379,833
1,405,704	3,853,445	1,752,284	5,000,000	1,664,113	422,517
43,252,363	52,847,584	45,113,605	37,491,497	49,666,862	105,802,350
<b>1.55</b>	<b>1.47</b>	<b>1.25</b>	<b>1.19</b>	<b>1.13</b>	<b>1.04</b>
2.57	2.47	2.29	2.17	2.03	2.92
1.54	1.52	1.35	1.48	1.38	1.33
0.23	0.22	0.19	0.17	0.15	0.14
0.30	0.34	0.30	0.28	0.26	0.24
0.00	0.00	0.00	0.00	0.00	0.00
0.13	0.15	0.14	0.13	0.12	0.11
0.57	0.56	0.50	0.48	0.45	0.41
3.95	3.73	3.26	3.12	3.00	2.84
2.30	3.48	2.91	3.05	2.83	2.57
1.74	1.86	1.94	1.68	1.31	1.56
<b>13.34</b>	<b>14.33</b>	<b>12.87</b>	<b>12.55</b>	<b>11.53</b>	<b>12.11</b>
<b>14.89</b>	<b>15.79</b>	<b>14.11</b>	<b>13.75</b>	<b>12.66</b>	<b>13.15</b>
3,320,019	3,419,695	3,526,601	3,617,863	3,622,944	3,730,044
(5,617)	(3,347)	(3,374)	(4,333)	64,810	67,436
3,314,402	3,416,349	3,523,228	3,613,530	3,687,754	3,797,480
3.5%	3.1%	3.1%	2.6%	2.1%	3.0%
2.5%	2.1%	2.1%	1.6%	1.1%	2.0%
3,275,835	3,383,155	3,486,014	3,577,085	3,651,183	3,758,344
98.8%	99%	99%	99%	99%	99%
34,935	23,825	37,313	30,026	42,007	42,387
3,310,770	3,406,980	3,523,327	3,607,111	3,693,190	3,800,732
99.9%	100%	100%	100%	100%	100%
3,632	9,369	(100)	6,419	(5,436)	(3,252)
24.3%	62.6%	-0.7%	42.9%	-36.3%	-21.7%
307,586	364,359	385,315	417,376	451,001	506,819
10.5%	18.5%	5.8%	8.3%	8.1%	12.4%
431	451	455	460	472	467
4,142	4,858	5,143	5,297	5,284	5,929
9.3%	17.3%	5.9%	3.0%	-0.2%	12.2%

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

	<b>SIC Group</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Sales Tax Revenue (Locally generated) (1)</b>					
Retail Trade	441-454	\$ 559,551	\$ 568,584	\$ 613,889	\$ 797,120
Construction	236-238	235,090	263,506	330,561	471,520
Food Services, Drinking Places	722	165,598	180,369	177,852	222,657
Wholesale Trade	423-425	88,004	77,753	89,395	122,330
Telecommunication	517	78,691	78,669	83,542	87,401
Other Services	811-814	60,605	76,875	77,812	79,971
Public Administration	921-926	45,587	53,574	51,183	51,787
Administrative and Support Services	561-562	37,830	40,132	42,808	51,642
Professional, Scientific & Technical Services	541	27,336	26,023	22,355	24,662
Rental & Leasing	532	42,512	36,409	28,450	27,909
Manufacturing	311-339	26,429	25,933	32,475	41,243
Arts Entertainment & Recreation	711-713	21,480	23,706	25,177	27,657
Finance and Insurance	521-525	15,395	14,290	10,665	12,147
All Other		42,389	40,331	56,678	36,743
		<b>\$ 1,446,497</b>	<b>\$ 1,506,154</b>	<b>\$ 1,642,842</b>	<b>\$ 2,054,789</b>
Overall Annual Percent Growth		-12%	4%	9%	25%
Construction Percent Growth		-38%	12%	25%	43%
Non Construction Percent Growth		-4%	3%	6%	21%

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

	2013	2014	2015	2016	2017	2018	% of 2018
\$	888,774	\$ 981,093	\$ 1,065,462	\$ 1,146,956	\$ 1,261,620	\$ 1,376,113	38%
	411,819	524,425	635,660	1,233,298	836,500	899,203	25%
	266,971	289,384	326,878	384,530	408,556	430,978	12%
	115,814	139,386	130,116	147,648	164,238	168,421	5%
	109,663	128,029	125,248	135,078	142,373	147,093	4%
	83,850	85,284	94,316	97,248	98,397	101,337	3%
	57,173	62,148	69,761	77,433	80,803	12,502	0%
	53,004	56,781	68,493	69,720	77,473	198,169	5%
	36,080	37,494	32,624	38,837	39,375	52,105	1%
	36,002	35,982	47,465	70,868	63,332	64,320	2%
	31,856	42,984	41,106	36,820	62,199	45,762	1%
	29,787	32,265	25,619	28,769	35,079	35,718	1%
	15,957	18,358	24,843	26,872	26,516	28,819	1%
	21,584	35,016	29,319	56,767	40,114	104,074	3%
<b>\$</b>	<b>2,158,334</b>	<b>\$ 2,468,629</b>	<b>\$ 2,716,910</b>	<b>\$ 3,550,844</b>	<b>\$ 3,336,575</b>	<b>\$ 3,664,614</b>	<b>100%</b>
	5%	14%	10%	31%	-6%	10%	
	-13%	27%	21%	94%	-32%	7%	
	10%	11%	7%	11%	8%	11%	

**City of Maple Valley  
Private Development Activity  
Last Ten Years**

	<b>Type</b>	<b>Preliminary Lots</b>	<b>Preliminary Approved Date</b>	<b>Final Plat Recorded Date</b>	<b>Recorded Plat</b>
<b>Developments Completed in 2018</b>					
4 Corners Mixed Use (Ascend)	SF	126	n/a	n/a	n/a
<b>City Approved Developments in Progress</b>					
Ridge @ Lake Wilderness	SF	11	Feb-05	Oct-07	11
Edgestone 1 (Arbors @ Rock Creek, Ph. 3)	SF	48	Jul-07	Feb-17	44
Edgestone 2 (Arbors @ Rock Creek, Ph. 4)	SF	9	Jul-07	Sep-14	34
Jordan's Crossing	SF	15	Jul-07	Mar-14	15
Sunshine Grove (South Fork)	SF	10	Jul-07	May-17	10
Fox Pointe (Malloy)	SF	42	Oct-07	NR	42
Wilderness Hills 3	SF	22	Dec-07	NR	22
Wilderness Hills 4	SF	16	Feb-18	NR	-
Sunridge @ Elk Run 4 Division 1	SF	59	Jun-12	Aug-15	59
Sunridge @ Elk Run 4 Division 2	SF	9	n/a	n/a	-
Yellow Rock Road	SF	6	Apr-14	Nov-17	6
Cedar Peak	SF	17	Aug-17	NR	-
Canton Crossing (Shavano Park)	SF	51	Feb-16	May-17	51
Overlook at Summit Park	SF	126	Mar-17	NR	55
Trailside Short Plat	SF	4	Aug-16	May-17	4
Vanderwaal Short Plat	SF	5	Oct-16	NR	-
Elk Run 8	SF	84	Jun-17	Feb-18	19
North Point @ Maple Centre	SF	110	Mar-17	NR	-
Meadow Ridge Park	SF	49	Jul-18	NR	-
Pipe Lake Short Plat	SF	2	NR	NR	-
Rainier Ridge	SF	71	Aug-17	NR	-
Cahill Short Plat	SF	6	Feb-17	NR	-
Other					
<b>Total Developments in Progress</b>		<b>23</b>	<b>972</b>		<b>372</b>
Developments Completed		64	1,435		
<b>Completed in Last 10 Years &amp; in Progress Last Ten Years</b>		<b>87</b>	<b>2,407</b>		

Single Family Residence (SF)  
Not Recorded (NR)

**Permits Issued**

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
								-	126
	1		1	1	2			-	-
								28	16
							1	-	8
				1	13			-	-
								9	-
								-	12
								-	21
								-	-
						4	20	31	-
								-	-
								1	4
								-	-
								41	7
								-	19
								2	1
								-	-
								-	15
								-	-
								-	-
								-	-
								-	-
4	2	-	4	7	6	3	3	7	17
4	3	-	5	9	21	7	24	119	246
89	122	156	154	67	148	20	3	1	-
<b>93</b>	<b>125</b>	<b>156</b>	<b>159</b>	<b>76</b>	<b>169</b>	<b>27</b>	<b>27</b>	<b>120</b>	<b>246</b>
989	1,114	1,270	1,429	1,505	1,674	1,701	1,728	1,848	2,094

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

Change each year

Taxpayer	Type	2008			2018			
		2008	Rank	% of AV	Assessed Valuation	Rank	% of AV	
Four Corners Northeast LFP	Developer	8,637,100			\$ 47,926,800	1	16.8%	Four Corners Associates
Four Corners LLC	Retail	\$ 18,780,700		21%	46,207,100	2	16.2%	Wilderness Village Properties
Wilderness Village Apartments	Apartments	19,010,000		20%	36,686,000	3	12.9%	Donahue Schriber Realty Group
KRG Four Corner Square LLC	Developer	15,113,200		0%	34,631,700	4	12.2%	ROIC Four Corner Square LLC
Puget Sound Energy	Utility	9,367,760		11%	28,023,900	5	9.8%	MV4 Associates LLC
Hogate Properties	Retail	7,214,300		8%	26,844,000	6	9.4%	Avanath Maple Crossing LLC
NW Apartment Portfolio II	Apartments	15,909,000		13%	23,798,000	7	8.4%	Itty Bitty Big & Bouncy LLC
CMBA No. 6/7	Retail	6,396,000		9%	15,360,000	8	5.4%	Mainvue WA LLC
Wilderness Village Properties	Retail	6,672,800		7%	13,732,400	9	4.8%	Wilderness Garp LLC
Schneider Homes	Developer			3%	11,683,800	10	4.1%	CMBA No. 6/7 LLC
Nickel & Company LLC	Retail	4,533,900		6%				
				2%				
Subtotal - Ten Largest Taxpayers		102,997,660			284,893,700			
All Other City Taxpayers		<u>2,476,008,308</u>			<u>3,828,988,132</u>			
Total City Taxpayers		<u>\$ 2,579,005,968</u>			<u>\$ 4,113,881,832</u>			

Major Employers <sup>(1)</sup>		2018 Employees
Tahoma School District	Government	850
Fred Meyer	Retail	315
Safeway	Retail	135
Quality Food Centers	Retail	85
MV Fire & Life Safety	Government	53
Johnson's Home & Garden	Retail	47
City of Maple Valley	Government	46
JR Hayes & Sons, Inc	Construction	36
Multicare	Health	22
Hops n/ Drops	Retail	21

(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, 2018

	Assessed Value	Rate	Debt Capacity	Debt Outstanding	Debt Margin	
					Dollars	%
<b>ASSESSED VALUE</b>	\$ 4,113,881,832					
<b>GENERAL PURPOSES</b>						
<b>Non-Voted Only</b>						
Maximum Debt as a percent of Assessed Value		1.5%				
Non-Voted General Obligation Debt Capacity			\$ 61,708,227			
Less: Outstanding Non-Voted Debt				\$ 6,800,925		
Remaining Non-Voted Debt Capacity					\$ 54,907,303	89%
<b>Total Voted and Non Voted</b>						
Maximum Debt as a percent of Assessed Value		2.5%				
Voted General Obligation Debt Capacity			102,847,046			
Less: Outstanding Voted Debt				-		
Less: Outstanding Non-Voted Debt				6,800,925		
Remaining Voted Debt Capacity					96,046,121	93%
<b>TOTAL GENERAL PURPOSES</b>			102,847,046	6,800,925	96,046,121	93%
<b>UTILITY PURPOSES</b>						
<b>Voted</b>						
Maximum Debt as a percent of Assessed Value		2.5%				
Voted General Obligation Debt Capacity			102,847,046			
Less: Outstanding Voted Debt				-		
Remaining Voted Debt Capacity					102,847,046	
<b>TOTAL UTILITY PURPOSES</b>			102,847,046	-	102,847,046	100%
<b>PARKS AND OPEN SPACE AND CAPITAL FACILITIES ASSOCIATED WITH ECONOMIC DEVELOPMENT</b>						
<b>Voted</b>						
Maximum Debt as a percent of Assessed Value		2.5%				
Voted General Obligation Debt Capacity			102,847,046			
Less: Outstanding Voted Debt				-		
Remaining Voted Debt Capacity					102,847,046	
<b>PARKS AND OPEN SPACE AND CAPITAL FACILITIES ASSOCIATED WITH ECONOMIC DEVELOPMENT</b>			102,847,046	-	102,847,046	100%
<b>TOTAL CAPACITY</b>			\$ 308,541,137			
<b>CAPACITY UTILIZED</b>				\$ 6,800,925		
<b>LEGAL DEBT MARGIN</b>					\$ 301,740,213	98%

Source:  
 King County Assessor's Office.

**City of Maple Valley  
 Computation of Direct and Overlapping Debt  
 December 31, 2018**

	<b>Assessed Valuation</b>	<b>Debt</b>	<b>Percent Applicable to Maple Valley</b>	<b>Debt Applicable to Maple Valley</b>
<b>DIRECT DEBT</b>				
City of Maple Valley	\$ 4,113,881,832			
General Obligation Bonds Payable		\$ 5,693,199		
Other General Obligation Debt		1,107,726		
Total General Long Term Debt		<u>6,800,925</u>		
<b>Net Direct Debt</b>		<b>\$ 6,800,925</b>	<b>100.0%</b>	<b>\$ 6,800,925</b>
<b>OVERLAPPING DEBT</b>				
King County	\$ 606,623,698,132	\$ 666,386,000	0.47%	\$ 3,113,261
Port of Seattle	606,623,698,132	362,390,000	0.47%	1,693,035
King County Library District	342,081,042,419	79,175,000	0.83%	655,946
Kent School District	27,370,477,447	229,341,000	0.09%	208,006
Tahoma School District	7,273,847,636	157,050,000	38.62%	60,654,347
Fire District # 43	7,190,237,904	<u>1,200,000</u>	39.42%	<u>472,985</u>
Total net overlapping debt		<u>1,495,542,000</u>		<u>66,797,579</u>
<b>Total net direct and overlapping debt</b>		<b><u>\$ 1,502,342,925</u></b>		<b><u>\$ 73,598,504</u></b>

**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**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Years**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Actual Taxable Value of Property *</b>	<b>General Obligation Bonds Per Capita</b>
2009	4,875,000	0.20%	234
2010	4,515,000	0.19%	199
2011	4,140,000	0.18%	181
2012	3,745,000	0.17%	160
2013	3,340,000	0.14%	140
2014	4,350,000	0.15%	180
2015	3,805,535	0.13%	154
2016	3,181,867	0.10%	128
2017	2,543,199	0.07%	102
2018	5,595,000	0.14%	221

\* In 2018 the estimated value of real and personal property in the City of Maple Valley was \$4,113,881,832.

**City of Maple Valley**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Years**

<b>Fiscal Year</b>	<b>Governmental Activities</b>					
	<b>General Obligation Bonds</b>	<b>Special Assessment Bonds</b>	<b>Special Assessment Bonds</b>	<b>Public Works Trust Fund Loans</b>	<b>Capital Leases</b>	<b>Private Contract</b>
2009	4,875,000	-	-	2,769,314	-	-
2010	4,515,000	-	-	2,584,693	-	-
2011	4,140,000	-	-	2,400,072	-	-
2012	3,745,000	-	-	2,215,451	-	-
2013	3,340,000	-	-	2,030,830	-	-
2014	4,350,000	-	-	1,846,210	-	-
2015	3,805,535	-	-	1,661,589	-	-
2016	3,181,867	-	-	1,476,968	-	-
2017	2,543,199	-	-	1,292,347	-	-
2018	5,595,000	-	-	1,107,726	-	-

\* 2018 population total of 25,280 from State of Washington Office of Financial Management.

\*\* 2018 per capita personal income of \$33,481 from US Bureau of Economic Analysis.

<b>Business-Type Activities</b>				
<b>Revenue Bonds</b>	<b>Loans</b>	<b>Total Primary Government</b>	<b>Debt Per Capita*</b>	<b>Percentage of Per Capita Personal Income**</b>
-	-	7,644,314	367	1.6%
-	-	7,099,693	313	1.4%
-	-	6,540,072	285	1.3%
-	-	5,960,451	255	1.1%
-	-	5,370,830	225	0.9%
-	-	6,196,210	256	1.0%
-	-	5,467,124	221	0.8%
-	-	4,658,835	188	0.7%
-	-	3,835,546	154	0.5%
-	-	6,702,726	265	0.8%

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

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

	<b>Neighboring Cities of</b>			
	<b>Auburn</b>	<b>Kent</b>	<b>Renton</b>	<b>Covington</b>
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

The City of  
MAPLE VALLEY



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	2009	2010	2011	2012
<b>Population (April 1)</b>	20,840	22,684	22,930	23,340
<b>Unemployment Rate (King County) (1)</b>	8.4%	8.2%	7.2%	6.1%
<b>Personal Income (Estimate)</b>				
Median Household Income Estimate (King County) (1)	65,877	65,383	66,294	68,313
Persons per Household	2.96	2.96	2.96	2.96
Per Capita Personal Income	22,256	22,089	22,397	23,079
<b>Other Demographic Statistics</b>				
<b>Age</b>				
17 and Under			31.4%	
Over 64			6.5%	
<b>Age 25 and older Bachelor's Degree and higher</b>			37.4%	
<b>Household Income over \$100,000</b>			37.0%	
<b>Owner Occupied Housing Units</b>		84.7%		
<b>Owner Occupied Housing Unit Values over \$300,000</b>			53.8%	
<b>Assessed Valuation</b>	\$ 2,446,394,927	\$ 2,437,805,896	\$ 2,296,106,212	\$ 2,143,931,000
<b>Net Direct Bonded Debt</b>	\$ 7,644,314	\$ 7,099,693	\$ 6,540,072	\$ 5,960,451
<b>Net Overlapping Debt</b>	29,521,592	32,266,926	26,209,775	24,258,742
<b>Total Net Direct &amp; Overlapping Debt</b>	<u>\$ 37,165,906</u>	<u>\$ 39,366,619</u>	<u>\$ 32,749,847</u>	<u>\$ 30,219,193</u>
<b>City Employees</b>	38.00	39.30	39.80	38.55
<b>City and Contract Employees</b>	50.59	53.29	57.15	56.90
<b>Ratios</b>				
Assessed value per capita	\$ 117,389	\$ 107,468	\$ 100,135	\$ 91,857
Net general bonded debt per capita	\$ 367	\$ 313	\$ 285	\$ 255
Net direct and overlapping debt per capita	\$ 1,783	\$ 1,735	\$ 1,428	\$ 1,295
Ratio of net direct debt/capita to per capita personal income	1.6%	1.4%	1.3%	1.1%
Ratio of net total debt/capita to per capita personal income	8.0%	7.9%	6.4%	5.6%
Ratio of net direct bonded debt to assessed value	0.3%	0.3%	0.3%	0.3%
Ratio of net direct & overlapping debt to assessed value	1.5%	1.6%	1.4%	1.4%
City employees per 1000 population	1.8	1.7	1.7	1.7
City and Contract Employees 1000 population	2.4	2.3	2.5	2.4

Source:

(1) State of Washington Office of Financial Management

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

2013	2014	2015	2016	2017	2018
23,910	24,230	24,700	24,790	24,900	25,280
5.2%	4.2%	5.2%	3.4%	2.8%	3.4%
71,122	75,045	80,998	84,897	89,142	100,443
2.96	2.96	2.96	2.96	2.96	3.00
24,028	25,353	27,364	28,681	30,116	33,481
32.3%	32.0%	38.2%	32.3%	32.3%	30.8%
6.6%	7.5%	6.6%	6.6%	6.6%	7.5%
41.1%	34.7%	40.7%	37.0%	40.7%	40.7%
29.7%	47.4%	49.5%	52.7%	N/A	51.0%
84.6%	85.5%	80.3%	83.1%	82.5%	83.1%
56.8%	71.0%	81.2%	86.3%	N/A	66.1%
\$ 2,332,474,360	\$ 2,834,060,029	\$ 3,033,278,836	\$ 3,268,616,351	\$ 3,665,996,644	\$ 4,113,881,832
\$ 5,370,830	\$ 6,196,210	\$ 5,301,589	\$ 6,800,925	\$ 6,800,925	\$ 6,800,925
72,813,764	71,020,592	67,162,334	66,797,579	66,797,579	66,797,579
\$ 78,184,594	\$ 77,216,802	\$ 72,463,923	\$ 73,598,504	\$ 73,598,504	\$ 73,598,504
39.30	41.25	42.75	43.75	47.00	46.00
57.65	59.60	61.10	64.10	68.35	67.35
\$ 97,552	\$ 116,965	\$ 122,805	\$ 131,852	\$ 147,229	\$ 162,733
\$ 225	\$ 256	\$ 215	\$ 274	\$ 273	\$ 269
\$ 3,270	\$ 3,187	\$ 2,934	\$ 2,969	\$ 2,956	\$ 2,911
0.9%	1.0%	0.8%	1.0%	0.9%	0.8%
13.6%	12.6%	10.7%	10.4%	9.8%	8.7%
0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
3.4%	2.7%	2.4%	2.3%	2.0%	1.8%
1.6	1.7	1.7	1.8	1.9	1.8
2.4	2.5	2.5	2.6	2.7	0.7

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

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Employee Data</b>										
<b>City Employees</b>										
City Manager	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.75	2.75
Human Resources	0.50	0.50	0.50	0.75	0.75	0.75	0.75	0.75	1.50	1.50
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							
Community Development	9.00	8.00	8.00	7.00	7.00	7.00	6.00	6.00	6.00	6.00
Finance	3.50	3.80	3.80	3.80	3.80	4.00	4.00	4.00	4.00	4.00
Information Technology & GIS	1.00	1.50	1.50	1.50	2.50	3.00	3.00	4.00	5.00	4.00
Parks & Recreation	5.00	5.00	5.00	6.50	8.25	9.50	11.00	11.00	11.75	11.75
Public Safety	1.00	1.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Works	10.00	12.50	12.00	12.00	10.00	10.00	11.00	11.00	11.00	11.00
<b>Total City Employees</b>	<b>38.00</b>	<b>39.30</b>	<b>39.80</b>	<b>38.55</b>	<b>39.30</b>	<b>41.25</b>	<b>42.75</b>	<b>43.75</b>	<b>47.00</b>	<b>46.00</b>
<b>Contractees</b>										
City Attorney					1.00	1.00	1.00	1.00	1.00	1.00
Prosecuting Attorney	0.40	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Domestic Violence Advocate								1.00	1.00	1.00
Municipal Court Judge	0.10	0.10	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	2.00	2.00
Detective	0.44	0.74	1.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
School Resource Officer									1.00	1.00
Police Officers (1)	9.00	9.00	12.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Information Services Consultant	0.75	0.90	1.00	1.00						
<b>Total Contractees</b>	<b>12.59</b>	<b>13.99</b>	<b>17.35</b>	<b>18.35</b>	<b>18.35</b>	<b>18.35</b>	<b>18.35</b>	<b>20.35</b>	<b>21.35</b>	<b>21.35</b>
<b>Total Full Time Equivalent Employees</b>	<b>50.59</b>	<b>53.29</b>	<b>57.15</b>	<b>56.90</b>	<b>57.65</b>	<b>59.60</b>	<b>61.10</b>	<b>64.10</b>	<b>68.35</b>	<b>67.35</b>

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

<b>Function</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Community Development</b>										
Single Family Residential Permits	93	125	156	159	76	169	33	51	125	118
Total Inspections	2,616	3,234	4,529	5,235	3,230	4,981	3,133	2,677	4,034	4,933
<b>Parks &amp; Recreation</b>										
Events at Lake Wilderness Lodge	725	964	1,086	1,183	1,269	1,569	1,788	1,882	2,015	336
Park Rentals & Permits	681	495	581	534	385	506	514	568	573	676
City wide Community Events	11	11	11	11	11	11	11	12	12	12
Classes, Leagues, & Programs	25	32	34	34	37	35	37	44	47	52
Number of Transactions	4,408	4,983	6,552	6,955	7,285	15,330	20,198	21,259	24,021	18,774
<b>Public Safety</b>										
Dispatched Calls for Service	3,170	2,862	2,787	3,393	3,479	3,536	4,094	4,318	4,157	4,393
Crimes (Part 1 & 2)	1,175	912	959	960	910	963	1,168	1,038	1,020	1,010
Cases Closed	166	70	89	114	93	84	115	104	470	57

**Source:**  
Various City departments.

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

<b>Function</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Parks &amp; Recreation</b>										
Acres of Parks	288	288	288	288	288	288	288	288	288	309.2
<b>Public Works</b>										
Lane Miles of Streets	130	130	130	130	146	153	153	153	154	154
Surface Water Facilities	147	147	147	147	150	162	164	164	166	166

**Source:**  
 Various City departments.