



# PAFR

POPULAR ANNUAL FINANCIAL REPORT

January 1 - December 31, 2019

King County, Washington



**King County**

Finance and  
Business Operations Division

# King County Government

King County has the largest population of all counties in Washington State and is the financial, economic, and industrial center of the Pacific Northwest. Located between Puget Sound and the Cascade Mountains, King County ranks 11th in geographical size among 39 counties in the state and is larger than the States of Rhode Island or Delaware. With over two million people, it's the 13th most populous county in the nation.



King County is organized under the executive-council form of county government. The Metropolitan King County Council is the policy-making legislative body while the Executive serves as the CEO.



KING COUNTY EXECUTIVE  
**Dow Constantine**



From left to right: Council Vice Chair **Joe McDermott** (District 8), Councilmember **Kathy Lambert** (District 3), Councilmember **Girmay Zahilay** (District 2), Council Chair **Claudia Balducci** (District 6), Councilmember **Dave Upthegrove** (District 5), Councilmember **Jeanne Kohl-Welles** (District 4), Council Vice Chair **Reagan Dunn** (District 9), Councilmember **Pete von Reichbauer** (District 7), and Councilmember **Rod Dembowski** (District 1).

## OTHER ELECTED OFFICIALS

Prosecuting Attorney:  
**Daniel T. Satterberg**

Assessor:  
**John Wilson**

Elections Director:  
**Julie Wise**

Sheriff:  
**Mitzi Johanknecht**

Presiding Judge—Superior Court:  
**Jim Rogers**

Chief Presiding Judge—District Court:  
**Susan Mahoney**

The Executive presents to the County Council annual statements of the County's financial and governmental affairs, proposed budgets, capital improvement plans, and authorizes the signing of all deeds and contracts (on behalf of King County) as well as appoints the director of each executive department. The judicial branch of the County is represented by the courts (District Court, Superior Court) and Prosecuting Attorney.

King County delivers critical services to both incorporated and unincorporated areas. While some services are provided only to unincorporated areas, cities and other incorporated areas can contract with King County for individual services like law enforcement.

# PAFR

## POPULAR ANNUAL FINANCIAL REPORT

January 1 - December 31, 2019 • King County, Washington



**Welcome** to King County's Popular Annual Financial Report (PAFR) for fiscal year 2019. The PAFR provides a high-level overview of King County's financial affairs and a snapshot of how we serve our residents, including successes and challenges as we navigated in our ever-changing economic, social, and political climate in 2019.

The PAFR, recognized for outstanding achievement by the Government Finance Officers Association (GFOA) nine years in a row, provides an overview of the County's financial condition, analyzing where revenues come from and how tax dollars are spent. The financial data provided is for King County departments (what accountants call the "primary government") and is divided into governmental and business-type activities (Some exclusions are legally separate entities and fiduciary funds). Please see page 13 for definitions of these activities.

While the PAFR is not audited, the financial information reported is based on the audited 2019 Comprehensive Annual Financial Report (CAFR). If you would like more detailed financial reporting and operational information including important Notes to the Financial Statements, please access the CAFR at: [kingcounty.gov/CAFR](http://kingcounty.gov/CAFR).

We would love to hear what you think. Please let us know how we can make this report better - your feedback is important to us.



### King County

Department of Executive Services  
Finance and Business Operations Division  
**Financial Management Section**

Alternative formats available.

Please call 206-263-2353 or TTY: 711

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### Prepared by:

Eben Sutton, MAcc  
Lillian L. Bushnell, CPA  
Brian Hungate, CPA  
Lisa Gould

### Questions, comments and suggestions:

[help.genacctg@kingcounty.gov](mailto:help.genacctg@kingcounty.gov)

### Design:

Laurel Preston, Senior Visual Designer,  
KCIT Design & Civic Engagement

### Cover photo:

Middle Fork, Snoqualmie River  
by Eli Brownell, King County Parks

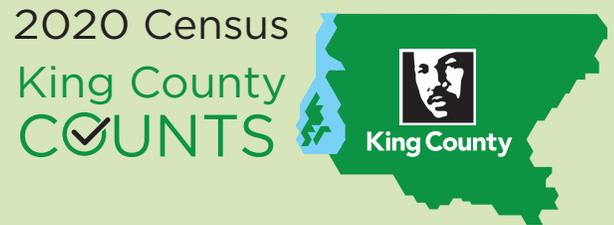
### View or download pdf at:

[kingcounty.gov/PAFR](http://kingcounty.gov/PAFR)

# King County's Major Initiatives

At King County, our work is guided by our True North and values. Our True North is what we aspire to: Making King County a welcoming community where every person can thrive. Major initiatives helping us accomplish this goal include those listed below.

**Census 2020:** Through mid-2020, King County is working with partners to raise awareness of the importance of the Census and to ensure a complete and accurate count of all our residents. We want to do this in collaboration and partnership with every jurisdiction, organization, community member, or stakeholder that shares this vision.



**Best-run Government:** King County embraces continuous improvement, instituting best management practices, encouraging front-line employees to innovate and strive for excellent customer service.



**Building Equity and Opportunity:** King County includes pro-equity policy direction, decision-making, planning, operations and services, and workplace practices in order to advance equity and social justice within County government and in partnership with communities

## King County INVESTS...



Upstream,  
where needs  
are greatest,



in  
community  
partnerships,



and in  
employees,



with transparent  
and accountable  
leadership.

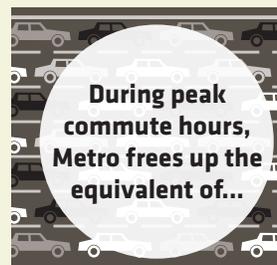
**Best Starts for Kids:** This is a comprehensive set of programs to help children and youth succeed - an innovative and research-based initiative to eliminate social ills by focusing on the origins. Its implementation in the 2019-2020 biennium leverages \$84 million per year in investments and services to set kids up to succeed through prevention and early intervention strategies; helping to remove barriers in institutional policies, practices and systems; and move towards racial equity and better outcomes for overburdened communities.



**Confronting Climate Change:** Our government works to reduce greenhouse gas emissions and prepare for climate change impacts to our health, safety, economy, and environment. We're also making our community more resilient to climate change impacts through research, changes in how we plan and design major infrastructure, and community partnership.



**Regional Mobility:** Our network of regional roads, our integrated Metro bus and rail transit and water taxi services all work together to help move people better and connect communities. As we continue to grow, public transportation will play an important role in reducing congestion, protecting our environment, and getting more people where they need to go.



# Our Equity and Social Justice Lens

**Equity and social justice** is the principle of “fair and just” – opportunities for all people and communities – and is incorporated into all of our work at the County. We recognize that our economy and quality of life depends on the ability of everyone to contribute. We are working to remove barriers that limit the ability of some to fulfill their potential. The Equity and Social Justice Strategic Plan will build pro-equity capacity in six goal areas of leadership, operations, and services; budgeting, planning and policymaking; workplace and workforce; community partnerships; communications and education; and facility and system improvements.

## Examples of our work in action:

- **Best Starts for Kids** invests in prevention and early intervention strategies for children, youth, families, and communities.
- **Communities of Opportunity** addresses inequities in health, social, and economic outcomes via place-based and policy/systems change solutions with partners playing critical roles finding solutions.
- **Familiar Faces** focuses on improving methods of health and social support services and crises prevention for jail-involved individuals who have mental health or substance abuse conditions.
- **Juvenile Justice Equity Steering Committee** consists of community leaders, members, youth, law enforcement, school superintendents, faith-based representatives, judges, prosecutors, and public defenders that establishes short- and long-term actions to end racial disparity in the juvenile justice system.
- **Prioritizing Racial Justice** is part of our government work overall and implementation of our Equity and Social Justice Strategic Plan.

## 14 DETERMINANTS OF EQUITY

The conditions King County has identified that each of us need to thrive

	Access to affordable, healthy, local food		Economic development
	Access to health and human services		Equitable law and justice system
	Access to parks and natural resources		Equity in county practices
	Access to safe and efficient transportation		Family wage jobs and job training
	Affordable, safe, quality housing		Healthy built and natural environments
	Community and public safety		Quality education
	Early childhood development		Strong, vibrant neighborhoods



**Flourishing communities are rooted in the determinants of equity.**

# 2019 Accomplishments



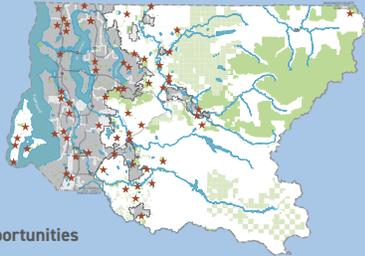
**King County became the first local government in the United States to offer certified carbon credits, giving companies the opportunity to offset their carbon emissions while protecting King County's forests.** This program allows companies to invest locally and benefit globally and protect our natural defense against climate change.



**King County's first modular housing project opens in SoDo, to serve Native American and Alaska Native people.** Eagle Village is a pilot project using modular buildings to create dormitory-style bridge housing to help people transition from homelessness to permanent housing.

## Tripling the Rate of Land Conservation in 2020

To protect the last remaining and most vital greenspaces for everyone within a generation



\* 2020 Conservation Opportunities

With more than 65,000 acres of high priority open space to conserve, **King County is accelerating our efforts to protect farmland, forests and other public lands for future generations and ensure greenspaces for all.**



King County Water Taxi at Pier 50

**The King County Water Taxi began operating out of the new passenger ferry terminal at Pier 50 on Monday, Aug. 12, 2019,** featuring a new covered facility, ADA improvements, and expanded space. Commuters, travelers, and tourists pass through the terminal on their way between downtown Seattle and West Seattle, Vashon, Bremerton, and Kingston.



Patricia H. Clark Children and Family Justice Center

**The County opened its new Patricia H. Clark Children and Family Justice Center at the end of 2019,** replacing the 1950s-era Youth Services Center. The new center focuses on moving the emphasis away from incarceration to providing practical support and uplift to youth and their families.



**King County launched new investments that will enhance senior services in King County** by offering more programs at existing senior centers and community organizations, expanding outreach to isolated seniors and connecting vulnerable seniors to community.

# Local Economy

Economic factors have a direct impact on King County's revenues, which are sensitive to the performance of both regional and local economies. Income, employment, market forces, investment, and inflation influence property tax assessments, retail sales, and real estate transactions.

Employment in King County grew in all sectors except for one: the government. Inflation remained steady in 2019.

The Seattle Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W-STB) increased only 2.1 percent, down from 3.3 percent in 2018. The national CPI for All Urban Consumers (CPI-U-US) increased 1.8 percent during the same period.

Consumer confidence and spending remained strong in 2019. Taxable retail sales in the County grew 4 percent in 2019, more modest than last year's 11 percent. See page 11 "COVID-19" for a forecast of 2020 trends.

## MEDIAN ANNUAL HOUSEHOLD INCOME

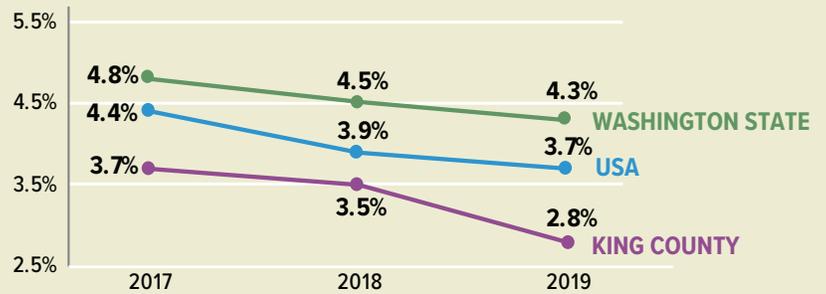
Higher in King County than Washington State and the USA



\* 2019 USA median annual household income not available at time of publication

## UNEMPLOYMENT RATE

Lower in King County than the USA and Washington State



## DEMOGRAPHICS OF KING COUNTY AND THREE OTHER COUNTIES WITH SIMILAR POPULATION

	KING COUNTY WASHINGTON	SAN DIEGO COUNTY CALIFORNIA	MARICOPA COUNTY ARIZONA	MIAMI-DADE COUNTY FLORIDA
2019 Population	2,252,782	3,338,330	4,485,414	2,716,940
2019 Population Density	913 people/mile <sup>2</sup>	736 people/mile <sup>2</sup>	415 people/mile <sup>2</sup>	1,316 people/mile <sup>2</sup>
2019 Population 65 Years and Older	297,367	467,366	681,783	440,144
2019 Median Household Income	\$89,418	\$74,855	\$61,606	\$48,982
2019 Unemployment Rate	2.8%	3.4%	4.2%	2.6%

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# Statement of Net Position

The statement of net position presents all of King County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as the net position.

The County's fiscal year runs simultaneously with the calendar year (January 1 to December 31). Over time, increases or decreases in the County's net position may be an indication of whether the financial situation of the County is improving or deteriorating. The County's statement of net position for fiscal years ending December 31, 2017 — 2019 is shown in the chart below.

Statement of Net Position (in Millions)	Governmental Activities			Business-type Activities			Total		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
<b>ASSETS</b>									
Cash and cash equivalents	\$1,456	\$1,347	\$1,300	\$1,701	\$1,506	\$1,672	\$3,157	\$2,853	\$2,972
Capital assets	3,448	3,344	3,178	6,304	6,246	6,047	9,752	9,590	9,225
Other assets	387	221	224	798	798	508	1,185	1,019	732
<b>Total Assets</b>	<b>5,291</b>	<b>4,912</b>	<b>4,702</b>	<b>8,803</b>	<b>8,550</b>	<b>8,227</b>	<b>14,094</b>	<b>13,462</b>	<b>12,929</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>99</b>	<b>87</b>	<b>88</b>	<b>244</b>	<b>255</b>	<b>280</b>	<b>343</b>	<b>342</b>	<b>368</b>
<b>LIABILITIES</b>									
Long-term liabilities	1,329	1,407	1,589	4,847	4,841	5,037	6,176	6,248	6,626
Other liabilities	410	213	206	289	240	244	699	453	450
<b>Total Liabilities</b>	<b>1,739</b>	<b>1,620</b>	<b>1,795</b>	<b>5,136</b>	<b>5,081</b>	<b>5,281</b>	<b>6,875</b>	<b>6,701</b>	<b>7,076</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>166</b>	<b>152</b>	<b>88</b>	<b>155</b>	<b>144</b>	<b>106</b>	<b>321</b>	<b>296</b>	<b>194</b>
<b>NET POSITION</b>									
Net investment in capital assets	2,821	2,652	2,422	2,393	2,268	1,903	5,214	4,920	4,325
Restricted	776	780	767	269	286	278	1,045	1,066	1,045
Unrestricted	(112)	(205)	(282)	1,094	1,026	939	982	821	657
<b>Total Net Position</b>	<b>\$3,485</b>	<b>\$3,227</b>	<b>\$2,907</b>	<b>\$3,756</b>	<b>\$3,580</b>	<b>\$3,120</b>	<b>\$7,241</b>	<b>\$6,807</b>	<b>\$6,027</b>

Sources: 2019 CAFR MD&A and Entity-wide Statement of Net Position (for Cash and cash equivalents)  
Prior year figures have been restated where accounting rule changes have made a meaningful difference.

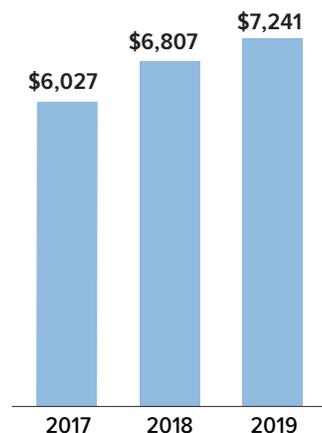
King County's overall net position increased 6.4 percent or \$434 million from the prior fiscal year. The three components of net position are:

**Net Investment in Capital Assets:** The most significant portion of net position (72 percent or \$5.2 billion) is invested in capital assets. King County uses these capital assets to provide a variety of public goods and services to its citizens. For that reason, these assets are not available for future spending. King County's investment in capital assets is reported net of related debt.

**Restricted Net Position:** This portion of net position (14.4 percent or \$1.0 billion) is restricted, representing funds that are limited to construction activities, payment of debt, or specific programs by law.

**Unrestricted Net Position:** The remaining portion of net position (13.6 percent or \$982 million) is unrestricted, representing resources that are available for services.

**TOTAL NET POSITION (IN MILLIONS)**



## Activities/Changes in Net Position

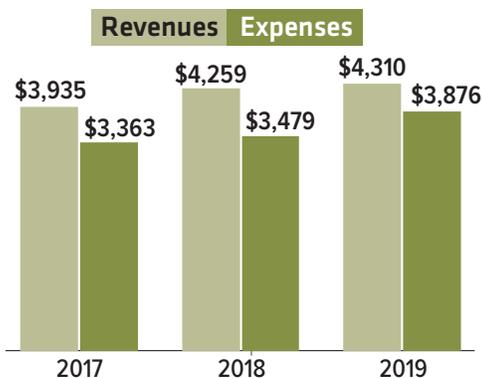
The statement of activities shows how King County's net position changed during the year reported, and shows total revenues earned and expenses incurred. When revenues exceed expenses, the County's net position increases. If expenses were to exceed revenues, net position would decrease.

In 2019, the County's revenues exceeded expenses by \$434 million.

Changes in Net Position (in Millions)	Governmental Activities			Business-type Activities			Total		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
<b>REVENUES</b>									
Program revenues	\$1,081	\$1,092	\$1,063	\$1,200	\$1,260	\$1,139	\$2,281	\$2,352	\$2,202
General revenues	1,262	1,197	1,101	767	710	632	2,029	1,907	1,733
<b>Total Revenues</b>	<b>2,343</b>	<b>2,289</b>	<b>2,164</b>	<b>1,967</b>	<b>1,970</b>	<b>1,771</b>	<b>4,310</b>	<b>4,259</b>	<b>3,935</b>
<b>EXPENSES</b>									
General government	193	173	230	-	-	-	193	173	230
Public safety	727	697	619	-	-	-	727	697	619
Economic environment	198	193	182	-	-	-	198	193	182
Mental and physical health	746	702	632	-	-	-	746	702	632
Other governmental activities	227	209	204	-	-	-	227	209	204
Public transportation	-	-	-	1,032	825	884	1,032	825	884
Solid waste	-	-	-	234	155	106	234	155	106
Water quality	-	-	-	475	487	467	475	487	467
Other business-type activities	-	-	-	44	38	39	44	38	39
<b>Total Expenses</b>	<b>2,091</b>	<b>1,974</b>	<b>1,867</b>	<b>1,785</b>	<b>1,505</b>	<b>1,496</b>	<b>3,876</b>	<b>3,479</b>	<b>3,363</b>
Increase in net position before transfers and special items	252	315	297	182	465	275	434	780	572
Transfers	6	5	5	(6)	(5)	(5)	-	-	-
Special item	-	-	-	-	-	-	-	-	-
Increase in net position	258	320	302	176	460	270	434	780	572
Net position, beginning of year (Restated)	3,227	2,907	2,605	3,580	3,120	2,850	6,807	6,027	5,455
<b>Net position, end of year</b>	<b>\$3,485</b>	<b>\$3,227</b>	<b>\$2,907</b>	<b>\$3,756</b>	<b>\$3,580</b>	<b>\$3,120</b>	<b>\$7,241</b>	<b>\$6,807</b>	<b>\$6,027</b>

Source: 2019 CAFR MD&A  
Prior year figures have been restated, where accounting rule changes have made a meaningful difference.

### COUNTY REVENUES & EXPENSES (IN MILLIONS)



Revenues shown as **Program Revenues** would disappear if the program or function were eliminated. On the other hand, **General Revenues** come from taxes or other revenues available to the County.

\* Descriptions of Government Activities and Business-type Activities are on page 13.

## Revenues by Source

The largest revenue increases in 2019 by dollar were retail sales and use taxes which increased 4 percent to \$944 million due to high construction material sales from a thriving real estate market. This is followed by interest earnings which increased \$43 million due to favorable interest rate conditions at the beginning of the year. Overall, revenues for the County increased 1 percent (\$51 million) from last year.

KING COUNTY REVENUES (IN MILLIONS)



## Expenses by Function

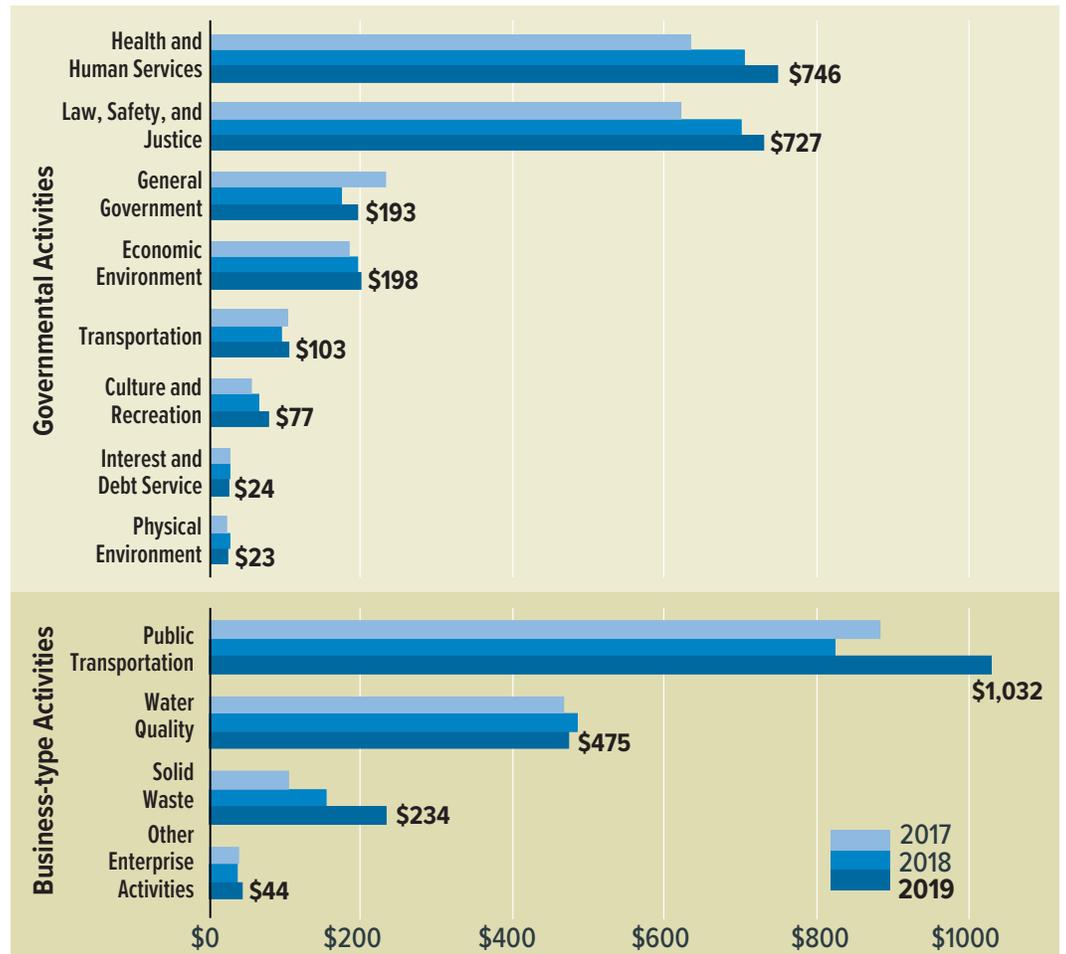
King County provides some services regionally and others exclusively to unincorporated areas. Some are available for cities to purchase on a contractual basis. The table on page 13 lists the major services provided by the County while the graphs to the right present a three-year comparison of their expenses.

**The most substantial County expenses in order:**

- Public Transportation
- Health and Human Services
- Law, Safety, and Justice
- Water Quality

The largest dollar increase in 2019 occurred in Public Transportation, which increased by 25 percent (\$207 million) from 2018.

KING COUNTY EXPENSES (IN MILLIONS)

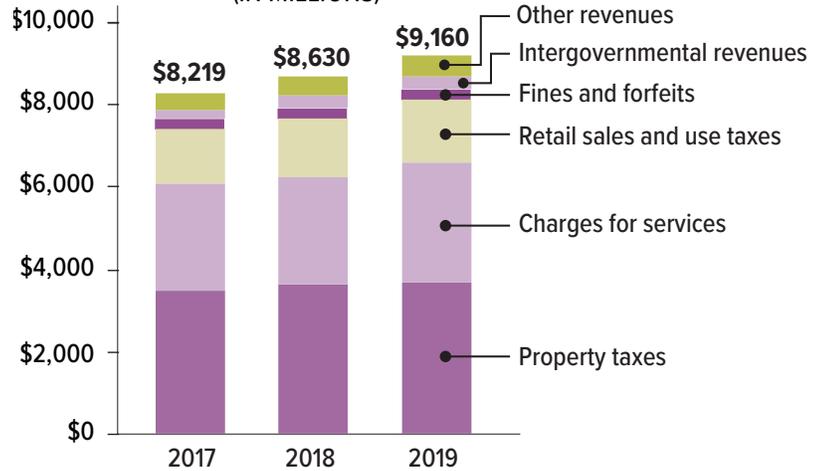


# General Fund Highlights

The General Fund serves as the chief operating fund of the County which is where most traditional operating departments reside. These include the County Executive and County Council, Sheriff, Superior Court, Elections, and Judicial Administration. About three-quarters of the General Fund is spent on law, safety and justice.

At the end of 2019, the total fund balance was \$184 million, an increase of 12 percent or \$20 million over the prior year. The increase was attributed to moderate but across-the-board increases in nearly all revenue streams. Notable increases occurred in property taxes and sales taxes, \$9 million in both 2019 and 2018, owing to strength in residential and business construction in the region. As a measure of liquidity, the size of the unassigned fund balance totaled \$142 million, an increase of 3 percent over the prior year. As a measure of liquidity, the size of the unassigned fund balance is often compared relative to total expenditures, which gives 17 percent, a 3 percent increase from last year. This represents a buffer that the fund can use to finance spending in the first few months of the following period.

**GENERAL FUND REVENUE**  
(IN MILLIONS)



In the long-term, the General Fund continues to face financial challenges due to a structural imbalance between the limited rate of property tax growth (1 percent plus the taxes on new construction) and the combined rate of inflation and population growth (typically around 4 percent). While the County searches for more permanent solutions, it balances the budget each biennium through service reductions, gains in efficiencies, rate increases, and other fiscal strategies.

## FINANCIAL DATA OF KING COUNTY AND THREE OTHER COUNTIES WITH SIMILAR POPULATION

	KING COUNTY WASHINGTON	SAN DIEGO COUNTY CALIFORNIA	MARICOPA COUNTY ARIZONA	MIAMI-DADE COUNTY FLORIDA
2019 Ratio of Bus-type to Gov't'l Expenses	85%	1%	2%	106%
2019 Current Ratio (Liquidity)	6.22	7.02	6.81	5.32
2019 Percent Revenue from Property Taxes	22%	16%	30%	21%

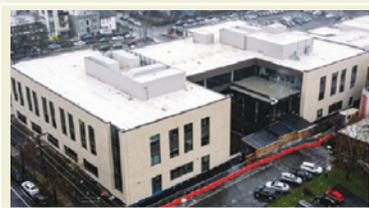
# The Capital Base

The County utilizes capital assets to provide vital services and enhance the quality of life of its citizens. This includes the industrial-scale plants for wastewater treatment and waste disposal, the infrastructure network of roads and bridges, multi-modal transportation facilities, open space land, land rights, and buildings.

The County's net investment in capital assets at the end of 2019 increased by 2 percent from last year to \$5.2 billion.

## 2019 MAJOR CAPITAL ASSET EVENTS

The Patricia H. Clark Children and Family Justice Center which replaced the former Youth Services Center, was completed in 2019 totaling \$185 million. The parking garage is scheduled to be completed by the spring of 2021.



Public Transportation purchased and placed into service 186 new buses during the year at a cost of \$179 million.



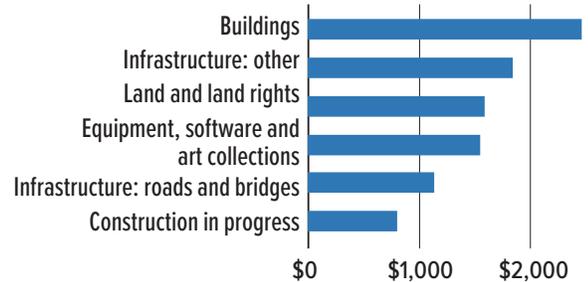
The Marine Division of Metro Transit Public Transportation completed the new passenger ferry terminal at Pier 50 for the King County Water Taxi with costs to date of \$31 million. The new terminal features a new covered facility, ADA improvements, and expanded space.



Solid Waste completed development and construction of a new refuse area, Area 8, at the Cedar Hills Regional Landfill. Area 8 was completed during 2019 with a total cost of \$46 million. Area 8 has a 32-acre footprint and will provide 8 million cubic yards of refuse capacity. It includes numerous environmental protection systems.

Water Quality brought new infrastructure into service during the year at a total cost of \$55 million, \$33 million for Kent Auburn Phase B-Pipeline and \$22 million for Magnolia Pipeline.

## KING COUNTY CAPITAL ASSETS (IN MILLIONS)



## SIX-YEAR CAPITAL IMPROVEMENT PLAN HIGHLIGHTS (2019-2024)



Department of Public Defense Case Management System Replacement - **\$4 million**



A new large aircraft parking area at Boeing Field / King County International Airport - **\$10 million**



Combined Sewer Overflow Control Program - **\$174 million** for Ship Canal Water Quality CSO Control Project



Bus fleet additions - **\$1.1 billion** for new buses and trolleys



Bus base expansion - **\$248 million** for South Base Annex



Recycling and Transfer Station Construction - **\$179 million** for two new stations

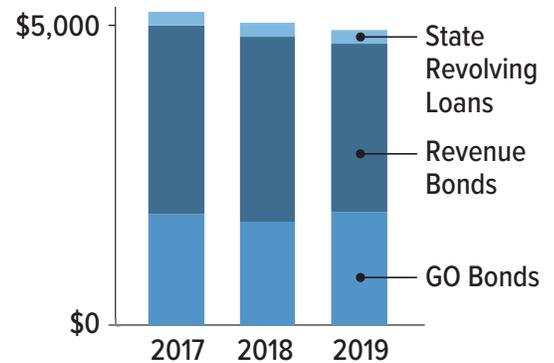


Roadway preservation - **\$42 million** to preserve the roadway infrastructure

# Borrowing and Leverage

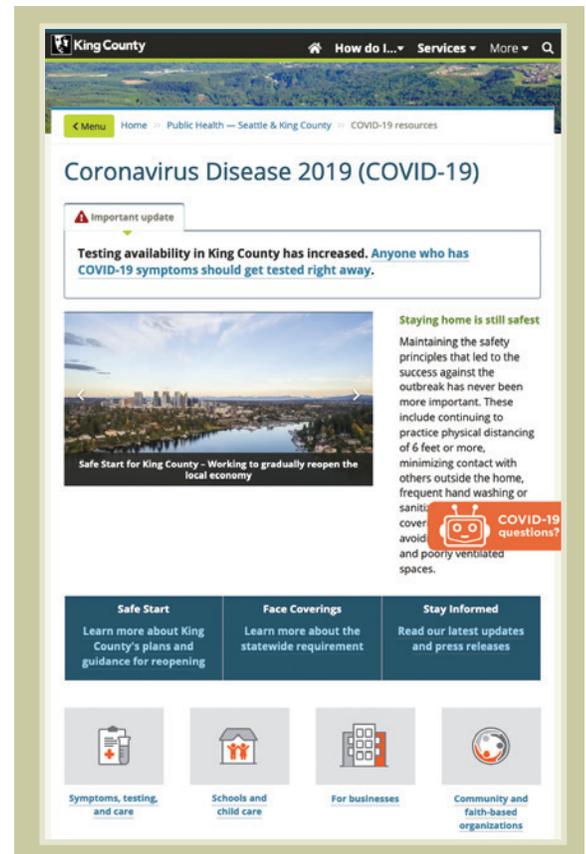
At the end of 2019, the County had a total of \$4.9 billion in long-term debt outstanding, comprised of \$1.9 billion in general obligation (GO) bonds, \$2.8 billion in revenue bonds, and \$0.2 billion in loans from the State of Washington for public works construction activities. The total amount of bonds outstanding has dropped in each of the last three years. GO bonds are backed by the taxing power of the government while revenue bonds are secured by specific revenue sources such as sewer fees and lease payments. The County uses revenue bonds to finance the major portion of its wastewater treatment facilities. All of the County's bond issuances consistently receive exceptional ratings from the leading industry credit rating agencies, which allows borrowing at favorable interest rates, reducing cost for the County and its taxpayers.

**KING COUNTY BONDS  
OUTSTANDING (IN MILLIONS)**



# COVID-19

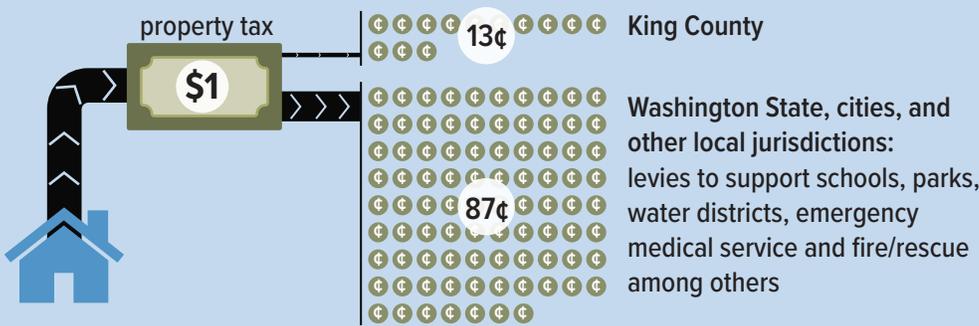
On February 29, 2020 the Governor of the state of Washington declared a state of emergency in response to the spread of a deadly new virus, SARS-CoV-2. Like the State, the County took immediate and aggressive steps to protect residents including declaring a public health emergency on March 1, 2020 to slow the spread of the virus and its corresponding disease COVID-19. The Metropolitan King County Council has appropriated over \$202 million for pandemic response-related costs to protect residents including establishing temporary hospitals, purchasing and outfitting isolation and quarantine facilities for residents without a suitable way to self-isolate. They have also redirected \$2.2 million of existing appropriation to provide childcare to first responders. With respect to the revenue impacts, the County estimates a year-over-year reduction in taxable sales of 30% or more from 2019 to 2020 as a result of the virus and efforts to control its spread. There may be stimulus funds or revenues from other sources to replace sales and use tax lost, but the amount and extent of such backfill revenues are also not known.



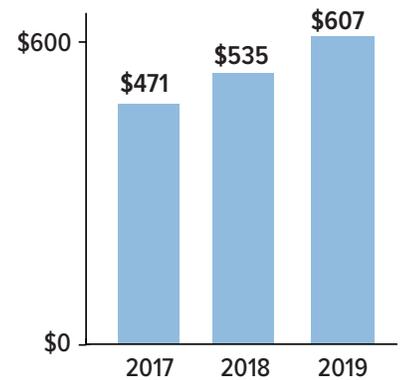
# Property Taxes

King County's Assessor supported 119 local taxing districts during 2019. For every property tax dollar collected, 13 cents are used to support King County and 87 cents are allocated between the State, cities and other local jurisdictions. About half of property tax is determined by levies that are voter-approved for such services as schools, parks, water districts, emergency medical service and fire/rescue, among other services. Property taxes are levied primarily on real property owned by individuals and businesses. The King County Assessor determines the fair market value of properties, which is intended to reflect the property's market value. Total assessed values of real property increased by 13 percent in 2019 reaching \$607 billion.

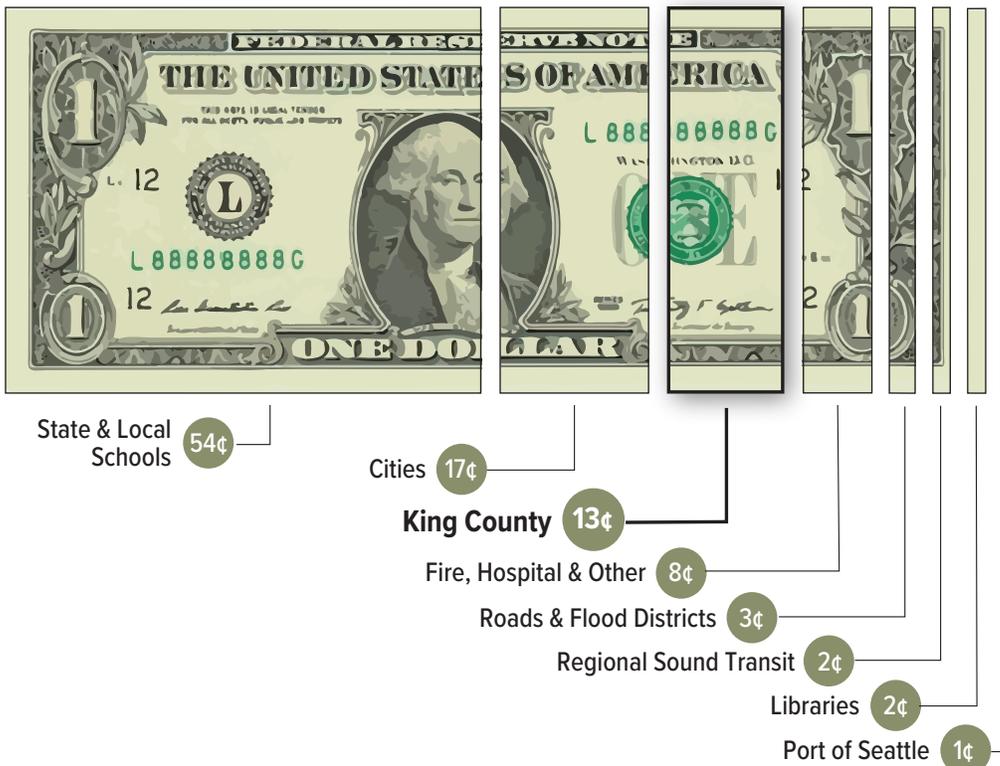
For each dollar paid in property taxes, 13¢ goes to King County's General Fund and 87¢ goes to various agencies through voter-approved levies



**ASSESSED VALUE OF TAXABLE PROPERTY**  
(IN BILLIONS)



## WHERE EACH DOLLAR OF PROPERTY TAX GOES



## 2019 PRINCIPAL PROPERTY TAXPAYERS

- Microsoft
- Amazon.com
- Boeing
- Puget Sound Energy/Gas/Electric
- Essex Property Trust
- Union Square LLC

# Definitions of Terms

**Accrual basis** is the method of accounting that records revenues and expenses when they are incurred, in contrast with “cash basis”, which records revenues and expenses when the cash is received or paid. (See also modified accrual basis)

**Assets** are resources which the County owns (and therefore, controls) that can be utilized in providing services. For example, cash from tax collections is an “asset” that is used to pay salaries of police officers as they serve the community.

**Capital assets** are the buildings, roads and bridges, plant and equipment, land and other long-lived assets that are utilized by the County in providing services to its taxpayers.

**Current assets** include cash and assets that can be quickly turned into cash to pay this month’s bills.

**Deferred inflows of resources** is an acquisition of net position during the year that is applicable to a future year. For example, a federal grant may be received in 2017 to reimburse the County’s incurred costs, but the grantor may restrict spending until 2018 because that is when the federal budget has appropriated them.

**Deferred outflows of resources** is a consumption of net position during the year that is applicable to a future year. This is the opposite of deferred inflows of resources.

**Fund balance** denotes the amount of equity in a governmental fund, and represents assets plus deferred outflows of resources, less liabilities and deferred inflows of resources. Business-type funds use the term “net position.”

**Government-wide reporting** provides an aggregate view of the County’s financial activities consolidating governmental and business-type activities using the accrual basis of accounting.

**Liabilities** are current obligations to use resources that the government has little or no discretion to avoid, such as payments owed to suppliers.

**Long-term liabilities** include items such as bonds, loans, pension contributions and other obligations due more than one year in the future.

**Modified accrual basis** is the method of accounting, used for governmental funds, focuses on whether those funds have sufficient resources to pay their bills in the short-term.

**Net investment in capital assets** is the portion of net position that represents the historical cost of capital assets less the amount of debt used to acquire them. A loose analogy can be made to the equity in one’s home under a mortgage.

**Net position** is the residual of all other financial statement elements found in accrual basis statements: the difference between a) assets plus deferred outflows of resources; and b) liabilities plus deferred inflows of resources.

**OPEB** stands for “Other Post-Employment Benefits” and represents the health benefits received by former employees after they retire from King County.

**Restricted net position** is the portion of net position subject to external spending restrictions, such as state law, bond covenants or contracts.

**Unrestricted net position** is the portion of net position not tied up in net investment in capital assets or by external legal restrictions. It is available at the government’s discretion to pay bills.

## GOVERNMENTAL ACTIVITIES

**General Government:** Executive and council functions, elections and assessments, records and licensing, performance strategy and budget, information and technology

**Health and Human Services:** Community mental health, communicable diseases, environmental health, public health clinics and programs, alcoholism treatment, drug abuse prevention, regional hazardous waste management

**Law, Safety & Justice:** Sheriff’s office, prosecuting attorney, superior court, public defense, judicial administration, adult and juvenile detention, emergency medical services

**Transportation:** Road services, roads capital program

**Economic Environment:** Youth employment, development and environmental services, planning and community development, river improvement, animal control, river and flood control construction, natural resources

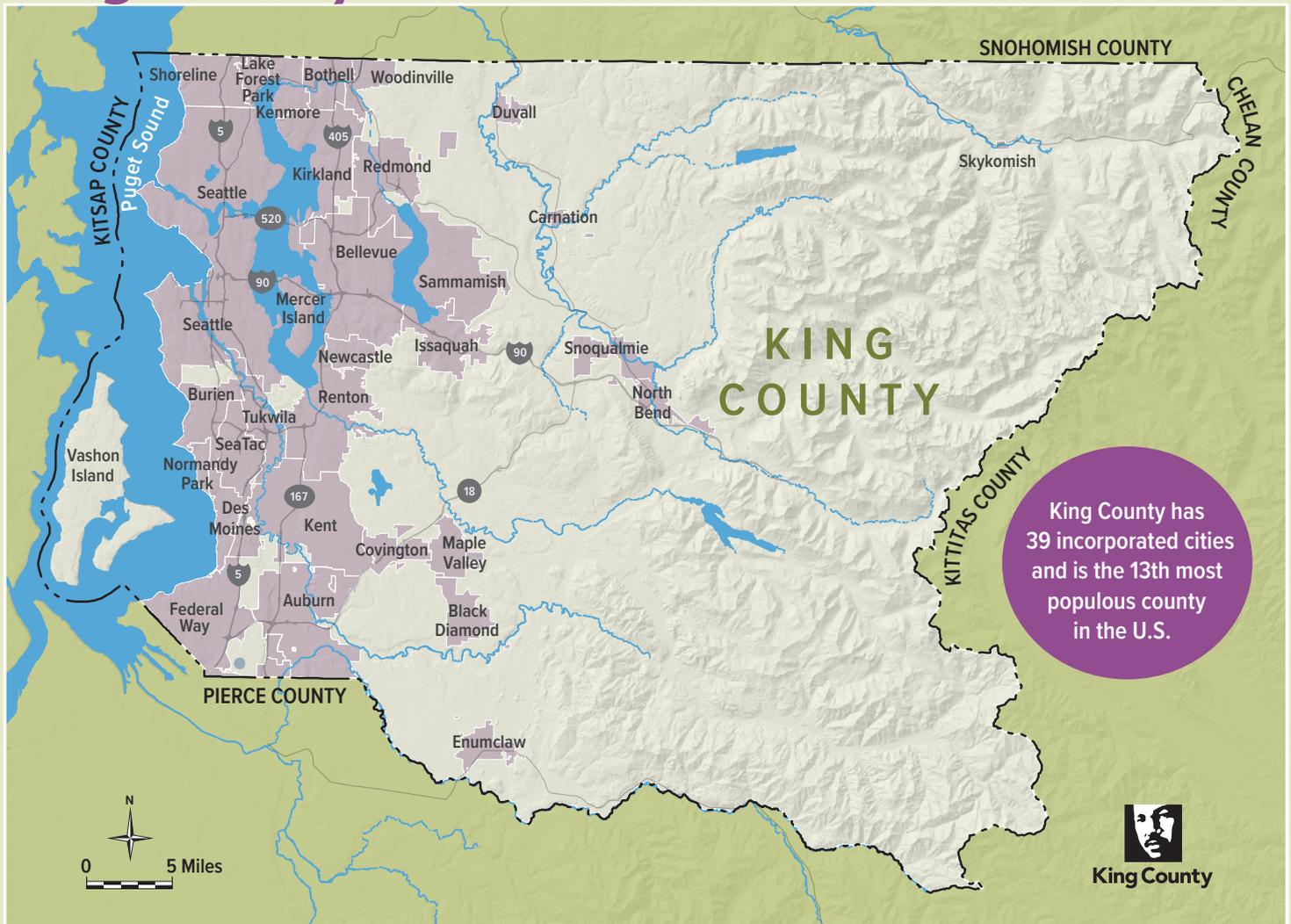
**Physical Environment:** Surface water management

**Culture and Recreation:** Parks, art and cultural development, historical preservations, law library

## BUSINESS-TYPE ACTIVITIES

Public transportation, wastewater treatment, solid waste disposal and recycling, airport, institutional network, radio communications and water taxi

# King County at a glance



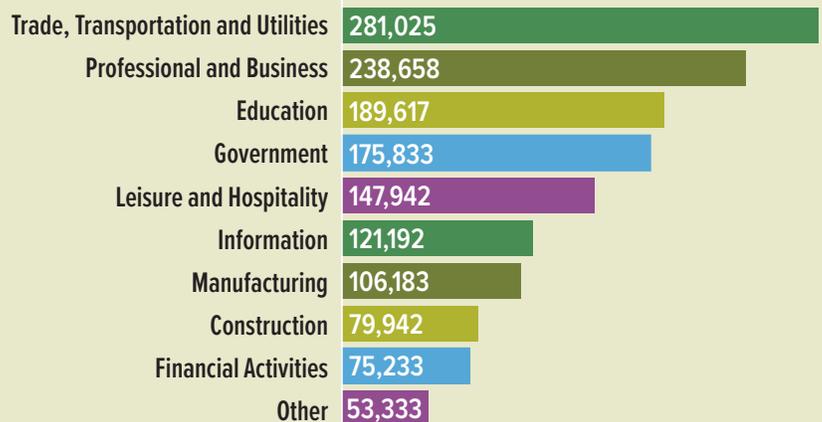
## ABOUT KING COUNTY

Land Area (Square Miles)	2,132
Miles of Paved Roads	1,418
Bridges	182
Building Permits Issued	1,406
Number of Parks	234
Acres of Parks	174,063
Number of Buses	1,527
Annual Bus Trips (in thousands)	128,641
Wastewater Treatment Plants	5

## DEMOGRAPHICS

	2019	2018
Population	2,252,782	2,233,163
- 65 years & over	297,367	290,311
Births	N/A	24,337
Deaths	N/A	13,179
Public School Enrollment	306,397	302,450
Private School Enrollment	NA	61,200
Median Household Income	\$89,418	\$83,571
Unemployment	2.8%	3.5%

## 2019 PRINCIPAL EMPLOYERS BY INDUSTRY Total: 1,468,958 employees



## 2019 FINANCIAL DATA (in millions)

Assessed Valuation	\$606,624
Property Taxes Levied	\$961
General Fund 2019-2020 (Biennial Appropriation)	\$1,963

King County Courthouse Administration Building

