

2009 Comprehensive Annual Financial Report

For the year ended December 31, 2009



Burien Town Square Park Spray Plaza

City of Burien, Washington

400 SW 152nd St., Suite 300

Burien, WA 98166

(206) 241-4647



TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal -----	1-1
Certificate of Achievement for Excellence in Financial Reporting -----	1-8
Principal City Officials -----	1-9
Organizational Chart -----	1-10
FINANCIAL SECTION	
Independent Auditor’s Report -----	2-1
Management’s Discussion and Analysis -----	3-1
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets -----	4-3
Statement of Activities -----	4-4
Fund Financial Statements:	
Balance Sheet – Governmental Funds -----	4-6
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities -----	4-8
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds -----	4-10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities -----	4-12
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual: - General Fund -----	4-13
Statement of Net Assets – Proprietary Fund -----	4-14
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Fund -----	4-15
Statement of Cash Flows – Proprietary Fund -----	4-16
Notes to the Financial Statements -----	4-18
Combining, Individual Fund Statements and Schedule:	
Combining Balance Sheet – Nonmajor Governmental Funds -----	5-2
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds -----	5-4
Schedules of Revenues, Expenditures and Changes in Fund	
Balances – Budget and Actual:	
Street Fund -----	5-6
Public Works Reserve Fund -----	5-7
Equipment Reserve Fund -----	5-8
Schedules of Revenues, Expenditures and Changes in Fund	

Balances – Budget and Actual (continued):

Art in Public Places Fund -----	5-9
Capital Projects Reserve Fund -----	5-10
Debt Service Fund -----	5-11
LID Guaranty Fund -----	5-12

STATISTICAL SECTION

Financial Trend Information

Schedule 1	Net Assets by Component -----	6-2
Schedule 2	Changes in Net Assets -----	6-4
Schedule 3	Fund Balances, Governmental Funds -----	6-6
Schedule 4	Changes in Fund Balances, Governmental Funds -----	6-8
Schedule 5	Tax Revenues by Source, Governmental Funds -----	6-10

Revenue Capacity Information

Schedule 6	Principal Taxpayers - Property Taxes -----	6-11
Schedule 7	Assessed Value by Type -----	6-12
Schedule 8	Direct and Overlapping Property Tax Rates -----	6-13
Schedule 9	Property Tax Levies & Collections -----	6-14
Schedule 10	Sales Tax Collections by Sector -----	6-16

Debt Capacity Information

Schedule 11	Ratios of Outstanding Debt by Type -----	6-18
Schedule 12	Computation of Legal Debt Margin & Ratios -----	6-19
Schedule 13	Ratios of Net General Bonded Debt Outstanding -----	6-20
Schedule 14	Direct and Overlapping Governmental Activities Debt -----	6-21

Demographic and Economic Information

Schedule 15	Demographic and Economic Statistics -----	6-22
Schedule 16	Principal Employers -----	6-23

Operating Information

Schedule 17	Full Time Equivalent Employees by Function -----	6-24
Schedule 18	Operating Indicators by Department -----	6-25
Schedule 19	Capital Indicators by Department -----	6-27





Burien

Washington, USA

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June 21, 2010

**The Honorable Mayor, Members of the City Council,
and the Citizens of the City of Burien**

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Burien, prepared in accordance with generally accepted accounting principles, for the year ended December 31, 2009. The purpose of the report is to provide citizens, investors, grantor agencies and other interested parties with reliable financial information about the City.

I. INTRODUCTION TO THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

The Comprehensive Annual Financial Report includes all City of Burien operations and activities for which the City is financially accountable. Financial accountability is defined as appointment by the City of a voting majority of another organization's governing body and either the ability to impose its will on the other organization, or the potential for the other organization to provide specific financial benefits to or impose financial burdens on the City.

All of the funds in this report pertain to the operations of the City of Burien. There were no other organizations for which the City was financially accountable.

This Comprehensive Annual Financial Report is presented in conformity with Governmental Accounting Standards Board (GASB) Statement 34. The implementation of GASB 34 modified the presentation of financial information for the City of Burien effective with financial statements ending December 31, 2003. The format and purpose of these changes are addressed in greater detail in the Management Discussion and Analysis. The notes to the financial statements are also designed to discuss the changes and explain the effects and results of these changes. Discussions concerning changes in financial condition compare year end 2008 and 2009.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Burien's MD&A can be found immediately following the independent auditor's report.

Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including disclosures, rest with City Management and the City's Finance Department. The City maintains a system of internal accounting controls to provide reasonable assurance that assets are safeguarded against loss or unauthorized use and that financial

records can be relied upon to produce financial statements in accordance with generally accepted accounting principles.

II. THE CITY OF BURIEN AND ITS SERVICES TO THE PUBLIC

The City of Burien was incorporated as a non-charter code city on February 28, 1993, with a Council-Manager form of government. The City is governed by an elected council of seven members, with one of the members elected by the others to serve as Mayor for a two-year term. All seven City Council positions stood for election upon incorporation in 1993 for staggered two- and four-year terms. After 1995 all terms are for a period of four years, allowing for both continuity and staggered elections.

The following City services are provided to the public, either directly or through contracts with other governmental agencies and outside vendors:

Executive Services are provided by the City Manager who is responsible for administering policies and programs established by the City Council, maintaining the official records of the City including meeting minutes, contracts, and other official business, as well as personnel administration, community information, and directing and coordinating departmental operations.

Finance Services are provided by City staff and include budget and financial statement preparation, cash management, contract management, and the management of Burien's information systems.

Legal Services are provided by a staff paralegal who coordinates our legal representation and a contract interim city attorney who serve as legal advisor to the City Council and management, and represents the City in litigation. Public prosecution, public defender and additional litigation assistance is also provided through contracted services.

Municipal Court Services are provided through a contract with King County District Court.

Police Services are provided through a contract with the King County Sheriff's Office.

Jail Services are provided through contracts with the King County Department of Adult Detention, the City of Renton and the Yakima County Department of Corrections.

Public Works are provided by City staff and through contracted services and include engineering, street maintenance, and surface water management.

Planning and Community Development are provided by City staff and include the issuance of planning and building permits and current and long range planning.

Parks, Recreation and Cultural Services are provided by City staff and include recreation, arts programs, senior center operations, and parks maintenance.

Fire Services are provided by King County Fire District No. 2, which contracts with North Highline Fire District for services in the northern section of the City. The City annexed to the Fire District in 1997.

Library Services are provided by the King County Library District.

Water and Sewer Services are provided by various special purpose districts within the City.

The following schedule includes the major contracts with other governmental agencies and the 2009 expenditures reported in the financial statements relating to those entities:

• King County Sheriff's Office (police services)	\$7,148,821
• King County Public Works Department (street & signal maintenance)	637,058
• King County Public Works Department (overlay and signal controllers)	304,019
• Jail Services with Yakima County, City of Renton and King County Department of Adult Detention	351,905
• King County Surface Water Management Division	<u>450,042</u>
Total 2009 major contracts with other governmental agencies	<u>\$8,891,845</u>

III. ECONOMIC CONDITIONS AND OUTLOOK

Local Economy

The City of Burien, located in southwest King County, is bordered by Puget Sound on the west, SeaTac on the east, Seattle and unincorporated King County on the north, and Normandy Park on the south. The City is characterized by well-established residential neighborhoods and a central downtown business district.

The predominant character of the City is a residential suburb providing a diverse range of residential opportunities for people who are employed in the regional economy throughout King County. The City is also a significant commercial center, serving both a regional market in some sectors, such as automobile sales, and a subregional commercial center serving adjacent areas of White Center and the cities of SeaTac, Normandy Park, and Des Moines.

While historically the regional economy of Puget Sound has been dominated by the Boeing Company, there has been substantial diversification over the last several years. Computer software and related industries have been leaders in this diversification (led by Microsoft Corporation). This diversification is also related to increased activity in international trade through the Port of Seattle, and the growth of international trade related services.

The business economy of the City itself is also relatively diversified. Economic activity within Burien can best be measured in the form of revenue from taxable retail sales. The largest local economic sectors are automotive dealers and gas stations, which comprised 25% of the total sales tax revenue to the City in 2009. Auto dealers serve a regional market competing with other regional auto centers. The next largest sectors of activity reflect Burien's role as a subregional commercial center serving the residents of Burien and surrounding communities. These sectors include grocery stores, drug stores and related retail merchandise. The City has growing service centers spurred by medical and related services centered around Highline Community Hospital. The City also has significant employment in education, providing sites for the Highline School District administrative offices.

Future Economic Outlook

The economic outlook for Burien's economy, both in its role as part of the regional economy and for its local business sectors is currently continuing to follow the national trend into a recession. At the regional level, Burien is well situated to recover from the this current downturn in the

economy. Much of this economic stimulus will be provided by the growth of both international trade and international services. State Route (SR) 509 provides direct access from Burien to the City of Seattle and the Port of Seattle and its supporting industrial areas in south Seattle. SR 518 provides direct access from Burien to Seattle-Tacoma International Airport and the developing industrial area in the Green River Valley to the east.

The Washington State Department of Transportation has conducted an environmental impact analysis on the possible extension of SR 509 highway (which runs north/south through Burien), west of the airport to connect with Interstate 5 (I-5). Since I-5 is the primary arterial serving the west coast, a connection with SR 509 could substantially improve accessibility between the City and the growing areas to the south. The Washington State Department of Transportation has already improved the First Avenue South Bridge at the north end of SR 509, improving access to the north.

Substantial redevelopment has occurred on key sites within the City. Highline Community Hospital recently completed another expansion project including an emergency services facility, and the Town Square Development Area saw completion of the new Library/City Hall building, a large mixed use retail/condominium building, Town Square Park and a new Transit Park and Ride facility.

Local economists are forecasting a continued decrease in employment in the area in the near term, but this trend should reverse itself in late 2010. In the last 15 to 20 years, significant diversification has occurred in the job market in the region. This diversification has lessened the impact of past job cutbacks by Boeing on the region and should hasten the recovery when it does occur.

IV. MAJOR INITIATIVES

The following are among the City's 2009 achievements:

- After a successful vote approving annexation, started final planning for the annexation in early 2010.
- Moved into the new City Hall facility.
- Completed Town Square Park, and Streets projects.
- Joined the South Correctinal Entity (SCORE) Joint Venture, to provide funding for and operation of, a joint owned jail
- Performed the first mid-biennium budget review.
- Implemented a red-light traffic enforcement program.
- Completed design of 1st Ave South phase II project.
- Began feasibility analysis and planning for the Seahurst Park North Shoreline project.

Initiatives for 2010 include the following:

- Hire staff and obtain equipment to provide street and surface water maintenance capabilities in the newly annexed area of North Burien.
- Implement a new animal control program to city services.
- Begin construction on 1st Avenue South, phase 2.
- Complete the remodel of the former library building as the new Parks, Recreation and Cultural Services Community Center.
- Establish a North Burien satellite city hall office.
- Begin a major street overlay project to be funded with bonds to be sold in 2010.
- Begin a feasibility study and financial analysis of municipalization of police services..

V. FINANCIAL INFORMATION

Accounting System & Policies and Budgetary Controls

Financial Policies: The City's financial policies include requirements that a 6 year financial plan be prepared each year, to estimate the City's ability to meet future responsibilities. The policies also provide that at year end all funds in excess of 10% of ongoing revenues in the General Fund and 5% of ongoing revenues in the Street and Surface Water Management funds fund balances are available for transfer to the capital project funds to help fund existing and future projects. A provision in the financial policies directs that the City will dedicate 1% of General Fund expenditures for human service programs.

The policies also provide that cable franchise fees, Seattle City Light and the garbage utility taxes are to be deposited into the Street Fund to help maintain the City's infrastructure, until such time that these revenues are needed in the general fund. In 2009 with declining tax and other revenues it was determined that the solid waste utility and the cable franchise taxes would be transferred to the general fund to support necessary governmental services.

Accounting System and Policies: The City's financial statements for governmental funds (General, Special Revenue, Debt Service, and Capital Projects) have been prepared using the modified accrual basis of accounting in conformity with generally accepted accounting principles. Revenues are recognized when measurable and available to finance current expenditures. Expenditures are recognized when goods and services are received or the liability is incurred. The City's proprietary fund, the Surface Water Management Fund, is accounted for on an accrual basis. Revenues on the accrual basis are recognized when earned and expenses are recognized when incurred.

Cities in the State of Washington must comply with the Budgeting, Accounting and Reporting System (BARS) prescribed by the Office of the State Auditor as authorized under Chapter 43.09 Revised Code of Washington (RCW). There are additional requirements of timely submission

of annual financial reports to the state for review. The City's accounting system is structured to facilitate the effectiveness of internal accounting controls. The internal accounting controls are designed to provide reasonable assurance regarding the safeguarding of assets and the reliability of financial records.

Budgetary Controls: The City maintains budgetary controls in accordance with RCW Chapter 35A.33. The objectives of these budgetary controls are to ensure compliance with legal provisions of the budget approved by the City Council. Activities in the General Fund, Special Revenue funds, and the Debt Service funds are included in the annual appropriated budget. The level of budgetary control, at which expenditures cannot legally exceed the appropriated amount, is established at the individual fund level. Activity in the Capital Projects funds are budgeted for the length of the projects. All appropriations, except for the project-length Capital Project funds, lapse at year-end.

Long-term Financial Planning: As part of the 6 year financial plan mentioned above, all revenue and expenditures are estimated for the following six years, with excess revenue, being made available to fund future capital projects. During this process grants and other funding sources are identified and additional funding sources such as bonds or other funding options are considered.

Bonded Debt Management

At December 31, 2009, bonds payable total \$14,579,400, of which \$2,325,000 is from a 2002 limited tax general obligation bond issue. The debt service on these bonds will be paid over 20 years, with interest rates on this issue ranging from 2.5% to 4.7%. The second bond issue's remaining balance of bonds payable is \$8,805,000 and are from a 2006 limited tax general obligation bond issue payable over 20 years with interest rates ranging from 3.75% to 5.0%. The final bonds payable amount is a Special Obligation bond issued by the South Correctional Entity PDA to be used to construct a jail facility to be jointly owned by several south Puget Sound cities. The City of Burien's 4% ownership interest in this joint venture results in the city guaranteeing \$3,449,400 of this \$86 million, 30 year bond issue.

The ratio of net direct tax supported bonded debt to assessed valuation and population presents useful indicators of the City's relative debt burden. These ratios for the end of 2009 are as follows:

	<u>Ratio of Debt to Assessed Valuation</u>	<u>Debt Per Capita</u>
Net Direct Tax Supported Debt	0.34%	\$ 457

VI. INDEPENDENT AUDIT

State statute requires that an audit of the City's financial affairs be made at such reasonable periodic intervals as the State Auditor shall determine, but at least once every three years. The State Auditor performs such an audit of the City on an annual basis. The 2009 audit of all City funds has been completed and it was conducted in accordance with generally accepted auditing standards. The City has received an unqualified opinion on its 2009 financial statements.

VII. CERTIFICATE OF ACHIEVEMENT

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 Burien for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2008. This was the fifteenth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

VIII. ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated service of the entire Finance Department. We wish to express our appreciation to all other City personnel for their assistance and cooperation during the year. We also wish to thank the City Council whose interest in, and support of, the financial affairs of the City have significantly contributed to quality financial services. The assistance of the State Auditor's Office is greatly appreciated during the preparation of our Comprehensive Annual Financial Report.

Respectfully submitted,

Gary Coleman,
Interim Finance Director

ELECTED CITY OFFICIALS**2009 City Councilmember**

	<u>Term Ending</u>
Joan McGilton, Mayor	December 2009
Sue Blazak, Deputy Mayor	December 2009
Rose Clark	December 2009
Kathy Keene	December 2011
Lucy Krakowiak	December 2011
Sally Nelson	December 2009
Gordon Shaw	December 2011

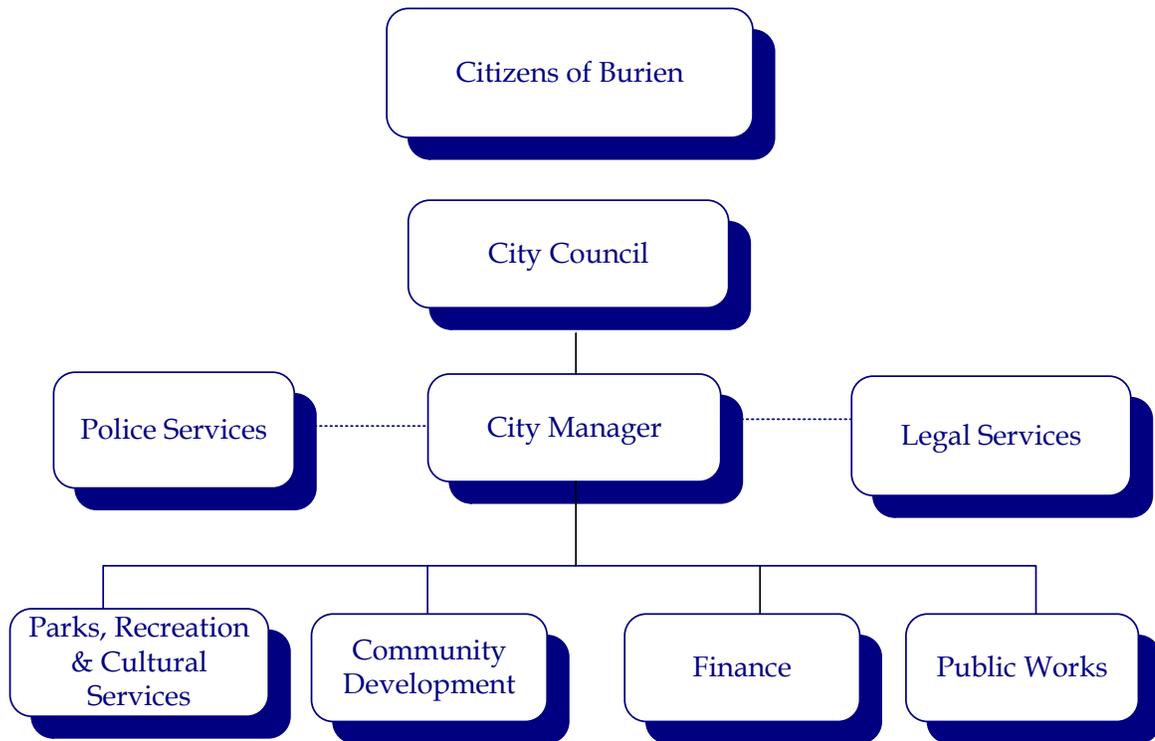
2010 City Councilmembers

	<u>Term Ending</u>
Joan McGilton, Mayor	December 2013
Rose Clark, Deputy Mayor	December 2013
Brian Bennett	December 2013
Jack Block, Jr.	December 2013
Kathy Keene	December 2011
Lucy Krakowiak	December 2011
Gordon Shaw	December 2011

CITY ADMINISTRATION

City Manager	Michael Martin
Interim Finance Director	Gary Coleman
Public Works Director	Larry Blanchard
Community Development Director	Scott Greenberg
Parks, Recreation & Cultural Services Director	Michael Lafreniere
Chief of Police Services	Scott Kimerer
City Attorney	Craig Knutson

City of Burien, Washington Organizational Chart



..... Denotes contracted services



Washington State Auditor
Brian Sonntag

INDEPENDENT AUDITOR'S REPORT

June 17, 2010

Council
City of Burien
Burien, Washington

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Burien, King County, Washington, as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Burien, King County, Washington, as of December 31, 2009, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we will also issue our report dated June 17, 2010, 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. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal



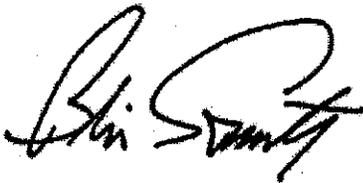
control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages through is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information listed as combining financial statements and supplemental information on pages through is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as the Statistical Section is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Sincerely,



BRIAN SONNTAG, CGFM
STATE AUDITOR

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (MD&A) is intended to be an easily readable analysis of the City of Burien's financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the Transmittal Letter that begins on page 1-1 and with the financial statements and notes to the financial statements that follow this analysis.

FINANCIAL HIGHLIGHTS

In each of the last seven years, since the City began reporting in accordance with the GASB 34 model, total net assets have increased by an average of more than \$6.3 million per year. The assets of the City of Burien exceeded its liabilities at the close of the most recent fiscal year by \$108.3 million. Of this amount, \$99.2 is invested in capital assets net of related long term debt and the remaining \$9.1 million is available for debt service, capital projects and to meet the government's ongoing activities and obligations.

The City of Burien's total net assets increased by \$644 thousand in 2009. Government activities net assets increased by \$446 thousand while Business-type activities increased by \$198 thousand. In this current economy the fact that net assets increased at all is due to a slowing down of capital activity and a late year budget adjustment postponing or eliminating some program expenditures.

As of year end December 31, 2009 the City of Burien's governmental funds reported combining ending fund balance of \$7.4 million, a decrease of \$8.2 million in comparison with the prior year. This decrease is due to the completion of several large capital projects which were funded in part with the proceeds from a 2006 bond issue.

At the end of the current fiscal year, unreserved fund balance for the general fund was \$3.1 million, or 20% of total current year general fund revenues. This is down from the \$3.7 million in unreserved General Fund, fund balance at the end of 2008. This ending fund balance exceeds the financial policy required amount of 10% of ongoing revenues, by approximately \$1.5 million, which is available to fund future capital programs and to ride out the current economic downturn. This relatively small reduction in available fund balance is a result of the transfer of discretionary revenues previously recorded in the Street Fund to the General Fund and a budget amendment reducing expenditures in most departments of the city.

The City of Burien's total long term debt increased \$2.6 million, a net increase in governmental activities of \$2.7 million and a net decrease of \$100 thousand in business-type activities. The governmental activities increase is attributed to the SCORE special obligation debt issued in 2009, net of current year's debt service payments on prior issued debt. See the Notes to the Financial Statements, Note 12, Joint Venture, for a discussion of the SCORE agreement. The decrease in the Business type activities is a result of current year debt service payments.

REPORT LAYOUT

The Government-wide financial statements are designed to provide readers with a broad overview of the City of Burien's finances in a manner similar to a private sector business. Besides the Management's Discussion and Analysis (MD&A), the report consists of

government-wide statements, fund financial statements, notes to the financial statements, combining schedules of non-major funds and supplementary information. The first several statements are highly condensed and present a government-wide view of the City's finances. Within this view, all City operations are categorized and reported as either governmental or business-type activities. Governmental activities include basic services such as public safety, transportation, economic development, culture and recreation, community development and general government administration. Business-type activities consist of a surface water management system. The government-wide statements include the Statement of Net Assets and the Statement of Activities. The report also provides for significant major funds financial statements which provide more detail than the government-wide statements. Where combined information has been presented, later statements will provide combining information. Budgetary information is provided for operating governmental funds. The notes to the financial statements are an integral part of this report. Finally, there is supplemental information provided related to the financial activity of the City.

The City's Comprehensive Annual Financial Report is prepared in accordance with Governmental Accounting Standards Board (GASB) Statements 34, 36, 37, 38, 40 and 44.

STATEMENT OF NET ASSETS

The focus of the Statement of Net Assets is to present all of the City of Burien's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Burien is improving or deteriorating.

STATEMENT OF ACTIVITIES

The focus of the Statement of Activities is to present the major program costs and match major resources with each. To the extent a program's cost is not recovered by grants and direct charges, it is paid from general taxes and other resources. This Statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and or subsidized by general revenues.

Following the government-wide statements is a section containing fund financial statements. The City's major funds are presented in their own columns and the remaining funds are combined into a column titled "Other Governmental Funds." For each major fund, a Budgetary Comparison Statement is presented. Readers who wish to obtain information on non-major funds can find it in the Combining Schedules of Non-major Funds and or the Supplemental Information-Budgetary Comparison Schedules sections of this report. Finally, completing the document is a series of other financial and statistical schedules, and the reports by the independent auditors, as required by statute. The MD&A is intended to explain the significant changes in financial position and differences in operations between the current and prior year.

CITY AS A WHOLE GOVERNMENT-WIDE FINANCIAL STATEMENTS

An analysis of net assets over time may serve as a useful indicator of a government's financial position. In the case of the City of Burien, assets exceeded liabilities by \$108.3 million at the close of the fiscal year.

During fiscal year 2009 the major changes to the net assets is the increase in capital assets, net of related debt and in a corresponding decrease in capital project funds available fund balance. The Town Square Development projects were completed in 2009, with a transfer of

final expenditures and construction work in progress to various capital asset accounts. A condensed version of the Statement of Net Assets at December 31, 2009 is presented below.

City of Burien's Net Assets at Year-End

	Governmental		Business - Type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 15,561,322	\$ 23,587,165	\$ 319,768	\$ 418,392	\$ 15,881,090	\$ 24,005,557
Capital assets,						
net of accumulated depreciation	108,853,064	101,105,468	7,049,626	6,945,888	115,902,690	108,051,356
Total assets	124,414,386	124,692,633	7,369,394	7,364,280	131,783,780	132,056,913
Long-term liabilities	19,030,339	16,335,095	1,411,524	1,490,005	20,441,863	17,825,100
Other liabilities	2,842,396	6,261,797	155,857	270,700	2,998,253	6,532,497
Total liabilities	\$ 21,872,735	\$ 22,596,892	\$ 1,567,381	\$ 1,760,705	\$ 23,440,116	\$ 24,357,597
Net Assets:						
Invested in capital assets,						
net of related debt	93,522,178	84,983,988	5,638,102	5,455,883	99,160,280	90,439,871
Restricted	5,782,283	13,423,818	-	-	5,782,283	13,423,818
Unrestricted	3,237,190	3,687,935	163,911	147,692	3,401,101	3,835,627
Total Net assets	\$ 102,541,651	\$ 102,095,741	5,802,013	5,603,575	108,343,664	\$ 107,699,316

Governmental Activities

There was no significant change in total net assets in 2009, just a redistribution of assets from cash and restricted net assets to capital assets. This was a result of the completion of the Town Square Development projects, including City Hall, several street projects and Town Square Park.

Business-type Activities

Storm Water Management: During 2009 a large detention facility continued in the construction phase with these assets recorded in the CWIP category. This project should be closed to infrastructure in early 2010.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2009:

The Activities Statement shows a net increase in the City of Burien's net assets of \$644 thousand. A summary version of the Statement of Activities follows.

Summary of Revenues

	Governmental		Business - Type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 2,675,764	\$ 3,599,587	\$ 1,936,479	\$ 1,729,442	\$ 4,612,243	\$ 5,329,029
Operating grants & contributions	4,077,745	4,356,547	-	7,977	4,077,745	4,364,524
Capital grants & contributions	1,427,409	10,186,732	-	95,000	1,427,409	10,281,732
General Revenues:						
Property taxes	5,438,426	5,296,290	-	-	5,438,426	5,296,290
Sales Taxes	4,734,585	5,652,874	-	-	4,734,585	5,652,874
Other Taxes	3,877,187	4,336,353	-	-	3,877,187	4,336,353
Investment Interest	65,022	381,608	2,643	31,640	67,665	413,248
Total Revenues	\$ 22,296,138	\$ 33,809,991	\$ 1,939,122	\$ 1,864,059	\$ 24,235,260	\$ 35,674,050

Summary of Expenses

	Governmental		Business - Type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Expenses						
General Government	\$ 3,899,493	\$ 4,537,442	\$ -	\$ -	\$ 3,899,493	\$ 4,537,442
Public Safety	7,376,981	7,457,624	-	-	7,376,981	7,457,624
Physical Environment	644,205	405,561	-	-	644,205	405,561
Transportation	5,336,579	4,670,274	-	-	5,336,579	4,670,274
Economic Environment	1,904,957	1,551,828	-	-	1,904,957	1,551,828
Health and Human Services	8,856	7,274	-	-	8,856	7,274
Culture and Recreation	2,653,889	2,590,110	-	-	2,653,889	2,590,110
Interest on Long-term Obligations	488,960	502,459	6,918	-	495,878	502,459
Storm Drainage	-	-	1,270,074	1,100,780	1,270,074	1,100,780
Total Expenses	\$ 22,313,920	\$ 21,722,572	\$ 1,276,992	\$ 1,100,780	\$ 23,590,912	\$ 22,823,352
Increase in net assets before transfers	(17,782)	12,087,419	662,130	763,279	644,348	12,850,698
Transfers	463,692	1,558,099	(463,692)	(1,558,099)	-	-
Increase in net assets	445,910	13,645,518	198,438	(794,820)	644,348	12,850,698
Net assets - beginning	102,095,741	88,450,223	5,603,575	6,398,395	107,699,316	94,848,618
Net assets - ending	\$ 102,541,651	\$ 102,095,741	\$ 5,802,013	\$ 5,603,575	\$ 108,343,664	\$ 107,699,316

**GOVERNMENTAL AND PROPRIETARY ACTIVITIES
FOR FISCAL YEAR ENDING DECEMBER 31, 2009*****Governmental Activities***

With the exception of property taxes all revenue categories show a decrease from the prior year, the most significant being Capital grants and contributions revenue, which is attributed to a winding down of several large grant funded projects. Expenditures are up slightly for the year, but this was a budgeted increase and a mid-year budget amendment reduced the amount of this increase for the year.

The fund balance of the Town Square Capital Project Fund decreased significantly during the year just ended as a result of the continued construction of all of the projects associated with the town square development, which were funded in part by a 2006 bond issue. In the Parks

and General Government Capital Projects and the Transportation Capital Projects fund the decrease in fund balance is due to several projects continuing or nearing completion of the construction phase of the projects, for which funds had previously been accumulated.

Business-type Activities

Storm Water Fund revenues are increasing slightly in the last few years as a policy was enacted in 2008 to increase surface water management fees by an inflationary factor each year. Operating expenses have remained relatively constant for the last few years.

BUDGETARY HIGHLIGHTS

The City Council approved one amendment to the 2009 adopted budget. This amendment provides for adjusting beginning fund balances to the ending 2008 actual fund balance amounts and provided funding for several projects approved subsequent to the approval of the 2009 budget.

General Fund revenues were $\frac{1}{4}$ of 1% more than the amended budgeted revenue and this was predominantly due to a higher than expected amount of fines and forfeitures revenue. Expenditures were almost 3% less than the amendment budget with most of this savings coming from general governmental and police services.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2009 the City had invested \$108 million in capital assets as reflected in the following table, which represents a net increase (additions, deductions and depreciation) of \$7.8 million. Additional detailed information on Capital Assets is available in the Notes to the Financial Statements (Note 7.)

CAPITAL ASSETS AT YEAR-END (NET OF DEPRECIATION)

	Governmental		Business - Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	2009	2008	2009	2008	2009	2008
Land	\$ 22,771,670	\$ 22,771,670	\$ 1,076,060	\$ 1,076,060	\$ 23,847,730	\$ 23,847,730
Buildings	10,776,936	238,460	-	-	10,776,936	238,460
Improvements other than buildings	6,432,994	1,889,211	-	-	6,432,994	1,889,211
Machinery and equipment	1,124,631	159,490	33,732	7,315	1,158,363	166,805
Infrastructure	35,050,778	29,009,495	2,598,770	2,733,772	37,649,548	31,743,267
Construction work in progress	32,696,055	47,037,142	3,341,064	3,128,741	36,037,119	50,165,883
Total	\$ 108,853,064	\$ 101,105,468	\$ 7,049,626	\$ 6,945,888	\$ 115,902,690	\$ 108,051,356

The following table reconciles the change in capital assets. Included within additions are construction work in progress (CWIP) balances. For governmental activities the CWIP amount is \$32.7 million which is comprised of parks and street improvement, projects still under construction. This large decrease, \$14.3 million in governmental activities CWIP is predominantly due to the completion of the Town Square/City Hall development projects.

For business-type activities the CWIP increase is predominately due to the continuing construction on a large detention facility.

CHANGE IN CAPITAL ASSETS

	Governmental		Business - Type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Changes in Capital Assets						
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	10,538,476	(36,705)	-	-	10,538,476	(36,705)
Improvements other than buildings	4,543,783	(80,311)	-	-	4,543,783	(80,311)
Machinery and equipment	965,141	(129,138)	26,417	1,980	991,558	(127,158)
Infrastructure	6,041,283	(2,428,772)	(135,002)	(102,161)	5,906,281	(2,530,933)
Construction in progress	(14,341,087)	18,936,776	212,323	1,013,732	(14,128,764)	19,950,508
Total	\$ 7,747,596	\$ 16,261,850	\$ 103,738	\$ 913,551	\$ 7,851,334	\$ 17,175,401

OUTSTANDING DEBT

As of year-end 2009 the City had \$20 million in debt outstanding compared to \$17.4 million last year. This \$2.6 million increase is the result of special obligation debt issued by a joint venture the city is involved in (SCORE), less annual debt principal payments made during the year on all outstanding long-term debt.

OUTSTANDING DEBT AT YEAR END

	Governmental		Business - Type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$ 11,130,000	\$ 11,615,000	\$ -	\$ -	\$ 11,130,000	\$ 11,615,000
Special Obligation Bonds - SCORE PDA	3,449,400	-	-	-	3,449,400	-
Special Assessment debt with government commitment (Public Works Trust Fund Loan)	1,588,134	1,697,712	-	-	1,588,134	1,697,712
Public Works Trust Fund Loan	2,452,150	2,638,129	1,411,524	1,490,005	3,863,674	4,128,134
Total	18,619,684	15,950,841	1,411,524	1,490,005	20,031,208	17,440,846

The increase in outstanding debt is the result of a Special Obligation Bond issue for the Score regional jail facility of which the city has a 4% ownership interest, less scheduled redemptions on existing debt during the year. For more detailed information on the City's debt and amortization terms refer to the Notes to the Financial Statements (Note 9.)

ECONOMIC FACTORS

While property taxes are important to the City, they only represent 23.89% of total governmental resources. Sales taxes, and Business and Occupation/utility taxes, comprise approximately 20.8% and 14.17% of these resources respectively and inter-governmental revenues from state shared revenues and grants make up 24.19% of total resources. With the economy's continued negative trend, we are closely monitoring these revenue sources, which appear to be most impacted by recent conditions. The City continues to monitor all of its resources and will determine the need for program adjustment or fee increases as necessary.

NEXT YEAR'S BUDGETS AND RATES

Beginning in 2009 the City has adopted a biennial budget and projected a 0.5% increase in resources for 2009 and a 2% increase in 2010, while expenditures were projected to increase 5% in 2009 and 3% the following year. The single largest increase in revenues is projected to be from utility taxes, which appear to be unaffected by the current economy. Surface water management revenue is also expected to increase each year as a policy was recently adopted providing for an automatic annual adjustment to inflation.

FINANCIAL CONTACT

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the City's Finance Director at 400 SW 152nd St., Suite 300, Burien, Washington 98166.



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BASIC FINANCIAL STATEMENTS





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City of Burien, Washington
Statement of Net Assets
December 31, 2009

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and cash equivalents	\$ 6,537,236	\$ 225,806	\$ 6,763,042
Receivables			
Accounts	934,629	80,734	1,015,363
Taxes	359,081	-	359,081
Taxes delinquent	135,993	-	135,993
Special assessments	1,397,992	-	1,397,992
Due from other governments	2,404,949	13,228	2,418,177
Deferred Charges	114,705	-	114,705
Restricted cash	8,954	-	8,954
Investment in Joint Venture - SCORE	3,667,783	-	3,667,783
Property and equipment, net of depreciation:			
Land	22,771,670	1,076,060	23,847,730
Buildings	10,776,936	-	10,776,936
Machinery and equipment	1,124,631	33,732	1,158,363
Other improvements	6,432,994	-	6,432,994
Infrastructure	35,050,778	2,598,770	37,649,548
Construction work in progress	32,696,055	3,341,064	36,037,119
Total Assets	<u>\$ 124,414,386</u>	<u>\$ 7,369,394</u>	<u>\$ 131,783,780</u>
Liabilities			
Accounts payable	\$ 2,417,207	\$ 155,857	\$ 2,573,064
Employee benefits payable	8,954	-	8,954
Bond interest payable	48,302	-	48,302
Due to other governments	1,270	-	1,270
Unearned revenue	156,606	-	156,606
Deposits payable	210,057	-	210,057
Noncurrent liabilities:			
Due within one year	842,263	83,031	925,294
Due in more than one year	18,188,076	1,328,493	19,516,569
Total Liabilities	<u>\$ 21,872,735</u>	<u>\$ 1,567,381</u>	<u>\$ 23,440,116</u>
Net Assets			
Invested in capital assets, net of related debt	\$ 93,522,178	\$ 5,638,102	\$ 99,160,280
Restricted for:			
Special revenue	1,342,006	-	1,342,006
Debt service	1,585,251	-	1,585,251
Capital projects	2,855,026	-	2,855,026
Unrestricted	3,237,190	163,911	3,401,101
Total Net Assets	<u>\$ 102,541,651</u>	<u>\$ 5,802,013</u>	<u>\$ 108,343,664</u>

See accompanying notes to the financial statements.

City of Burien, Washington
Statement of Activities
For the Year Ended December 31, 2009

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
Judicial	\$ 454,344	\$ 231,341	\$ -
General Government	3,445,149	822,322	258,425
Public Safety	7,376,981	-	597,180
Physical Environment	644,205	536	353,328
Transportation	5,336,579	185,707	2,833,620
Economic Environment	1,904,957	916,319	-
Mental & Physical Health	8,856	-	35,192
Culture and Recreation	2,653,889	519,539	-
Interest on Long-term Debt	488,960	-	-
Total governmental activities	\$ 22,313,920	\$ 2,675,764	\$ 4,077,745
 Business-type activities:			
Storm water	\$ 1,276,992	\$ 1,936,479	\$ -
Total business-type activities	\$ 1,276,992	\$ 1,936,479	\$ -
Total government	\$ 23,590,912	\$ 4,612,243	\$ 4,077,745

General revenues:

Property taxes

Sales Taxes

B & O and Utility Taxes

Other Taxes

Unrestricted investment earnings

Transfers

Total general revenues and transfers

Change in net assets

Net Assets - beginning

Net Assets - ending

See accompanying notes to the financial statements.

Net (Expense) Revenue and Changes in Net Assets			
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ -	\$ (223,003)	\$ -	\$ (223,003)
-	(2,364,402)	-	(2,364,402)
-	(6,779,801)	-	(6,779,801)
-	(290,341)	-	(290,341)
969,339	(1,347,913)	-	(1,347,913)
-	(988,638)	-	(988,638)
-	26,336	-	26,336
458,070	(1,676,280)	-	(1,676,280)
-	(488,960)	-	(488,960)
<u>\$ 1,427,409</u>	<u>\$ (14,133,002)</u>	<u>\$ -</u>	<u>\$ (14,133,002)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 659,487</u>	<u>\$ 659,487</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 659,487</u>	<u>\$ 659,487</u>
<u>\$ 1,427,409</u>	<u>\$ (14,133,002)</u>	<u>\$ 659,487</u>	<u>\$ (13,473,515)</u>
	\$ 5,438,426	\$ -	\$ 5,438,426
	4,734,585	-	4,734,585
	3,224,821	-	3,224,821
	652,366	-	652,366
	65,022	2,643	67,665
	463,692	(463,692)	-
	<u>\$ 14,578,912</u>	<u>\$ (461,049)</u>	<u>\$ 14,117,863</u>
	\$ 445,910	\$ 198,438	\$ 644,348
	<u>\$ 102,095,741</u>	<u>\$ 5,603,575</u>	<u>\$ 107,699,316</u>
	<u>\$ 102,541,651</u>	<u>\$ 5,802,013</u>	<u>\$ 108,343,664</u>

City of Burien, Washington
Governmental Funds
Balance Sheet
December 31, 2009

	General	Debt Service	Town Square Capital Projects	Parks & General Government Capital Projects
Assets				
Cash and cash equivalents	\$ 3,405,312	\$ 59,405	\$ 545,180	\$ 546,828
Accounts receivable	-	8,362	215	-
Taxes receivable:				
Current	359,081	-	-	-
Delinquent	135,993	-	-	-
Special assessments receivable	-	1,397,992	-	-
Due from other governments	874,560	-	-	181,646
Due from other funds	-	-	-	1,225,000
Restricted cash and cash equivalents	8,954	-	-	-
Total Assets	\$ 4,783,900	\$ 1,465,759	\$ 545,395	\$ 1,953,474
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$ 1,236,688	\$ -	\$ 160,314	\$ 470,683
401A Admin Fee Payable	8,954	-	-	-
Due to other funds	-	-	-	-
Due to other governments	1,270	-	-	-
Deposits payable	210,057	-	-	-
Deferred revenue	224,482	1,397,992	-	98,535
Total Liabilities	\$ 1,681,451	\$ 1,397,992	\$ 160,314	\$ 569,218
Fund Balance:				
Unreserved reported in:				
General Fund	\$ 3,102,449	\$ -	\$ -	\$ -
Special Revenue Funds	-	-	-	-
Debt Service Funds	-	67,767	-	-
Capital Projects Funds	-	-	385,081	1,384,256
Total Fund Balances	\$ 3,102,449	\$ 67,767	\$ 385,081	\$ 1,384,256
Total Liabilities and Fund Balance	\$ 4,783,900	\$ 1,465,759	\$ 545,395	\$ 1,953,474

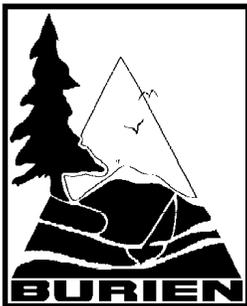
See accompanying notes to the financial statements.

Transportation Capital Projects	Other Governmental	Total
\$ 11,442	\$ 1,969,069	\$ 6,537,236
878,649	44,609	931,835
-	-	359,081
-	-	135,993
-	-	1,397,992
1,314,650	34,093	2,404,949
-	1,000,000	2,225,000
-	-	8,954
<u>\$ 2,204,741</u>	<u>\$ 3,047,771</u>	<u>\$ 14,001,040</u>
\$ 347,900	\$ 201,622	\$ 2,417,207
-	-	8,954
2,225,000	-	2,225,000
-	-	1,270
-	-	210,057
-	-	1,721,009
<u>\$ 2,572,900</u>	<u>\$ 201,622</u>	<u>\$ 6,583,497</u>
\$ -	\$ -	\$ 3,102,449
-	1,342,006	1,342,006
-	165,000	232,767
(368,159)	1,339,143	2,740,321
<u>\$ (368,159)</u>	<u>\$ 2,846,149</u>	<u>\$ 7,417,543</u>
<u>\$ 2,204,741</u>	<u>\$ 3,047,771</u>	<u>\$ 14,001,040</u>

City of Burien, Washington
Reconciliation of Total Governmental Fund Balances
to Net Assets of Governmental Activities
December 31, 2009

Total governmental fund balances		\$ 7,417,543
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		108,853,064
These assets consist of:		
Land	\$ 22,771,670	
Construction in Progress	32,696,055	
Buildings	11,243,206	
Improvements other than buildings	7,322,626	
Machinery and equipment - General Government	2,749,831	
Infrastructure	66,645,095	
Less: Accumulated Depreciation	<u>(34,575,419)</u>	
	\$ 108,853,064	
Investment in joint ventures are not a financial resource and, therefore are not reported in the funds.		3,667,783
Long term liabilities, including bonds payable are not due and payable in the current period and, therefore, are not reported in the funds.		(18,963,936)
These long-term liabilities consist of:		
Long term portion of long term debt	\$ 14,363,059	
Due within one year portion of long-term debt	807,226	
Premium on bond issue to be amortized over life of debt	160,602	
Bond Issue costs to be amortized over life of debt	(114,705)	
Long term portion of Special Obligation debt - Joint Venture	3,449,400	
Compensated absences	250,053	
Accrued interest payable on long-term debt	<u>48,301</u>	
	\$ 18,963,936	
Receivables not available to pay current period expenditures and, therefore, are deferred in the funds:		1,564,403
Special Assessments	\$ 1,397,992	
Property Taxes	<u>166,411</u>	
	\$ 1,564,403	
Accrued interest on Special Assessments not available to pay current period expenditures and, therefore, not reported in the funds.		2,794
Net Assets of Governmental Activities		<u><u>\$ 102,541,651</u></u>

See accompanying notes to the financial statements.



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City of Burien, Washington
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2009

	General	Debt Service	Town Square Capital Projects	Parks and General Government Capital Projects
Revenues				
General property taxes	\$ 4,300,969	\$ -	\$ -	\$ 60,064
Sales Tax	4,734,585	-	-	-
Real Estate Excise Tax	-	-	-	-
B & O	481,782	-	-	-
Utility Tax	2,743,039	-	-	-
Gambling taxes	175,911	-	-	-
Intergovernmental revenue	1,244,126	-	1,502,550	458,069
Licenses & permits	871,701	-	-	-
Charges for services	752,434	362,873	-	-
Fines & forfeitures	121,112	-	-	-
Special assessments	-	115,651	-	-
Investment income	40,582	343	6,282	9,819
Miscellaneous	24,915	7,745	3,971	-
Total revenues	<u>15,491,156</u>	<u>486,612</u>	<u>1,512,803</u>	<u>527,952</u>
Expenditures				
Current:				
General government	3,737,788	-	85,931	-
Public safety	7,575,198	-	-	-
Transportation	-	-	-	-
Recreation	2,351,310	-	-	63,809
Physical Environment	627,985	-	-	-
Mental and Physical Health	8,856	-	-	-
Economic development	1,796,853	-	-	-
Debt service				
Principal	-	780,558	-	-
Interest	-	501,065	-	-
Capital outlay	31,330	-	8,365,373	1,676,341
Total expenditures	<u>16,129,320</u>	<u>1,281,623</u>	<u>8,451,304</u>	<u>1,740,150</u>
Excess of revenues over (under) expenditures	<u>(638,164)</u>	<u>(795,011)</u>	<u>(6,938,501)</u>	<u>(1,212,198)</u>
Other Financing				
Sources (Uses)				
Transfers in	147,000	923,862	335,105	-
Transfers (out)	(175,000)	-	(10,000)	-
Total other financing sources and uses	<u>(28,000)</u>	<u>923,862</u>	<u>325,105</u>	<u>-</u>
Net change in fund balances	<u>(666,164)</u>	<u>128,851</u>	<u>(6,613,396)</u>	<u>(1,212,198)</u>
Fund balances - beginning	<u>3,768,613</u>	<u>(61,084)</u>	<u>6,998,477</u>	<u>2,596,454</u>
Fund balances - ending	<u>\$ 3,102,449</u>	<u>\$ 67,767</u>	<u>\$ 385,081</u>	<u>\$ 1,384,256</u>

See accompanying notes to the financial statements

<u>Transportation Capital Projects</u>	<u>Other Governmental</u>	<u>Total</u>
\$ -	\$ 1,043,919	\$ 5,404,952
-	17,398	4,751,983
-	459,056	459,056
-	-	481,782
-	-	2,743,039
-	-	175,911
964,147	1,331,070	5,499,962
-	250,342	1,122,043
105,338	10,382	1,231,027
-	160,474	281,586
-	-	115,651
442	19,981	77,449
-	-	36,631
<u>1,069,927</u>	<u>3,292,622</u>	<u>22,381,072</u>
-	36,000	3,859,719
-	-	7,575,198
101,320	1,752,084	1,853,404
-	-	2,415,119
-	16,220	644,205
-	-	8,856
-	-	1,796,853
-	-	780,558
-	-	501,065
<u>1,518,479</u>	<u>214,779</u>	<u>11,806,302</u>
<u>1,619,799</u>	<u>2,019,083</u>	<u>31,241,279</u>
<u>(549,872)</u>	<u>1,273,539</u>	<u>(8,860,207)</u>
146,000	787,515	2,339,482
-	(1,478,467)	(1,663,467)
<u>146,000</u>	<u>(690,952)</u>	<u>676,015</u>
<u>(403,872)</u>	<u>582,587</u>	<u>(8,184,192)</u>
<u>35,713</u>	<u>2,263,562</u>	<u>15,601,735</u>
<u>\$ (368,159)</u>	<u>\$ 2,846,149</u>	<u>\$ 7,417,543</u>

City of Burien, Washington
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balance of
Governmental Funds to the Statement of Activities
For the fiscal year ended December 31, 2009

Net change in fund balances - total governmental funds		\$ (8,184,192)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful life as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		7,959,920
This is comprised of:		
Capital Outlays	\$ 11,806,302	
Current year depreciation	(3,819,951)	
Loss on disposal of Capital Assets	(26,431)	
	\$ 7,959,920	
Investment in joint ventures are not considered financial resources and are, therefore not reported in the funds.		3,667,783
Capital assets contributed to proprietary fund, not reported in the governmental funds because there has been no flow of current financial resources net of related debt.		(212,323)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the fund financial statements and are added to this reconciliation, and some revenues reported in the fund financial statements are not reported in the government-wide statement of activities.		(84,932)
This is comprised of:		
Property tax revenue	\$ 33,474	
Accrued interest receivable on special assessment	(202)	
Special assessment revenue	(118,204)	
	\$ (84,932)	
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		(2,658,806)
This is comprised of:		
Special Obligation (SCORE Joint Venture Bonds)	(3,449,400)	
Amortization of Bond Premium	10,037	
Principal payments on long-term debt	780,557	
	\$ (2,658,806)	
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.		(41,540)
This is comprised of:		
Accrued interest expense	\$ 2,067	
Amortization of bond issue costs	(7,169)	
Accrued compensated absences expense	(36,438)	
	\$ (41,540)	
Change in Net Assets of Governmental Activities		\$ 445,910

See accompanying notes to the financial statements.

City of Burien, Washington
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances-Budget and Actual
For the Year Ended December 31, 2009

	Budget		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 13,385,000	\$ 12,485,000	\$ 12,436,286	\$ (48,714)
Intergovernmental revenue	1,172,498	1,172,498	1,244,126	71,628
Licenses & permits	758,600	843,600	871,701	28,101
Charges for services	968,000	768,000	752,434	(15,566)
Fines & forfeitures	50,000	50,000	121,112	71,112
Investment income	152,000	132,000	40,582	(91,418)
Miscellaneous	-	-	24,915	24,915
Total revenues	<u>16,486,098</u>	<u>15,451,098</u>	<u>15,491,156</u>	<u>40,058</u>
Expenditures				
Current:				
General government	3,769,187	4,075,480	3,737,788	337,692
Public safety	8,214,948	8,054,248	7,575,198	479,050
Health	7,300	7,300	8,856	(1,556)
Public works	574,468	510,632	627,985	(117,353)
Recreation	2,475,208	2,427,647	2,351,310	76,337
Community development	1,553,601	1,538,464	1,796,853	(258,389)
Capital outlay	-	-	31,330	(31,330)
Total expenditures	<u>16,594,712</u>	<u>16,613,771</u>	<u>16,129,320</u>	<u>484,451</u>
Excess of revenues over (under) expenditures	<u>(108,614)</u>	<u>(1,162,673)</u>	<u>(638,164)</u>	<u>524,509</u>
Other Financing				
Sources (Uses)				
Transfers in	147,000	147,000	147,000	-
Transfers (out)	<u>(175,000)</u>	<u>(175,000)</u>	<u>(175,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(28,000)</u>	<u>(28,000)</u>	<u>(28,000)</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	(136,614)	(1,190,673)	(666,164)	524,509
Fund balances - beginning	<u>3,325,641</u>	<u>3,768,613</u>	<u>3,768,613</u>	<u>-</u>
Fund balances - ending	<u>\$ 3,189,027</u>	<u>\$ 2,577,940</u>	<u>\$ 3,102,449</u>	<u>\$ 524,509</u>

See accompanying notes to the financial statements.

City of Burien, Washington
Proprietary Fund
Statement of Net Assets
December 31, 2009

	Surface Water Management
Assets	
Current assets:	
Cash and cash equivalents	\$ 225,806
Utility receivables, net	80,734
Due from other governments	13,228
Total current assets	319,768
Non-current assets:	
Capital assets, net of depreciation	7,049,626
Total non-current assets	7,049,626
Total Assets	\$ 7,369,394
 Liabilities	
Current liabilities:	
Accounts payable	\$ 155,857
Noncurrent Liabilities:	
Due within one year	83,031
Due in more than one year	1,328,493
Total Liabilities	\$ 1,567,381
 Net Assets	
Invested in capital assets	\$ 5,638,102
Unrestricted	163,911
Total Net Assets	\$ 5,802,013

See accompanying notes to the financial statements.

City of Burien, Washington
Proprietary Fund
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended December 31, 2009

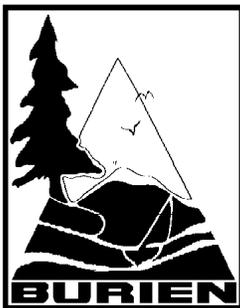
	Surface Water Management
Operating Revenues:	
Charges for services	\$ 1,936,479
Total operating revenues	1,936,479
Operating Expenses:	
Personal services	305,252
Support services	79,534
Repairs & maintenance	748,348
Depreciation	136,940
Total operating expenses	1,270,074
Operating income (loss)	666,405
Non-operating revenues (expenses):	
Investment income	2,643
Interest Expense	(6,918)
Total nonoperating revenues (expenses)	(4,275)
Income before capital contributions and transfers	662,130
Capital Contribution	212,323
Transfers to other funds	(676,015)
	(463,692)
Changes in net assets	198,438
Total net assets - beginning	5,603,575
Total net assets - ending	\$ 5,802,013

See accompanying notes to the financial statements.

City of Burien, Washington
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2009

	Surface Water Management
Cash Flows from Operating Activities	
Receipts from customers	\$ 1,984,538
Payments to suppliers	(936,386)
Payments to employees	(302,336)
Net cash provided (used) by operating activities	745,816
Cash Flows from Non-capital Financing Activities	
Operating subsidies and transfers to other funds	(676,015)
Net cash provided (used) by non-capital financing activities	(676,015)
Cash Flows from Capital and Related Financing Activities	
Purchase and construction of capital assets	(28,355)
Principal payments on Capital Debt	(78,481)
Interest paid on debt service	(6,918)
Net cash provided (used) by capital and related financing activities	(113,754)
Cash Flows from Investing Activities	
Interest received on investments	2,643
Net cash provided by investing activities	2,643
Net increase (decrease) in cash and cash equivalents	(41,310)
Cash and cash equivalents, beginning	267,116
Cash and cash equivalents, ending	\$ 225,806
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ 666,405
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	136,940
Changes in assets and liabilities:	
Accounts receivable	57,314
Accounts payable	(114,843)
Total adjustments	79,411
Net Cash Provided by Operating Activities	\$ 745,816

See accompanying notes to the financial statements.



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NOTES TO FINANCIAL STATEMENTS

TABLE OF CONTENTS

<u>Note</u>	<u>Page</u>
1. Summary of Significant Accounting Policies	4-19
Reporting Entity	4-19
Basic Financial Statements	4-19
Measurement Focus and Basis of Accounting.....	4-20
Financial Statement Presentation	4-20
Assets, Liabilities and Net Assets or Equities.....	4-21
Cash and cash equivalents	4-21
Receivables	4-22
Interfund Transactions.....	4-22
Prepaid	4-22
Restricted assets	4-22
Capital assets	4-22
Compensated absences	4-23
Deferred Revenue	4-23
Long-term Obligations	4-23
Fund Equity	4-23
2. Reconciliation of Government-wide and Fund Financial Statements	4-23
3. Stewardship, Compliance and Accountability	4-24
4. Cash and Investments	4-25
5. Receivables	4-26
6. Interfund Balances and Transfers	4-27
7. Capital Assets	4-28
8. Construction Commitments.....	4-29
9. Long-term Obligations	4-29
10. Pension Plans	4-31
11. Other Post Employment benefits	4-34
12. Joint Venture	4-34
13. Risk Management	4-35
14. Contingencies and Litigation	4-37
15. Subsequent Event	4-37



NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Burien have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Summarized comparative data is shown in the presentation, in accordance with GASB Statement 34, specifically in the Management Discussion and Analysis (MD&A).

The City of Burien was incorporated on February 28, 1993, and operates under the laws of the State of Washington applicable to a non-charter code city with a Council-Manager form of government. Burien is administered by a City Manager and a seven-member City Council policy body, all elected for staggered four-year terms. The Council elects one of its members to serve as mayor.

A. Reporting Entity

The City of Burien is a general-purpose government. The City's Comprehensive Annual Financial Report (CAFR) includes all funds for which the City is financially accountable. Financial accountability is defined as appointment by the City of a voting majority of another organization's governing body and either the ability to impose its will on the other organization, or the potential for the other organization to provide specific financial benefits to or impose financial burdens on the City.

During 2009 there were no other organizations for which the City of Burien was financially accountable.

B. Basic Financial Statements

The government-wide financial statements consist of the statement of net assets and the statement of activities report information on the City as a whole and fund financial statements which provide a more detailed level of financial information. For the most part interfund activity has been removed from the government-wide statements, with the exception of charges for surface water management activities. Elimination of these charges would distort the direct cost and program revenue of this activity. 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

C. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as is the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales, franchise taxes, business and occupation and utility taxes, charges for services, and certain state-shared revenues, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the cash is received by the government.

Proprietary Fund financial statements distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services in connection with the Surface Water Management Fund's ongoing operations. The principal operating revenue of the fund is a fee based on area and percent of impervious service and operating expenses include the cost of administration of the fund, system maintenance charges and depreciation. All other revenue and expenses are reported as non-operating revenue and expense.

D. Financial Statement Presentation

The government reports the following major governmental funds:

The *General Fund* is the general operating fund of the City. It accounts for all financial resources and transactions of the general government, except those required to be accounted for in another fund.

The *Debt Service Fund* accounts for the accumulation of resources and payments made for principal and interest on the long-term general obligation debt of the governmental funds.

Town Square *Capital Projects Fund* accounts for financial resources designated for the acquisition and or construction of streets, open space and a joint city hall/library all within the area called town square.

The *Parks and General Government Capital Projects Fund* accounts for financial resources designated for the acquisition and or construction of park and general government capital projects identified in the long range capital improvement program process.

The *Transportation Capital Projects Fund* accounts for financial resources designated for numerous transportation related capital improvement projects.

The government reports the following proprietary fund:

The *Surface Water Management Fund* accounts for planning, public involvement, education and maintenance activities necessary for environmentally appropriate storm and surface water management programs and facilities.

Additionally, the government reports the following fund type:

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted for expenditures for specified purposes.

For business-type activities the City applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Statements and Interpretations of the Financial Accounting Standards Board (FASB), Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures. The City has elected not to follow subsequent private-sector guidance.

E. Assets, Liabilities, and Net Assets or Equity

1. Cash and Cash Equivalents

It is the City's policy to invest all temporary cash surpluses. These investments are reported on the statement of net assets and the governmental funds balance sheet as cash and cash equivalents. Included in cash and cash equivalents are currency on hand, demand deposits with banks or other financial institutions, and investments with the Local Government Investment Pool. Interest earned on pooled investments is allocated to each of the participating funds.

Washington State law authorizes investments in obligations of the U.S. Treasury: U.S. government agencies and instrumentalities, bankers' acceptances, primary certificates of deposit issued by qualified public depositories, the State Treasurer's Local Government Investment Pool and repurchase agreements collateralized by the previously authorized investments. At December 31, 2009, all investments of the City's funds were obligations of the State Treasurer's Local Government Investment Pool, which is an unrated 2a7-like pool, overseen by the State Treasurer's Office in accordance with state statutes and rules established by the State Finance Committee.

The City reports its deposits and investment risk disclosures in accordance with GASB 40. (see cash and investment note 4)

In accordance with GASB 31, investments in external 2a7-like pools, money market investments, and participating interest-earning investments contracts with remaining maturities of one year or less at the time of purchase are stated at amortized cost. All other investments are stated at fair value.

2. Receivables

The City recognizes receivables in its financial statements based on the accounting requirements for that statement. These receivables are described below:

Property Taxes

Uncollected property taxes levied for the current year are reported as receivable at year end. The City's property tax collections records show that approximately 98% of the property taxes due are collected during the year of levy and delinquent taxes are collected in the next few years. When property taxes become three years delinquent the County is required by State statute to foreclose on the property. Historically, all taxes have been collected, therefore no allowance for uncollectible taxes is recorded.

Sales Taxes

Sales Taxes collected for November and December but not remitted by the state to the City until January and February of the following year are reported as receivables at year end. There is no allowance for uncollectible sales taxes because all sales taxes are required by law to be collected by businesses at the time of sale and remitted to the state.

Special Assessments

Special Assessments are levied against certain property owners and become liens against the property benefited by the improvement. Special assessments receivable in the statement of net assets, include all uncollected assessments regardless of the due date. Special assessments receivable in the governmental fund statements consist of current assessments which are due within 60 days, delinquent assessments remaining unpaid after the due date and deferred, uncollected assessments which have been levied, but are not due within 60 days.

3. Interfund Transactions:

Activity between funds that is representative of lending/borrowing arrangements outstanding at year end are referred to as either due to/due from other funds. In the Entity-wide Statement of Net Assets due to/due from other funds is not reported, but is eliminated in internal balances. At year end there are two interfund balances of \$1.225 and \$1 million due to the Parks and General Government and Surface Water Management Capital Project Funds respectively, from the Transportation Capital Project Fund.

4. Capital Assets

Capital Assets, which includes property, plant, equipment, and infrastructure, including all infrastructure acquired prior to the implementation of GASB 34, are reported in the applicable government or business-type columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated life in excess of three years. Such assets are recorded at estimated historical cost if historical cost data is not available. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure assets acquired prior to the implementation of GASB 34 are recorded at estimated historical cost and all infrastructure assets acquired since implementation of GASB 34 are valued at cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's lives are not capitalized.

Property, plant, equipment, and infrastructure of the City is depreciated using the straight line method over the following useful lives

<u>Type of Asset</u>	<u>Number of Years</u>
Building and Structures	20
Other Improvements	10 - 20
Machinery and equipment	3 - 10
Infrastructure	10 - 30

5. **Compensated Absences**

Compensated absences consist of accrued vacation leave and compensatory time. All vacation is accrued when incurred in the government-wide financial statements. The amount recorded in this account represents accumulated vacation, compensatory time, and related benefits.

Vacation is earned monthly, from 8 hours to 16.7 hours per month, based on number of years of employment. Employees are allowed to carry over a maximum of twice his/her annual accrual. Vacation is payable when taken, or upon resignation, retirement, or death.

6. **Deferred Revenue**

In governmental funds, deferred revenues include amounts collected but not yet earned, and include receivables which have not yet met the revenue recognition criteria.

7. **Short-Term Debt**

Short-term obligations are defined as anticipation notes, use of lines of credit and similar type transactions. The City had no short term loan activity or balances at any time during the year.

8. **Long-term Obligations**

Long-term obligations are recorded in the government-wide statement of net assets. These liabilities include two bond issues, four Public Works Trust Fund Loans and a new special obligation bond issued by a joint venture of several cities, of which Burien has a 4% interest. For more information see the long-term obligation description in Note 9 and the joint venture disclosure in Note 12.

9. **Fund Equity**

Reserves represent portions of fund balance that are legally restricted for a specific future purpose or not available for appropriation, because they do not represent a current expendable resource.

10. **Operating and Non-operating Revenues and Expenses**

Operating revenues and expenses for the proprietary fund are those that result from providing services and producing and delivering goods and or services in connection to the proprietary fund's principle ongoing operation. It includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities. All revenues and expenses not meeting this definition are non-operating revenues and expenses.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

The governmental funds' balance sheet includes a reconciliation between total fund balance and total net assets as reported in the government-wide statement of net assets. (page 4-8)

2. **Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities reported in the government-wide statement of activities. (page 4-13)

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

There have been no material violations of finance-related legal or contractual provisions and there have been no expenditures exceeding legal appropriations in any fund of the City. Fund balance is included in authorized expenditure appropriations, but not necessarily appropriated at the program level and identifiable in the Statements of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual.

Budgetary Data

1. **Scope of Budget**

In accordance with Chapter 35A.33 of the Revised Code of Washington (RCW), the City budgets for all funds.

The budget includes annually budgeted funds (the General Fund, most Special Revenue funds; the Street, Public Works Reserve, Equipment Reserve, Art in Public Places, and Capital Projects Reserve funds and Debt Service funds; the Debt Service and the LID Guaranty funds); unexpended appropriated balances for these funds lapse at year-end. The “Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual” in the Basic Financial Statements section of this report and the “Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual” in the Fund Financial Statements and Schedules section are provided in this document to demonstrate legal budgetary compliance for those funds.

The budget also includes appropriations for funds that are adopted on a “project-length” basis, such as the Capital Projects funds. Appropriations are adopted at the beginning of the projects, and are carried forward from year to year without re-appropriation until authorized amounts are fully expended or the designated purpose of the fund has been accomplished. Since these funds are not budgeted on an annual basis, a budgetary comparison is not made in the financial statements.

The City adopts the budget for governmental funds on the modified accrual basis and all appropriations other than for project-length funds, described above, lapse at year-end.

Legal budgetary control is established at the fund level, i.e., expenditures for a fund may not exceed the total appropriated amount. Total fund appropriation includes expenditures, other financing uses and estimated ending fund balance.

2. **Procedures for Adopting the Original Budget**

The City's budget procedures are mandated by Chapter 35A.33 RCW. The City adopted its first biennial budget for the 2009 -2010 fiscal years. The steps in the budget process are as follows:

- a. Prior to the first Monday in October, the City Manager submits a proposed budget to the City Council. This budget is based on priorities established by the Council. Estimates of the cost of these priorities together with estimated basic government operating costs are presented to the Council in the preliminary budget document, with revenue estimates.
 - b. The City Council conducts at least three public hearings on the proposed budget prior to budget adoption.
 - c. The Council reviews the preliminary budget document and, if necessary, makes its adjustments to the proposed budget. The Council adopts, by ordinance, the final budget for the ensuing two fiscal years no later than December 31. The final budget document is published and distributed early the following year. Copies of the adopted budget are made available to the public.
3. **Amending the Budget**
The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of a fund or that affect the number of authorized employee positions, the pay classification system, hours, or other conditions of employment must be approved by the City Council.

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

The budget amounts presented in the financial statements and schedules show the original adopted and final authorized amounts as amended during the year.

4. **Encumbrances**
An encumbrance system is maintained to account for commitments resulting from approved purchase orders. Outstanding encumbrances lapse at year-end and are absorbed within the new year's budget appropriation.

Deficit Fund Balance

The Transportation Capital Projects Fund has a negative fund balance of \$368 thousand at year end. This amount represents revenues expected to be received in early 2010 and from transfers from the Street Fund.

The Authorized Staffing Level Compliance

The 2009 budget authorized 61.425 full-time equivalent staff positions. At December 31, 2009, 3.75 of these positions were unfilled.

NOTE 4. CASH AND INVESTMENTS

A. Cash and Investments

The City's deposits are entirely covered by the Federal Deposit Insurance Commission (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). The FDIC insures the first \$250,000 of the City's deposits. The deposit balances over \$250,000 are insured by the PDPC. State statute permits additional amounts to be assessed on a pro rata basis to members of the PDPC pool in the event the pool's collateral should be insufficient to cover a loss.

As of December 31, 2009 the carrying amount of the City's demand deposits with Key Bank was \$349,901. Petty cash totaled \$1,200 which is allocated to various City departments, and \$ 69,978 is held by King County for property taxes collected at year end with the cash transferring soon after year end.

The Local Government Investment Pool (LGIP) is an unrated 2a7-like pool. The fair value of the City's pool investments is determined by the pool's share price. The City has no regulatory oversight responsibility for the LGIP which is governed by the Washington State Finance Committee and is administered by the State Treasurer. The LGIP is audited annually by the Office of State Auditor, an independently elected public official.

As of December 31, 2009 the City had the following investments and maturity:

	<u>Fair Value</u>	<u>Less than One Year</u>
State Treasurer's Local Government Investment Pool	<u>\$6,386,570</u>	<u>\$6,386,570</u>
Total Investments	<u>\$6,386,570</u>	<u>\$6,386,570</u>

Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Additionally, all investments of the City are in the LGIP, an unrated 2a-7 like pool, which are not subject to interest rate risk, as the weighted average of the portfolio does not exceed 90 days.

Credit Risk

Washington State law limits investments in obligations of the U.S. Treasury, U.S. government agencies and instrumentality's, bankers' acceptances, primary certificates of deposit issued by qualified public depositories, the State Treasurer's Local Government Investment Pool and repurchase agreements collateralized by the previously authorized investments. Additionally investments may be made in commercial paper and bonds of the State of Washington and any local government in the State of Washington which have, at the time of investment, one of the three highest credit ratings of a nationally recognized rating agency.

Concentration of Credit Risk

At December 31, 2009, all investments of the City's funds were obligations of the State Treasurer's Local Government Investment Pool, which in itself is a diversified investment pool and is highly liquid.

NOTE 5. RECEIVABLES

PROPERTY TAXES

Property taxes are levied by the county assessor and collected by the county office of financial management. Assessments are based on 100 percent of actual value. Taxes are levied and become a lien on the first day of the levy year. They may be paid in two equal installments if the total amount exceeds \$50. The first half is due on April 30, or the total amount becomes delinquent May 1. The balance is due October 31, becoming delinquent November 1. Delinquent taxes bear interest at the rate of 1 percent per month until paid and are subject to additional penalties of 3 percent and another 8 percent on the total unpaid delinquent balance on June 1 and December 1, respectively. Foreclosure action is commenced on properties when taxes become three years delinquent.

The City may levy up to \$1.60 per \$1,000 of assessed valuation for general governmental services, subject to two limitations:

- a. Washington State law in Revised Code of Washington (RCW) 84.55.010 limits the growth of regular property taxes to 1 percent per year, after adjustments for new construction. If the assessed valuation increases by more than one percent due to revaluation, the levy rate will be decreased.
- b. The Washington State Constitution limits the total regular property taxes to one percent of assessed valuation or \$10 per \$1,000 of value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the 1 percent limit. Special levies may allow for the total property tax rate to exceed \$10.

The City's regular levy for 2009 was \$1.26467 per \$1,000 of the assessed valuation of \$4,303,311,289 for a total regular levy of \$5,399,571.

NOTE 6. INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances are short term advances from one fund to another. Interfund loans and advances are eliminated in the Statement of Net Assets.

<i>2009 Interfund Receivables and Payables:</i>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Capital Project Funds:		
Parks & General Government	\$ 1,225,000	\$ -
Surface Water Management	1,000,000	
Transportation	-	2,225,000
Total Interfund Receivables and Payables:	<u>\$ 2,225,000</u>	<u>\$ 2,225,000</u>

Transfers are transactions between funds used to support the operations of these other funds, and are classified as "Other Financing Sources and Uses" in the fund statements. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the Government-wide financial statements.

<i>2009 Transfers:</i>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 147,000	\$ 175,000
Street Fund	-	219,500
Public Works Reserve Fund	-	335,105
Equipment Replacement Reserve	175,000	-
Art in Public Places	10,000	-
Senior Center Reserve Fund	-	923,862
Debt Service Fund	923,862	-
Town Square Capital Project Fund	335,105	10,000
Parks and General Government Capital Projects Fund	-	
Transportation Capital Project Fund	146,000	-
Surface Water Management Capital Project Fund	602,515	-
Surface Water Management Fund	-	676,015
	<u>\$ 2,339,482</u>	<u>\$ 2,339,482</u>

NOTE 7. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 is presented on the following page:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated				
Land	\$ 22,771,670	\$ -	\$ -	\$ 22,771,670
Construction in Progress	47,037,142	11,560,193	25,901,280	32,696,055
Total capital assets, not being depreciated	69,808,812	11,560,193	25,901,280	55,467,725
Capital Assets, being depreciated				
Buildings	\$ 734,100	\$ 10,597,206	\$ 88,100	\$ 11,243,206
Improvements other than buildings	2,702,944	4,621,675	1,993	7,322,626
Machinery and equipment	1,590,267	1,195,905	36,341	2,749,831
Infrastructure	57,124,816	9,520,279	-	66,645,095
Total Capital Assets, being depreciated	62,152,127	25,935,065	126,434	87,960,758
Less accumulated depreciation for:				
Buildings	\$ 495,640	\$ 32,300	\$ 61,670	\$ 466,270
Improvements	813,733	77,892	1,993	889,632
Machinery and Equipment	1,430,777	230,763	36,340	1,625,200
Infrastructure	28,115,321	3,478,996	-	31,594,317
Total Accumulated Depreciation	30,855,471	3,819,951	100,003	34,575,419
Total capital assets, being depreciated, net	31,296,656	22,115,114	26,431	53,385,339
Governmental activities capital assets, net	\$ 101,105,468	\$ 33,675,307	\$ 25,927,711	\$ 108,853,064
Business type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated				
Land	\$ 1,076,060	\$ -	\$ -	\$ 1,076,060
Construction in Progress	3,128,741	212,323	-	3,341,064
Total capital assets, not being depreciated	4,204,801	212,323	-	4,417,124
Capital Assets, being depreciated				
Buildings	\$ -	\$ -	\$ -	\$ -
Improvements other than buildings	-	-	-	-
Machinery and equipment	97,049	28,355	-	125,404
Infrastructure	3,845,541	-	-	3,845,541
Total Capital Assets, being depreciated	3,942,590	28,355	-	3,970,945
Less accumulated depreciation for:				
Buildings	\$ -	\$ -	\$ -	\$ -
Improvements	-	-	-	-
Machinery and Equipment	89,734	1,938	-	91,672
Infrastructure	1,111,769	135,002	-	1,246,771
Total Accumulated Depreciation	1,201,503	136,940	-	1,338,443
Total capital assets, being depreciated, net	2,741,087	(108,585)	-	2,632,502
Business-type activities capital assets, net	\$ 6,945,888	\$ 103,738	\$ -	\$ 7,049,626

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

General Government	\$ 84,439
Public Safety	20,166
Transportation, including infrastructure	3,480,863
Culture & Recreation	224,752
Economic Development	<u>9,731</u>
Total Increase in Accumulated Depreciation Governmental Activities	<u>\$3,819,951</u>

Business- type Activities:

Surface Water Management	<u>\$ 136,940</u>
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NOTE 8. CONSTRUCTION COMMITMENTS

The City has several small active construction projects as of December 31, 2009. With the completion of the Library/City Hall building, Town Square Park and related street projects the only remaining project of any significance is the parks department's facility remodel of the old Library into a new community center. At year end 2009 the City has spent in excess of \$300,000 on this project and has a remaining commitment of an additional \$1.0 million.

NOTE 9. LONG-TERM OBLIGATIONS

General Obligation Bonds are a direct obligation of the City for which its full faith and credit is pledged. Debt service is paid from the debt service fund.

General Obligation Bonds Outstanding at year end consist of the 2002 and the 2006 Limited Tax General Obligation Bond Issues: The 2002 Bonds were issued in the original amount of \$3.2 million, to provide funds for property acquisition for Town Square and parks, and to provide funds for numerous parks development and renovation projects. The 2006 Limited Tax General Obligation Bonds were issued in the amount of \$9,805,000, to provide funds for a future Senior and Activity Center and funds to continue development of the Town Square Project. In November of 2009, the South Correctional Entity, (SCORE) PDA issued \$86 million of Special Obligation Bonds. The City of Burien's 4% ownership responsibility in this long term liability is \$3,449,400. For more information about this joint venture, see Note 12.

Changes in General Long Term Debt
For the Year Ended December 31, 2009

	Balance <u>1/1/09</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>12/31/09</u>
2002 Limited Tax G.O. 2.5 to 4.70%	\$ 2,460,000	-	\$(135,000)	\$ 2,325,000
2006 Limited Tax G.O. 3.75 to 5.00%	9,155,000	-	(350,000)	8,805,000
2009 Special G.O./SCORE, PDA 2.0% to 5.346 %	-	3,449,400	-	3,449,400
Total General Obligation Bonds	<u>\$ 11,615,000</u>	<u>\$3,449,400</u>	<u>\$(485,000)</u>	<u>\$ 14,579,400</u>

Debt Service Requirement to Maturity

Long Term Debt Summary

December 31, 2009

Year	General Obligation Bonds		General Obligation Bonds
	Principal	Interest	Total Long Term Debt
2010	505,000	586,577	1,091,577
2011	525,000	580,793	1,105,793
2012	540,000	559,793	1,099,793
2013	636,600	537,044	1,173,644
2014	663,000	513,032	1,176,032
2015 - 2019	3,815,000	2,099,251	5,914,251
2020 - 2024	4,176,200	1,243,244	5,419,444
2025 - 2029	1,997,000	510,579	2,507,579
2030 - 2034	770,600	281,196	1,051,796
2035 - 2039	951,000	94,670	1,045,670
	<u>\$14,579,400</u>	<u>\$7,006,181</u>	<u>\$21,585,581</u>

Public Works Trust Fund Loan – State of Washington Public Works Trust Fund Loans are a direct responsibility of the City. The City currently has four such loans. The first loan has an outstanding balance of \$1,550,128 and is being repaid with Real Estate Excise Taxes received in the Public Works Reserve Fund. The second loan is for \$686,111 and is being repaid with revenues from a special assessment (LID #1) against the benefiting property owners on the 152nd Street Enhancement Project, which was completed in 2003. The third loan is associated with the 1st Ave. South capital project, with an outstanding balance of \$1,804,044. The fourth loan is the responsibility of the Surface Water Management Fund for the Ambaum Pond Project associated with the 1st Ave South project. The outstanding balance at year end is \$1,411,524.

Governmental Funds Debt Service:

Year	Public Works Trust Fund Loans	
	Principal	Interest
2010	302,225	19,701
2011	302,225	18,690
2012	302,225	17,179
2013	302,225	15,668
2014	302,225	14,157
2015 - 2019	1,511,123	48,118
2020 - 2024	1,018,036	13,744
2025 - 2026	-	0
	<u>\$ 4,040,283</u>	<u>\$ 147,258</u>

Business Type Activities Debt Service:

Year	Public Works Trust Fund Loans	
	Principal	Interest
2010	83,031	6,671
2011	83,031	6,278
2012	83,031	5,886
2013	83,031	5,494
2014	83,031	5,397
2015 - 2019	415,154	20,758
2020 - 2024	415,154	10,379
2025 - 2026	166,062	1,245
	<u>\$ 1,411,524</u>	<u>\$ 62,108</u>

Special Assessment Debt with Government Commitment

Special Assessment debt are not a direct responsibility of the City, but are funded from the collection of special assessment payments. Debt service principal and interest costs are paid from the Debt Service Fund. At year end delinquent special assessments receivable are \$8,363. The government is obligated for the special assessment debt to the extent that it is required to establish a guaranty fund, for the purpose of guaranteeing the payments of local improvement debt, in the event there are insufficient funds in the

Debt Service Fund from the collection of special assessments. The LID Guaranty Fund was established with a transfer from the Street Fund to maintain an approximate balance of 10% of outstanding debt owed by the special assessment.

Changes in Long-term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable					
General obligation bonds	\$ 11,615,000	\$ -	\$ (485,000)	\$ 11,130,000	\$ 505,000
SCORE PDA, bonds payable	-	3,449,400	-	3,449,400	-
Special assessment debt with government commitment (PWTFL)					
LID No. 1 SW 152nd St.	738,889	-	(52,778)	686,111	52,778
LID No. 2 1st Ave S.	958,824	-	(56,801)	902,023	60,135
Public Works Trust Funds Loans:					
SW 152nd St Project	1,679,305	-	(129,177)	1,550,128	129,177
1st Ave S. Project	958,823	-	(56,801)	902,022	60,135
Plus Deferred amount for issuance premium	170,639	-	(10,037)	160,602	10,038
Bonds and Loans Payable	\$ 16,121,480	\$ 3,449,400	\$ (790,594)	\$ 18,780,286	\$ 817,263
Compensated Absences	213,615	272,312	(235,874)	250,053	25,000
Governmental activity Long-term liabilities	\$ 16,335,095	\$ 3,721,712	\$ (1,026,468)	\$ 19,030,339	\$ 842,263
Business type activities:					
Public Works Trust Funds Loans:					
Ambaum Pond Project	1,490,005	-	(78,481)	1,411,524	83,031
Business Type activity Long-term liabilities	\$ 1,490,005	\$ -	\$ (78,481)	\$ 1,411,524	\$ 83,031
Total Governmental and Business- Type Long-term Liabilities	\$ 17,825,100	\$ 3,721,712	\$ (1,104,949)	\$ 20,441,863	\$ 925,294

Compensated Absences Payable

This amount represents the total unpaid vacation, compensatory time and related benefits liability of the governmental funds. Compensated absences liability at year end is \$250,053, an increase of \$36,438 from the previous year, so governmental expenses for 2009 are increased by this amount. Essentially all of the compensated absences liability has historically been liquidated through charges to the departments in the General Fund.

NOTE 10. PENSION PLANS

A. Washington State Public Employees' Retirement Plan

Substantially all City of Burien full-time and qualifying part-time employees participate in one of the following statewide local government retirement systems administered by the Department of Retirement Systems, under cost-sharing multiple-employer defined benefit public employee retirement systems.

Historical trend and other information regarding each plan is presented in the State Department of Retirement Systems 2008 annual financial report. A copy of this report may be obtained at:

Department of Retirement Systems
PO Box 48380
Olympia, WA 98504-8380

Plan Description: *Public Employees' Retirement System (PERS).* The state legislature established PERS in 1947 under Chapter 41.40 RCW. PERS is a cost-sharing multiple-employer defined benefit system. Membership in the system includes elected officials; state employees; employees of the Supreme, Appeals, and Superior Courts (other than judges); employees of legislative committees; college and university employees not in national higher education retirement programs; judges of district and municipal courts; non-certificated employees of school districts; and employees of local government.

PERS contains three plans. As used in this context, the term *plans* refers to tiers within PERS. The actual plan is PERS. Participants who joined the system by September 30, 1977, are Plan I members. Those who joined on or after October 1, 1977 and by August 31, 2002 for local government employees are Plan II members unless they exercise an option to transfer their membership to Plan III. PERS participants joining the system on or after September 1, 2002 for local government employees have the option of choosing membership in either PERS Plan II or PERS Plan III. The option must be exercised within 90 days of employment. An employee who fails to choose within 90 days defaults to PERS Plan III. Retirement benefits are financed from employee and employer contributions and investment earnings. Retirement benefits in both Plan I and Plan II are vested after completion of 5 years of eligible service. PERS retirement benefit provisions are established in state statutes and may be amended only by the State Legislature.

Plan I members are eligible for retirement after 30 years of service, or at the age of 60 with 5 years of service, or at the age of 55 with 25 years of service. The annual pension is 2 percent of the final average salary per year of service, capped at 60 percent.

Plan II members may retire at the age of 65 with 5 years of service, or at 55 with 20 years of service, with an allowance of 2 percent per year of service of the final average salary. Plan II retirements prior to 65 are actuarially reduced. There is no cap on years of service credit and a cost-of-living allowance is granted, capped at 3 percent annually.

Plan III members become eligible for retirement if they have at least 10 years of service; or 5 years including twelve months that were earned after age 54; or 5 years service credit years earned in PERS Plan II prior to June 1, 2003. Plan III retirements prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. There is no cap on years of service credit. Plan III provides the same cost-of-living allowance as Plan II.

Funding Policy: Each biennium the State Legislature establishes Plan I and Plan III employer contribution rates and Plan II employer and employee contribution rates. Employee contribution rates for Plan I are established by legislative statute and do not vary from year to year. Employer rates for Plan I are not necessarily adequate to fully fund the system. The employer and employee contribution rates for Plan II and the employer contribution rate for Plan III are developed by the Office of State Actuary to fully fund the system. All employers are required to contribute at the level established by the Legislature. The methods used to determine the contribution requirements were established under state statute.

The required contribution rates expressed as a percentage of covered payroll, as of December 31, 2009 were:

	<u>PERS Plan I</u>	<u>PERS Plan II</u>	<u>PERS Plan III</u>
Employer	5.31%	5.31%	5.31%
Employee	6.00%	3.90%	*various 5%-15%

*Employee contribution rates cannot be changed for Plan III participants unless the member changes employers.

Both the City of Burien and the employees made the required contributions. The City's required contributions for the years ended December 31, were:

	<u>PERS Plan I</u>	<u>PERS Plan II</u>	<u>PERS Plan III</u>
2009	\$3,956	\$244,159	\$7,676
2008	8,596	234,027	13,622
2007	6,052	170,017	14,771

B. City of Burien Retirement Plan

Plan Description: The City Council established the City of Burien Retirement Plan, which is a defined contribution pension plan, effective March 1, 1993, in accordance with Internal Revenue Code Section 401(a). The plan was established as an alternative to the Social Security System and is administered by the International City Management Association (ICMA) Retirement Corporation, a private corporation.

Temporary employees are not eligible for participation in this plan and they contribute to the Social Security System.

Funding Policy: All regular employees are required to participate in the plan. Under this program employees contribute 6.2%, the same percentage as they would have paid into Social Security, into a tax-deferred account. The City contributes 5.85% into the employee account. This employer match is slightly less than would have been paid into Social Security. The difference is used to pay long-term disability insurance premiums. The plan document may be periodically amended by a majority vote of the participants and with City Council approval.

The pension benefits a participant will receive depend only on the amount contributed to the participant's account and earnings on investments of these contributions. Employee's self-direct investments among various investment options for both employee and employer contributions. All contributions are invested in instruments arranged through the ICMA Retirement Corporation. The plan assets are not the property of the City and are not subject to the claims of the City's general creditors. The City is not required to report plan assets on the financial statements.

Employee contributions for retirement benefits are always 100% vested. Employer contributions are 23% vested until the completion of the first year of employment. After one year, employer contributions are 100% vested. Upon separation of service prior to retirement, all employee contributions may be withdrawn without regard to age. Employer contributions can be withdrawn according to the vesting schedule. Upon normal retirement age of 60, distribution of benefits can be from several options offered by the ICMA Retirement Corporation.

As of December 31, 2009, there were fifty-nine active members in the City of Burien Retirement Plan. The City's covered payroll for the year ended December 31, 2009, was \$3,558,769 out of total payroll of \$3,777,070. Employee contributions during the year totaled \$221,329. City contributions were \$208,244.

NOTE 11. OTHER POST EMPLOYMENT BENEFITS

Trust Description. The City is a participating employer in the Association of Washington Cities Employee Benefit Trust (Trust), a cost-sharing multiple-employer welfare benefit plan administered by the Association of Washington Cities. The Trust provides medical benefits to certain eligible retired employees of participating employers and their eligible family members. Under Article VII of the Trust document, the trustees have the authority and power to amend the amount and 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 Trust. That report, along with a copy of the Trust document, may be obtained by writing Trust at 1076 Franklin St. SE, Olympia, WA 98501-1346 or by calling 1-800-562-8981.

Funding Policy. The Trust provides that contribution requirements of participating Employers and of participating employees, retirees and other beneficiaries, if any, are established and may be amended by the Board of Trustees of the Trust. Retirees of the City receiving medical benefits from the Trust contribute \$668.43 per month for non-Medicare enrolled retiree-only coverage, \$1,339.17 for non-Medicare enrolled retiree and spouse coverage, \$1,034.56 for Medicare enrolled retiree and non-Medicare enrolled spouse (or non-Medicare enrolled retiree and Medicare-enrolled spouse) and \$731.95 for Medicare-enrolled retiree and spouse coverage.

Participating employers are contractually required to contribute at a rate assessed each year by Trust, currently 14.3% of annual covered payroll. The City's contribution to the Trust for the year ended December 31, 2009, was \$509,022, which equals the required contribution of that year.

NOTE 12. JOINT VENTURE

SOUTH CORRECTIONAL ENTITY (SCORE)

The South Correctional Entity (SCORE) consolidated correctional facility was established February 25, 2009, when an Interlocal Agreement (the "Original Interlocal Agreement") was entered into by seven participating municipal governments, the "Member Cities" of Auburn, Burien, Des Moines, Federal Way, Renton, SeaTac and Tukwila, under the authority of the "Interlocal Cooperation Act" (RCW 39.34). This "Original Interlocal Agreement" was amended and restated October 1, 2009 and named the City of Des Moines as the "Host City" and the remaining Member Cities as "Owner Cities". This interlocal agreement is known as the "Formation Interlocal Agreement". Pursuant to a separate "Host City Agreement" dated October 1, 2009, the Host City will not enjoy the same equity position as the Owner Cities until all debts issued are paid and the Host City fulfills all of its obligations as outlined in the Agreement.

SCORE, a governmental administrative agency pursuant to RCW 39.34.030 (3), has the power to acquire, construct, own, operate, maintain, equip, and improve a correctional facility known as the "SCORE Facility" and to provide correctional services and functions incidental thereto, for the purpose of detaining arrestees and sentenced offenders in the furtherance of public safety and emergencies within the jurisdiction of the Member Cities. The SCORE Facility may serve the Member Cities and Subscribing Agencies which are in need of correctional facilities. Any agreement with a Subscribing Agency shall be in writing and approved by SCORE as provided within the SCORE Formation Interlocal Agreement.

Financing for the acquisition, construction, equipping, and improvement of the SCORE Facility will be provided by bonds issued by the South Correctional Entity Facility Public Development Authority (the "SCORE PDA"), a public development authority chartered by the City of Renton pursuant to RCW 35.21.730 through 35.21.755 and secured by the full faith and credit of the Cities of Auburn, Burien Federal Way, Renton, SeaTac, and Tukwila (the "Owner Cities"). The SCORE PDA issued \$86 million in special obligation bonds in 2009 to carry out the facility development project. The following is a summary of the debt service requirements for the bond issue:

Summary of Debt Service Requirements										
Debt Service Schedule					Debt Service Allocation to Owner Cities					
Year	Principal	Interest	35% BABs		Auburn	Burien	Federal Way	Renton	SeaTac	Tukwila
			Subsidy	Total	31%	4%	18%	36%	3%	8%
2010	\$ -	\$ 3,394,191	\$ (265,223)	\$ 3,128,968	\$ 969,980	\$ 125,159	\$ 563,214	\$ 1,126,428	\$ 93,869	\$ 250,317
2011	-	5,155,732	(1,675,089)	3,480,643	1,078,999	139,226	626,516	1,253,031	104,419	278,451
2012	-	5,155,732	(1,675,089)	3,480,643	1,078,999	139,226	626,516	1,253,031	104,419	278,451
2013	1,915,000	5,126,998	(1,675,089)	5,366,909	1,663,742	214,676	966,044	1,932,087	161,007	429,353
2014	1,950,000	5,066,566	(1,654,975)	5,361,591	1,662,093	214,464	965,086	1,930,173	160,848	428,927
2015-2019	10,750,000	24,045,404	(8,092,315)	26,703,089	8,277,958	1,068,124	4,806,556	9,613,112	801,093	2,136,247
2020-2024	12,905,000	21,102,168	(7,405,227)	26,601,941	8,246,602	1,064,078	4,788,349	9,576,699	798,058	2,128,155
2025-2029	15,675,000	16,833,706	(6,067,796)	26,440,910	8,196,682	1,057,636	4,759,364	9,518,728	793,227	2,115,273
2030-2034	19,265,000	11,158,380	(4,128,483)	26,294,897	8,151,418	1,051,796	4,733,081	9,466,163	788,847	2,103,592
2035-2039	23,775,000	4,064,705	(1,697,914)	26,141,791	8,103,955	1,045,672	4,705,522	9,411,045	784,254	2,091,343
Totals	\$ 86,235,000	\$ 101,103,582	\$ (34,337,200)	\$ 153,001,382	\$ 47,430,428	\$ 6,120,057	\$ 27,540,248	\$ 55,080,497	\$ 4,590,041	\$ 12,240,109

Note: Interest is to be paid from bond proceeds during the construction period (2010 - 2011)

The City of Burien reports its share of equity interest in the Governmental Activities column within the Government-wide financial statements under non-current assets. The following is condensed (unaudited) financial information as of December 31, 2009 related to SCORE:

South Correctional Entity (SCORE) 2009 Owner Cities Equity Allocation				
Member City	Percent of Equity	2008 Equity Balance	2009 Distribution	2009 Equity Balance
Auburn	31.00%	\$ -	\$ 1,692,471	\$ 1,692,471
Burien	4.00%	-	218,383	218,383
Federal Way	18.00%	-	982,725	982,725
Renton	36.00%	-	1,965,450	1,965,450
SeaTac	3.00%	-	163,787	163,787
Tukwila	8.00%	-	436,767	436,767
Grand Totals	100.00%	\$ -	\$ 5,459,583	\$ 5,459,583

Complete financial statements for SCORE and SCORE PDA can be obtained from the SCORE office, City of Renton, 1055 South Grady Way, Renton, WA 98057.

NOTE 13. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City participates and is a member of the Washington Cities Insurance Authority (WCIA), a public entity risk pool.

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 136 members. The City has been a member since its incorporation in 1993.

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, public officials' errors or omissions, stop gap, and employee benefits liability. Limits are \$4 million per occurrence self insured layer, and \$16 million per occurrence in the re-insured excess layer. The excess layer is insured by the purchase of reinsurance and insurance and is subject to aggregate limits. Total limits are \$20 million per occurrence subject to aggregate sub-limits in the excess layers. The Board of Directors determines the limits and terms of coverage annually.

Insurance coverage for property, automobile physical damage, fidelity, inland marine, and boiler and machinery are purchased on a group basis. Various deductibles apply by type of coverage. Property insurance and auto physical damage are self-funded from the members' deductible to \$500,000, for all perils other than flood and earthquake, and insured above that amount by the purchase of reinsurance.

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

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

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines. These revenues directly offset portions of the membership's annual assessment.

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.

In the past three years, there have been no settlements that have exceeded this coverage.

The City's industrial insurance is provided by the State of Washington and is administered by the Department of Labor and Industries. Coverage is purchased by means of standard rates per working hour and is computed by the total number of hours worked by employees multiplied by the basic premium rate assigned to the business risk classification.

The City's unemployment insurance is through Washington State Employment Security Department, which provides some compensation to workers who are temporarily and involuntarily unemployed.

The City provides medical, dental, vision and other health benefits to eligible employees. Premiums for these benefits are purchased through policies administered by the Association of Washington Cities.

NOTE 14. CONTINGENCIES AND LITIGATION

The City participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors and their representatives. The audits of these programs for or including the year ended December 31, 2009, have not yet been conducted. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is the subject of a judgment of the Snohomish Superior Court in an amount in excess of \$12 million, stemming from a dispute regarding an alleged failure of the City to take timely action on a land use decision that resulted in damages to the plaintiff from lost profits and misrepresentations by the City. The City tendered its defense to its insurer, the Washington Cities Insurance Authority, who defended the City at trial. The City currently is in discussion with its insurer regarding coverage, and the insurer is in arbitration with its re-insurers regarding coverage obligations. City management fully expects that a substantial portion of any settlement of any final judgment will be covered by insurance.

The City is also the subject of a lawsuit in King County Superior Court regarding the First Avenue South street project. The underlying claim against the City is approximately \$8 million. The City expects that the case will be resolved for substantially less than the amount claimed.

As of May 15, 2010 the City is a defendant in only one other lawsuit, which is a class action against several cities related to automated red light traffic enforcement. Although the outcome of this lawsuit is not presently determinable, in the opinion of the City Attorney the resolution of this matter will not have a material impact on the financial statements of the City.

NOTE 14. SUBSEQUENT EVENT

On January 11, 2010 the Burien City Council passed Ordinance 527 establishing the effective date of the annexation of the North Highline South Annexation area as April 1, 2010. This annexation will increase the city population by approximately 45% to a combined population in excess of 46,000 residents.



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Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenue that are legally restricted to expenditures for particular purposes

Street Fund - This fund is required by state law to account for dedicated state-shared revenue, which is expended for street engineering, construction, and maintenance. The major revenue source is the motor vehicle fuel tax distributed by the state.

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

Equipment Reserve Fund - This fund establishes a reserve for major equipment replacement.

Art in Public Places Fund - This fund was created to account for the encouragement and promotion of the creation and placement of art in public places.

Capital Projects Reserve Fund - This fund was renamed to include a place to accumulate funds for funding future capital projects.

Debt Service Funds

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

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

Capital Projects Funds

Capital Project Funds account for the acquisition or construction of capital facilities. These funds are financed primarily by general obligation bonds, special assessments, federal and state grants and contributions from other funds.

Surface Water Management Capital Project Fund - This fund was established to construct major surface water management facilities and improvements.

City of Burien, Washington
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2009

	Special Revenue			
	Street	Public Works Reserve	Equipment Replacement Reserve	Art In Public Places
Assets				
Cash and cash equivalents	\$ 233,807	\$ 142,191	\$ 442,192	\$ 47,219
Accounts receivable	-	-	-	-
Due from other governments	34,093	-	-	-
Due from other funds	-	-	-	-
Total Assets	\$ 267,900	\$ 142,191	\$ 442,192	\$ 47,219
 Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$ 170,073	\$ -	\$ 1,153	\$ -
Total Liabilities	\$ 170,073	\$ -	\$ 1,153	\$ -
 Fund Balance:				
Unreserved reported in special revenue funds	\$ 97,827	\$ 142,191	\$ 441,039	\$ 47,219
Unreserved reported in debt service funds	-	-	-	-
Unreserved reported in capital projects funds	-	-	-	-
Total Net Assets	\$ 97,827	\$ 142,191	\$ 441,039	\$ 47,219
 Total Liabilities and Fund Balance	\$ 267,900	\$ 142,191	\$ 442,192	\$ 47,219

Capital Projects Reserve	Debt Service LID Guaranty	Capital Projects Surface Water Management	Total Nonmajor Governmental Funds
\$ 569,121	\$ 165,000	\$ 369,539	\$ 1,969,069
44,609	-	-	44,609
-	-	-	34,093
-	-	1,000,000	1,000,000
\$ 613,730	\$ 165,000	\$ 1,369,539	\$ 3,047,771
\$ -	\$ -	\$ 30,396	\$ 201,622
\$ -	\$ -	\$ 30,396	\$ 201,622
\$ 613,730	\$ -	\$ -	\$ 1,342,006
-	165,000	-	165,000
-	-	1,339,143	1,339,143
\$ 613,730	\$ 165,000	\$ 1,339,143	\$ 2,846,149
\$ 613,730	\$ 165,000	\$ 1,369,539	\$ 3,047,771

City of Burien, Washington
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2009

	Special Revenue			
	Street	Public Works Reserve	Equipment Replacement Reserve	Art In Public Places
Revenues				
Property Tax	\$ -	\$ -	\$ -	\$ -
Parking Tax	17,398	-	-	-
Real Estate Excise Tax	-	459,056	-	-
Intergovernmental	1,331,070	-	-	-
Licenses & permits	250,342	-	-	-
Charges for services	-	10,382	-	-
Fines & forfeitures	160,474	-	-	-
Investment income	3,836	1,434	2,193	246
Total revenues	<u>\$ 1,763,120</u>	<u>\$ 470,872</u>	<u>\$ 2,193</u>	<u>\$ 246</u>
Expenditures				
Current:				
General government	\$ -	\$ -	\$ 36,000	\$ -
Public works	1,752,084	-	-	-
Physical environment	-	-	-	10,000
Capital outlay	-	-	2,456	-
Total expenditures	<u>\$ 1,752,084</u>	<u>\$ -</u>	<u>\$ 38,456</u>	<u>\$ 10,000</u>
Excess of revenues over (under) expenditures	<u>\$ 11,036</u>	<u>\$ 470,872</u>	<u>\$ (36,263)</u>	<u>\$ (9,754)</u>
Other Financing				
Sources (Uses)				
Transfers in	\$ -	\$ -	\$ 175,000	\$ 10,000
Transfers (out)	(219,500)	(335,105)	-	-
Total other financing sources and uses	<u>\$ (219,500)</u>	<u>\$ (335,105)</u>	<u>\$ 175,000</u>	<u>\$ 10,000</u>
Net change in fund balances	<u>\$ (208,464)</u>	<u>\$ 135,767</u>	<u>\$ 138,737</u>	<u>\$ 246</u>
Fund balances - beginning	<u>\$ 306,291</u>	<u>\$ 6,424</u>	<u>\$ 302,302</u>	<u>\$ 46,973</u>
Fund balances - ending	<u>\$ 97,827</u>	<u>\$ 142,191</u>	<u>\$ 441,039</u>	<u>\$ 47,219</u>

See accompanying notes to the financial statements.

Capital Projects Reserve	Debt Service LID Guaranty	Capital Projects Surface Water Management	Total Nonmajor Governmental Funds
\$ 1,043,919	\$ -	\$ -	\$ 1,043,919
	-		17,398
	-	-	459,056
-	-	-	1,331,070
-	-	-	250,342
-	-	-	10,382
	-		160,474
4,261	-	8,011	19,981
\$ 1,048,180	\$ -	\$ 8,011	\$ 3,292,622
\$ -	\$ -	\$ -	\$ 36,000
-	-		1,752,084
-	-	6,220	16,220
-	-	212,323	214,779
\$ -	\$ -	\$ 218,543	\$ 2,019,083
\$ 1,048,180	\$ -	\$ (210,532)	\$ 1,273,539
\$ -	\$ -	\$ 602,515	\$ 787,515
(923,862)	-	-	(1,478,467)
\$ (923,862)	\$ -	\$ 602,515	\$ (690,952)
\$ 124,318	\$ -	\$ 391,983	\$ 582,587
\$ 489,412	\$ 165,000	\$ 947,160	\$ 2,263,562
\$ 613,730	\$ 165,000	\$ 1,339,143	\$ 2,846,149

City of Burien, Washington
Street Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances-Budget and Actual
For the Year Ended December 31, 2009

	<u>Budget</u>		Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Utility taxes	\$ 360,000	\$ -	\$ 17,398	\$ 17,398
Intergovernmental revenue	1,350,000	1,350,000	1,331,070	(18,930)
Licenses & permits	610,000	250,000	250,342	342
Investment income	40,000	40,000	3,836	(36,164)
Miscellaneous	200,000	200,000	160,474	(39,526)
Total revenues	<u>2,560,000</u>	<u>1,840,000</u>	<u>1,763,120</u>	<u>(76,880)</u>
Expenditures				
Current:				
Transportation	1,508,929	1,463,929	1,752,084	(288,155)
Total expenditures	<u>1,508,929</u>	<u>1,463,929</u>	<u>1,752,084</u>	<u>(288,155)</u>
Excess of revenues over (under) expenditures	<u>1,051,071</u>	<u>376,071</u>	<u>11,036</u>	<u>(365,035)</u>
Other Financing				
Sources (Uses)				
Transfers (out)	<u>(1,021,002)</u>	<u>(473,500)</u>	<u>(219,500)</u>	254,000
Total other financing sources (uses)	<u>(1,021,002)</u>	<u>(473,500)</u>	<u>(219,500)</u>	254,000
Excess of revenues and other sources over (under) expenditures and other uses	30,069	(97,429)	(208,464)	(111,035)
Fund balances - beginning	<u>97,931</u>	<u>306,291</u>	<u>306,291</u>	-
Fund balances - ending	<u>\$ 128,000</u>	<u>\$ 208,862</u>	<u>\$ 97,827</u>	<u>\$ (111,035)</u>

City of Burien, Washington
Public Works Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances-Budget and Actual
For the Year Ended December 31, 2009

	<u>Budget</u>		Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Real Estate Excise Tax	\$ 825,000	\$ 350,000	\$ 459,056	\$ 109,056
Charges for services	32,000	32,000	10,382	(21,618)
Investment income	10,000	-	1,434	1,434
Total revenues	<u>867,000</u>	<u>382,000</u>	<u>470,872</u>	<u>88,872</u>
Expenditures				
Current:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>867,000</u>	<u>382,000</u>	<u>470,872</u>	<u>88,872</u>
Other Financing				
Sources (Uses)				
Transfers (out)	<u>(995,000)</u>	<u>(335,105)</u>	<u>(335,105)</u>	<u>-</u>
Total other financing sources (uses)	<u>(995,000)</u>	<u>(335,105)</u>	<u>(335,105)</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(128,000)</u>	<u>46,895</u>	<u>135,767</u>	<u>88,872</u>
Fund balances - beginning	<u>128,664</u>	<u>6,424</u>	<u>6,424</u>	<u>-</u>
Fund balances - ending	<u>\$ 664</u>	<u>\$ 53,319</u>	<u>\$ 142,191</u>	<u>\$ 88,872</u>

City of Burien, Washington
Equipment Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances-Budget and Actual
For the Year Ended December 31, 2009

	<u>Budget</u>		Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ 15,000	\$ 5,000	\$ 2,193	\$ (2,807)
Total revenues	<u>15,000</u>	<u>5,000</u>	<u>2,193</u>	<u>(2,807)</u>
Expenditures				
Current:				
General government	-	-	36,000	(36,000)
Capital outlay	80,000	80,000	2,456	77,544
Total expenditures	<u>80,000</u>	<u>80,000</u>	<u>38,456</u>	<u>41,544</u>
Excess of revenues over (under) expenditures	<u>(65,000)</u>	<u>(75,000)</u>	<u>(36,263)</u>	<u>38,737</u>
Other Financing				
Sources (Uses)				
Transfers in	175,000	175,000	175,000	-
Total other financing sources (uses)	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	110,000	100,000	138,737	38,737
Fund balances - beginning	<u>339,399</u>	<u>302,302</u>	<u>302,302</u>	<u>-</u>
Fund balances - ending	<u>\$ 449,399</u>	<u>\$ 402,302</u>	<u>\$ 441,039</u>	<u>\$ 38,737</u>

City of Burien, Washington
Art in Public Places Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances-Budget and Actual
For the Year Ended December 31, 2009

	<u>Budget</u>		Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ 2,000	\$ 690	\$ 246	\$ (444)
Miscellaneous	-	-	-	
Total revenues	<u>2,000</u>	<u>690</u>	<u>246</u>	<u>(444)</u>
Expenditures				
Current:	10,000	10,000	10,000	
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(8,000)</u>	<u>(9,310)</u>	<u>(9,754)</u>	<u>(444)</u>
Other Financing				
Sources (Uses)				
Transfers in	10,000	10,000	10,000	-
Total other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	2,000	690	246	(444)
Fund balances - beginning	<u>48,027</u>	<u>46,973</u>	<u>46,973</u>	<u>-</u>
Fund balances - ending	<u>\$ 50,027</u>	<u>\$ 47,663</u>	<u>\$ 47,219</u>	<u>\$ (444)</u>

City of Burien, Washington
Capital Projects Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances-Budget and Actual
For the Year Ended December 31, 2009

	<u>Budget</u>		Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Tax revenue	\$ 1,124,000	\$ 1,124,000	\$ 1,043,919	\$ (80,081)
Investment income	38,000	7,000	4,261	(2,739)
Total revenues	<u>1,162,000</u>	<u>1,131,000</u>	<u>1,048,180</u>	<u>(82,820)</u>
Expenditures				
Current:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>1,162,000</u>	<u>1,131,000</u>	<u>1,048,180</u>	<u>(82,820)</u>
Other Financing				
Sources (Uses)				
Transfers Out	<u>(361,812)</u>	<u>(1,216,000)</u>	<u>(923,862)</u>	<u>292,138</u>
Total other financing sources (uses)	<u>(361,812)</u>	<u>(1,216,000)</u>	<u>(923,862)</u>	<u>292,138</u>
Excess of revenues and other sources over (under) expenditures and other uses	800,188	(85,000)	124,318	209,318
Fund balances - beginning	<u>447,729</u>	<u>489,412</u>	<u>489,412</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,247,917</u>	<u>\$ 404,412</u>	<u>\$ 613,730</u>	<u>\$ 209,318</u>

City of Burien, Washington
Debt Service Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances-Budget and Actual
For the Year Ended December 31, 2009

	Budget		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$ -	\$ -	362,873	362,873
Special Assessment	116,000	116,000	123,396	7,396
Investment income	-	-	343	343
Total revenues	116,000	116,000	486,612	370,612
Expenditures				
Public Works Trust Fund Loan principal	283,535	283,535	295,558	12,023
G.O. Bond principal	485,000	485,000	485,000	-
Interest	501,734	501,734	501,065	(669)
Total expenditures	1,270,269	1,270,269	1,281,623	11,354
Excess of revenues over (under) expenditures	(1,154,269)	(1,154,269)	(795,011)	359,258
Other Financing				
Sources (Uses)				
Transfers in	1,021,707	1,216,000	923,862	(292,138)
Total other financing sources (uses)	1,021,707	1,216,000	923,862	(292,138)
Excess of revenues and other sources over (under) expenditures and other uses	(132,562)	61,731	128,851	67,120
Fund balances - beginning	289,732	(61,084)	(61,084)	-
Fund balances - ending	\$ 157,170	\$ 647	\$ 67,767	\$ 67,120

City of Burien, Washington
LID Guaranty Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances-Budget and Actual
For the Year Ended December 31, 2009

	<u>Budget</u>		Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Current:				
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	-	-	-	-
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances - beginning	165,000	165,000	165,000	-
Fund balances - ending	<u>\$ 165,000</u>	<u>\$ 165,000</u>	<u>\$ 165,000</u>	<u>\$ -</u>

**Statistical Section
December 31, 2009**

This part of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City of Burien's overall financial health. The section is divided into five categories based on the following

Financial Trends: These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Schedule 1	Net Assets by Component	6-2
Schedule 2	Changes in Net Assets	6-4
Schedule 3	Fund Balances, Governmental Funds	6-6
Schedule 4	Changes in Fund Balances, Governmental Funds	6-8
Schedule 5	Tax Revenues by Source, Governmental Funds	6-10

Revenue Capacity: These schedules present information to help the reader assess the City's most significant local revenue sources – property taxes and sales taxes.

Schedule 6	Principal Taxpayers - Property Taxes	6-11
Schedule 7	Assessed Value by Type	6-12
Schedule 8	Direct and Overlapping Property Tax Rates	6-13
Schedule 9	Property Tax Levies & Collections	6-14
Schedule 10	Sales Tax Collections by Sector	6-16

Debt Capacity: These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Schedule 11	Ratios of Outstanding Debt by Type	6-18
Schedule 12	Computation of Legal Debt Margin & Ratios	6-19
Schedule 13	Ratios of Net General Bonded Debt Outstanding	6-20
Schedule 14	Direct and Overlapping Governmental Activities Debt	6-21

Demographic and Economic: These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

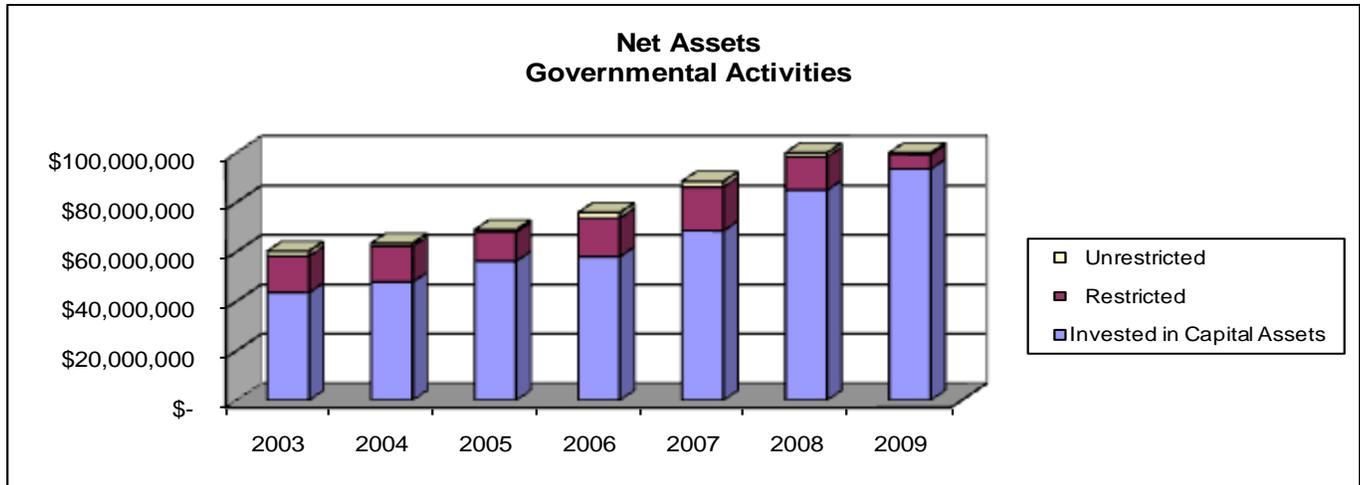
Schedule 15	Demographic and Economic Statistics	6-22
Schedule 16	Principal Employers	6-23

Operating Information: These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

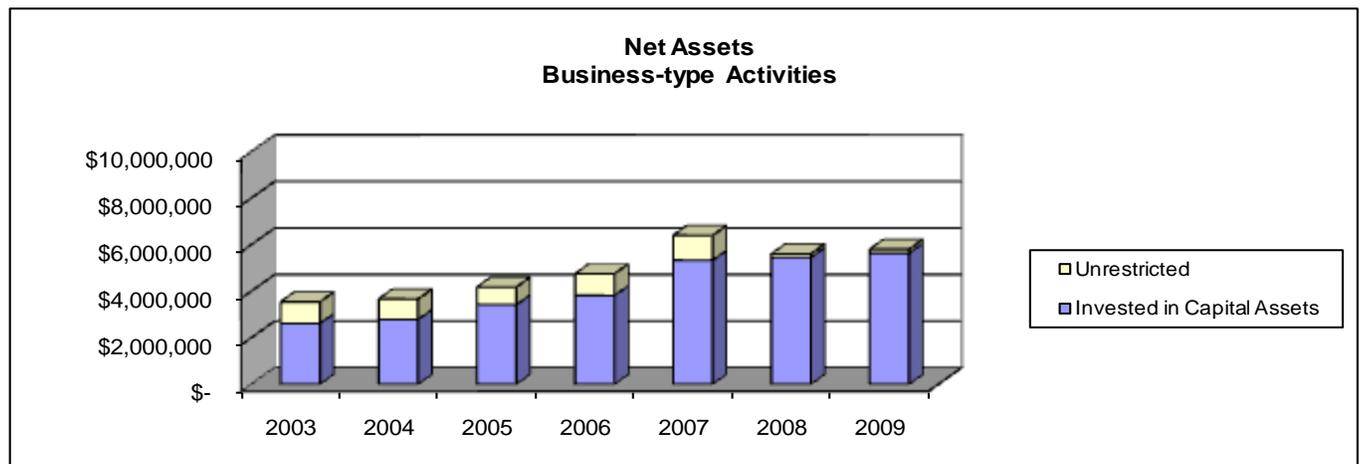
Schedule 17	Full Time Equivalent Employees by Function	6-24
Schedule 18	Operating Indicators by Department	6-25
Schedule 19	Capital Indicators by Department	6-26

**Schedule 1
Net Assets by Component
Last Seven Fiscal Years ¹**

	2003	2004	2005	2006	2007	2008	2009
Governmental activities							
Invested in capital assets, net of related debt	43,546,130	47,794,329	56,250,350	58,093,061	68,572,792	84,983,988	93,522,178
Restricted	14,666,623	14,474,011	11,777,207	15,556,586	17,617,873	13,423,818	5,782,283
Unrestricted	2,041,689	1,160,862	845,605	2,178,828	2,259,558	3,687,935	3,237,190
Total governmental activities net assets	\$ 60,254,442	\$ 63,429,202	\$ 68,873,162	\$ 75,828,475	\$ 88,450,223	\$ 102,095,741	\$ 102,541,651



	2003	2004	2005	2006	2007	2008	2009
Business-type activities							
Invested in capital assets, net of related debt	2,621,101	2,789,960	3,421,756	3,819,583	5,336,187	5,455,883	5,638,102
Restricted	-	-	-	-	-	-	-
Unrestricted	917,860	873,687	753,162	928,910	1,062,208	147,692	163,911
Total business-type activities net assets	\$ 3,538,961	\$ 3,663,647	\$ 4,174,918	\$ 4,748,493	\$ 6,398,395	\$ 5,603,575	\$ 5,802,013

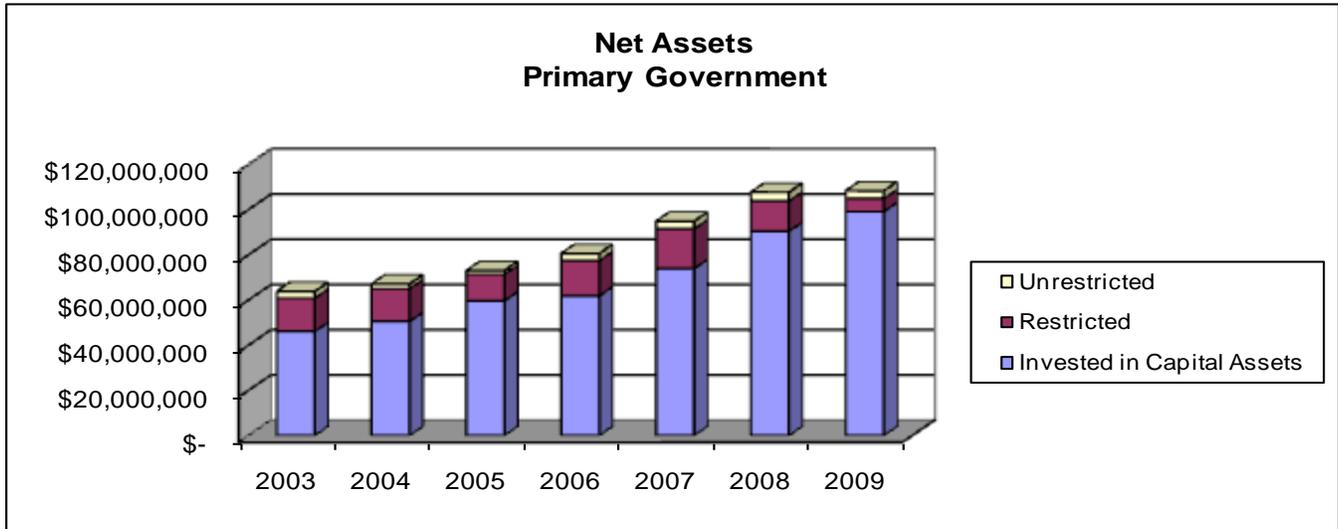


* Amounts presented from year of implementation of GASB 34 (2003) forward.

Source: City of Burien Finance Department

**Schedule 1
Net Assets by Component
Last Six Fiscal Years *
(continued)**

	2003	2004	2005	2006	2007	2008	2009
Primary government							
Invested in capital assets, net of related debt	46,167,231	50,584,289	59,672,106	61,912,644	73,908,979	90,439,871	99,160,280
Restricted	14,666,623	14,474,011	11,777,207	15,556,586	17,617,873	13,423,818	5,782,283
Unrestricted	2,959,549	2,034,549	1,598,767	3,107,738	3,321,766	3,835,627	3,401,101
Total primary government net assets	\$ 63,793,403	\$ 67,092,849	\$ 73,048,080	\$ 80,576,968	\$ 94,848,618	\$ 107,699,316	\$ 108,343,664



* Amounts presented from year of implementation of GASB 34 (2003) forward.

Source: City of Burien Finance Department

Schedule 2
Changes in Net Assets
Last Seven Fiscal Years *

Page 1 of 2

	Fiscal year						
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses							
Governmental activities:							
General government	2,771,760	2,951,940	2,717,477	3,214,768	3,511,643	4,301,319	3,445,149
Judicial	223,500	252,951	243,846	265,336	239,385	236,123	454,344
Security of persons and property	5,822,347	6,414,285	6,732,456	6,973,540	7,278,229	7,457,624	7,376,981
Physical environment	182,332	188,712	169,743	201,119	292,817	405,561	644,205
Transportation	2,907,494	3,671,190	3,496,991	3,817,317	4,384,302	4,670,274	5,336,579
Economic development	1,241,659	1,102,345	1,236,388	1,292,505	1,336,188	1,551,828	1,904,957
Mental and physical health	52,898	55,773	52,995	6,676	7,333	7,274	8,856
Culture and recreation	1,821,347	1,937,012	2,237,990	2,312,841	2,488,481	2,590,110	2,653,889
Interest on long-term debt	168,023	148,232	135,118	162,993	500,609	502,459	488,960
Total governmental activities expenses	<u>\$ 15,191,360</u>	<u>\$ 16,722,440</u>	<u>\$ 17,023,004</u>	<u>\$ 18,247,095</u>	<u>\$ 20,038,987</u>	<u>\$ 21,722,572</u>	<u>\$ 22,313,920</u>
Business-type activities:							
Storm Water	1,017,830	952,761	997,661	968,228	1,048,450	1,100,780	1,276,992
Total business-type activities expenses	<u>\$ 1,017,830</u>	<u>\$ 952,761</u>	<u>\$ 997,661</u>	<u>\$ 968,228</u>	<u>\$ 1,048,450</u>	<u>\$ 1,100,780</u>	<u>\$ 1,276,992</u>
Total primary government expenses	<u>\$ 16,209,190</u>	<u>\$ 17,675,201</u>	<u>\$ 18,020,665</u>	<u>\$ 19,215,323</u>	<u>\$ 21,087,437</u>	<u>\$ 22,823,352</u>	<u>\$ 23,590,912</u>
Program Revenues							
Governmental Activities:							
Charges for Services							
General government	816,684	865,467	822,824	868,005	823,749	727,145	822,322
Judicial	-	54,046	19,566	7,138	4,682	4,703	231,341
Security of persons and property	61,893	55	110	-	2,104	-	-
Physical environment	356	372	3,663	25,767	931	223,089	536
Transportation	105,206	128,167	594,313	231,467	116,789	915,307	185,707
Economic Environment	859,831	513,185	824,601	1,259,430	1,329,150	1,253,287	916,319
Mental and physical health	16,106	15,161	-	-	-	-	-
Culture and recreation	375,274	386,366	400,999	399,039	485,075	476,056	519,539
Operating Grants and Contributions	1,637,106	2,019,889	1,951,238	3,402,495	2,771,773	4,356,547	4,077,745
Capital Grants and Contributions	3,787,176	2,435,313	3,655,869	3,121,363	11,821,699	10,186,732	1,427,409
Total governmental activities program revenues	<u>\$ 7,659,632</u>	<u>\$ 6,418,021</u>	<u>\$ 8,273,183</u>	<u>\$ 9,314,704</u>	<u>\$ 17,355,952</u>	<u>\$ 18,142,866</u>	<u>\$ 8,180,918</u>
Business type activities:							
Charges for services							
Storm water	1,285,884	1,282,132	1,555,745	1,571,544	1,631,203	1,729,442	1,936,479
Operating Grants and Contributions	-	-	-	-	-	7,977	-
Capital Grants and Contributions	-	-	-	-	-	95,000	-
Total business-type activities program revenues	<u>\$ 1,285,884</u>	<u>\$ 1,282,132</u>	<u>\$ 1,555,745</u>	<u>\$ 1,571,544</u>	<u>\$ 1,631,203</u>	<u>\$ 1,832,419</u>	<u>\$ 1,936,479</u>
Total primary government program revenues	<u>\$ 8,945,516</u>	<u>\$ 7,700,153</u>	<u>\$ 9,828,928</u>	<u>\$ 10,886,248</u>	<u>\$ 18,987,155</u>	<u>\$ 19,975,285</u>	<u>\$ 10,117,397</u>
Net (Expense)/Revenue							
Governmental activities	\$ (7,531,728)	\$ (10,304,419)	\$ (8,749,821)	\$ (8,932,391)	\$ (2,683,035)	\$ (3,579,706)	\$ (14,133,002)
Business-type activities	\$ 268,054	\$ 329,371	\$ 558,084	\$ 603,316	\$ 582,753	\$ 731,639	\$ 659,487
Total primary government net expense	<u>\$ (7,263,674)</u>	<u>\$ (9,975,048)</u>	<u>\$ (8,191,737)</u>	<u>\$ (8,329,075)</u>	<u>\$ (2,100,282)</u>	<u>\$ (2,848,067)</u>	<u>\$ (13,473,515)</u>

* Amounts presented from year of implementation of GASB 34 (2003) forward.

Source: City of Burien Finance Department

Schedule 2
Changes in Net Assets
Last Six Fiscal Years *
(continued)

Page 2 of 2

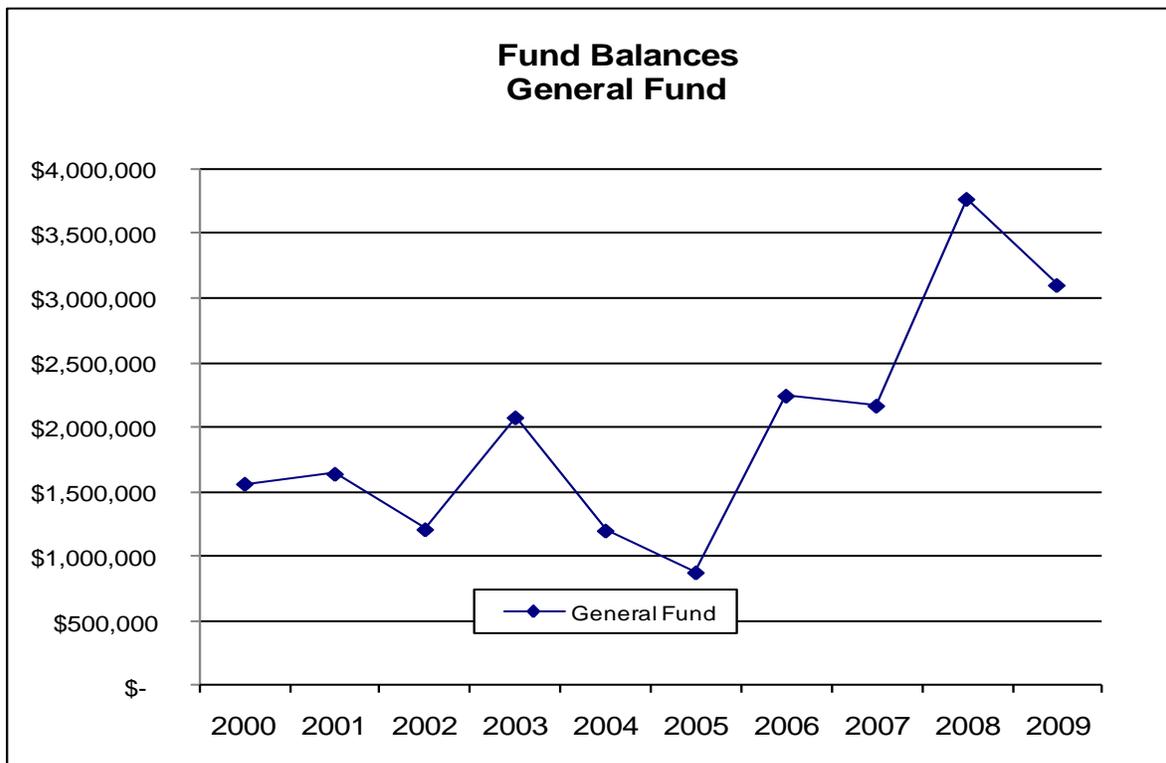
	Fiscal year						
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Revenues and Other Changes in Net Assets							
Governmental Activities:							
Taxes							
Property Taxes	3,837,341	4,051,825	4,256,885	5,030,230	5,127,319	5,296,290	5,438,426
Sales Taxes	4,472,489	4,715,981	4,816,460	5,208,554	5,789,088	5,652,874	4,734,585
B & O and Utility taxes	2,131,978	2,436,905	2,649,508	2,835,828	3,089,486	3,197,015	3,224,821
Other Taxes	1,640,490	1,833,136	1,922,414	2,167,986	1,942,576	1,139,338	652,366
Grants & Contributions not restricted to specific p	200,117	-	-	-	-	-	-
Unrestricted investment Earnings	175,867	218,257	468,386	560,895	862,694	381,608	65,022
Gain/(Loss) on sale of capital assets	-	-	-	-	(439,231)	-	-
Transfers	(76,182)	223,075	80,128	84,211	-	1,558,099	463,692
Total Governmental Activities	\$ 12,382,100	\$ 13,479,179	\$ 14,193,781	\$ 15,887,704	\$ 16,371,932	\$ 17,225,224	\$ 14,578,912
Business type activities:							
Grants & Contributions not restricted to specific	13,798	18,390	33,315	54,470	59,905	31,640	2,643
Gain/(Loss) on sale of capital assets	-	-	-	-	(7,439)	-	-
Transfers	76,182	(223,075)	(80,128)	(84,211)	1,014,683	(1,558,099)	(463,692)
Total business-type activities	\$ 89,980	\$ (204,685)	\$ (46,813)	\$ (29,741)	\$ 1,067,149	\$ (1,526,459)	\$ (461,049)
Total primary government	\$ 12,472,080	\$ 13,274,494	\$ 14,146,968	\$ 15,857,963	\$ 17,439,081	\$ 15,698,765	\$ 14,117,863
Change in Net Assets							
Governmental Activities	\$ 4,850,372	\$ 3,174,760	\$ 5,443,960	\$ 6,955,313	\$ 13,688,897	\$ 13,645,518	\$ 445,910
Business type activities	\$ 358,034	\$ 124,686	\$ 511,271	\$ 573,575	\$ 1,649,902	\$ (794,820)	\$ 198,438
Total primary government	\$ 5,208,406	\$ 3,299,446	\$ 5,955,231	\$ 7,528,888	\$ 15,338,799	\$ 12,850,698	\$ 644,348

* Amounts presented from year of implementation of GASB 34 (2003) forward.

Source: City of Burien Finance Department

**Schedule 3
Fund Balances, Governmental Funds
Last Ten Fiscal Years**

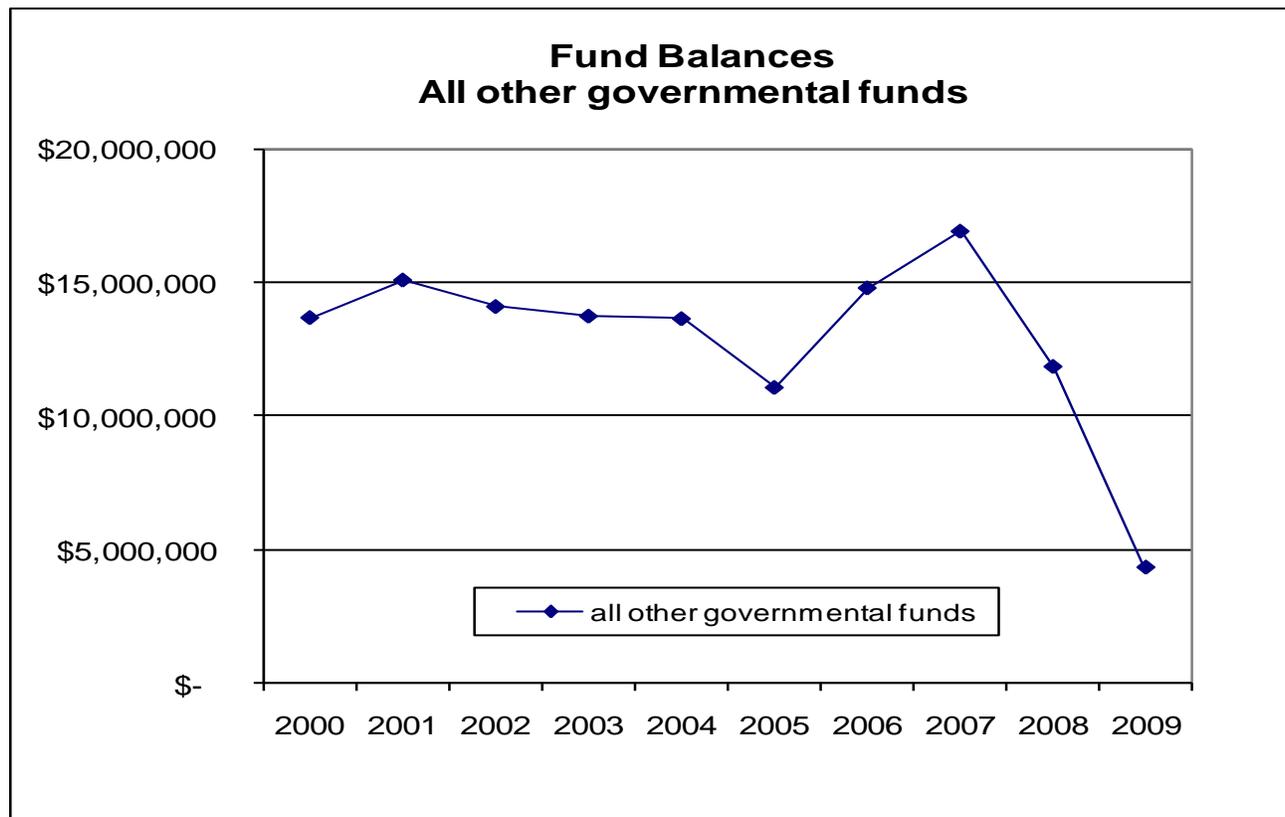
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Fund					
Reserved	-	-	-	16,354	-
Unreserved	1,564,998	1,642,202	1,212,794	2,061,943	1,202,844
Total general fund	\$ 1,564,998	\$ 1,642,202	\$ 1,212,794	\$ 2,078,297	\$ 1,202,844
All other governmental funds					
Reserved	1,062,617	216,942	738,486	-	-
Unreserved, reported in:					
Special revenue funds	5,194,720	5,711,798	6,779,496	3,353,952	4,826,774
Debt service funds	-	-	2,801	147,757	179,983
Capital project funds	7,407,501	9,142,628	6,557,940	10,218,102	8,616,043
Total all other governmental funds	\$ 13,664,838	\$ 15,071,368	\$ 14,078,723	\$ 13,719,811	\$ 13,622,800



Source: City of Burien Finance Department

**Schedule 3
Fund Balances, Governmental Funds
Last Ten Fiscal Years**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund					
Reserved	-	-	-	-	
Unreserved	879,363	2,246,260	2,168,985	3,768,613	3,102,449
Total general fund	\$ 879,363	\$ 2,246,260	\$ 2,168,985	\$ 3,768,613	\$ 3,102,449
All other governmental funds					
Reserved	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	3,431,536	2,714,618	2,737,367	1,151,402	1,342,006
Debt service funds	250,835	262,140	169,874	103,916	232,767
Capital project funds	7,363,931	11,799,595	13,993,444	10,577,804	2,740,321
Total all other governmental funds	\$ 11,046,302	\$ 14,776,353	\$ 16,900,685	\$ 11,833,122	\$ 4,315,094



Source: City of Burien Finance Department

Schedule 4
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

Page 1 of 2

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Revenues					
Taxes	9,278,305	9,305,820	11,342,207	11,956,694	13,049,998
Licenses and permits	619,083	758,049	782,153	1,035,781	1,036,920
Intergovernmental	3,876,621	3,190,142	4,984,591	4,675,593	4,346,065
Charges for services	1,604,185	1,672,090	1,879,513	794,866	632,507
Fines	115,470	81,023	78,444	80,410	81,880
Interfund revenues	-	-	-	-	-
Special Assessments	-	-	-	52,405	80,873
Contributions	-	-	-	21,156	2,000
Interest	1,069,823	743,137	344,874	175,867	218,449
Miscellaneous	107,819	45,656	563,101	363,460	318,650
Total revenues	<u>\$ 16,671,306</u>	<u>\$ 15,795,917</u>	<u>\$ 19,974,883</u>	<u>\$ 19,156,232</u>	<u>\$ 19,767,342</u>
Expenditures					
General government	2,313,891	2,644,371	2,794,564	2,645,265	3,093,365
Security of persons and property	4,877,256	5,360,000	6,054,442	6,021,350	6,401,898
Physical environment	746,562	756,160	808,612	160,590	980,036
Transportation	1,460,989	1,278,575	1,037,937	1,320,292	1,753,530
Economic development	760,864	763,229	966,366	1,152,531	166,551
Mental and physical health	5,397	5,739	5,590	52,898	55,773
Culture and recreation	1,048,060	1,233,912	1,455,771	1,673,811	1,774,666
Capital outlay	5,076,968	2,445,649	11,919,624	7,271,300	6,398,202
Debt service					
Principal	145,000	150,000	160,000	402,001	472,001
Interest	49,250	40,550	30,574	148,516	150,051
Total expenditures	<u>\$ 16,484,237</u>	<u>\$ 14,678,185</u>	<u>\$ 25,233,480</u>	<u>\$ 20,848,554</u>	<u>\$ 21,246,073</u>
Excess of revenues over (under) expenditures	\$ 187,069	\$ 1,117,732	\$ (5,258,597)	\$ (1,692,322)	\$ (1,478,731)
Other financing sources (uses)					
Proceeds from sale of Capital Assets	-	-	-	-	-
Transfers in	12,630,572	2,884,987	5,103,902	8,980,903	5,245,827
Transfers out	(12,630,572)	(2,884,987)	(5,103,902)	(8,562,133)	(4,739,290)
Proceeds of long-term debt	-	366,002	3,836,544	2,440,016	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 366,002</u>	<u>\$ 3,836,544</u>	<u>\$ 2,858,786</u>	<u>\$ 506,537</u>
Net change in fund balances	<u>\$ 187,069</u>	<u>\$ 1,483,734</u>	<u>\$ (1,422,053)</u>	<u>\$ 1,166,464</u>	<u>\$ (972,194)</u>
Debt service as a percentage of noncapital expenditures	1.70%	1.56%	1.43%	4.05%	4.19%

Source: City of Burien Finance Department

Schedule 4
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years - (continued)

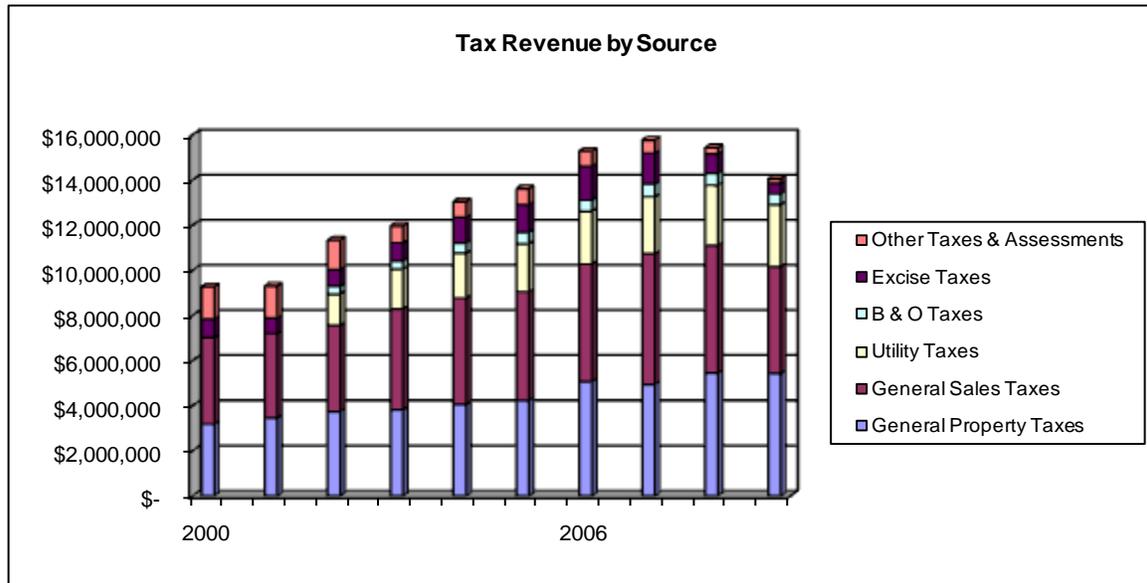
Page 2 of 2

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues					
Taxes	13,628,926	15,285,611	15,775,296	15,446,916	14,016,723
Licenses and permits	1,084,921	1,394,510	1,431,306	1,478,569	1,122,043
Intergovernmental	5,289,263	6,577,103	14,592,405	13,544,957	5,499,962
Charges for services	1,306,884	1,094,863	1,161,931	2,034,042	1,231,027
Fines	78,846	60,900	46,308	50,841	281,586
Interfund revenues	-	-	-	-	-
Special Assessments	120,526	58,501	49,689	115,324	115,651
Contributions	5,355	13,845	-	-	-
Interest	468,694	561,035	802,921	380,207	77,449
Miscellaneous	507,888	170,849	126,610	41,000	36,631
Total revenues	<u>\$ 22,491,303</u>	<u>\$ 25,217,217</u>	<u>\$ 33,986,466</u>	<u>\$ 33,091,856</u>	<u>\$ 22,381,072</u>
Expenditures					
General government	2,800,272	3,349,414	3,633,946	4,454,315	3,859,719
Security of persons and property	6,718,075	6,956,408	7,261,097	7,442,974	7,575,198
Physical environment	169,743	201,119	292,817	405,561	644,205
Transportation	1,523,327	1,530,098	1,676,784	1,579,884	1,853,404
Economic development	1,129,808	1,297,941	1,242,025	1,499,453	1,796,853
Mental and physical health	52,995	6,676	7,333	7,274	8,856
Culture and recreation	2,104,891	2,138,852	2,264,176	2,359,512	2,415,119
Capital outlay	11,003,340	14,790,490	21,864,642	19,720,970	11,806,302
Debt service					
Principal	301,955	306,955	621,955	739,308	780,558
Interest	135,621	132,115	507,199	513,639	501,065
Total expenditures	<u>\$ 25,940,027</u>	<u>\$ 30,710,068</u>	<u>\$ 39,371,974</u>	<u>\$ 38,722,890</u>	<u>\$ 31,241,279</u>
Excess of revenues over (under) expenditures	\$ (3,448,724)	\$ (5,492,851)	\$ (5,385,508)	\$ (5,631,034)	\$ (8,860,207)
Other financing sources (uses)					
Proceeds from sale of Capital Assets	-	-	4,716,552	5,000	-
Transfers in	10,047,015	6,476,451	6,357,420	7,946,811	2,339,482
Transfers out	(9,498,271)	(5,882,367)	(5,737,557)	(6,388,712)	(1,663,467)
Proceeds of long-term debt	-	9,995,715	4,716,552	600,000	-
Total other financing sources (uses)	<u>\$ 548,744</u>	<u>\$ 10,589,799</u>	<u>\$ 10,052,967</u>	<u>\$ 2,163,099</u>	<u>\$ 676,015</u>
Net change in fund balances	<u>\$ (2,899,980)</u>	<u>\$ 5,096,948</u>	<u>\$ 4,667,459</u>	<u>\$ (3,467,935)</u>	<u>\$ (8,184,192)</u>
Debt service as a percentage of noncapital expenditures	2.93%	2.76%	6.45%	6.59%	6.59%

Source: City of Burien Finance Department

**Schedule 5
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years**

Fiscal Year	General Property Taxes	General Sales Taxes ²	Utility Taxes	Business & Occupation Taxes	Excise Taxes	Other Taxes and Assessments ³	Total Taxes
2000	3,194,543	3,832,650	-	-	815,931	1,435,181	9,278,305
2001	3,470,451	3,742,215	-	-	669,009	1,424,145	9,305,820
2002*	3,741,431	3,818,875	1,386,892	355,763	726,223	1,313,023	11,342,207
2003	3,825,625	4,472,489	1,766,603	365,375	797,093	729,509	11,956,694
2004	4,063,976	4,715,981	1,991,748	445,157	1,136,873	696,263	13,049,998
2005	4,240,544	4,816,460	2,122,267	517,392	1,223,157	709,106	13,628,926
2006	5,073,243	5,208,554	2,335,831	499,997	1,489,234	678,752	15,285,611
2007	4,954,146	5,789,088	2,523,736	565,750	1,367,656	574,920	15,775,296
2008	5,457,689	5,652,874	2,670,766	526,249	859,233	280,105	15,446,916
2009	5,438,426	4,734,585	2,743,039	481,782	459,056	193,309	14,050,197
Change 2000-2009	70.2%	23.5%	76.8%	34.5%	-43.7%	-86.5%	51.4%



Note*: 2002 was the first year the City imposed Utility and B & O taxes

Note²: Local criminal justice tax collection is *included* in General Sales Taxes beginning in 2003.

Note³: Local criminal justice tax collection *excluded* from Other Taxes and Assessments beginning in 2003.

**Sources: City of Burien Finance Department
King County Office of Financial Management**

**Schedule 6
Principal Property Tax Payers**

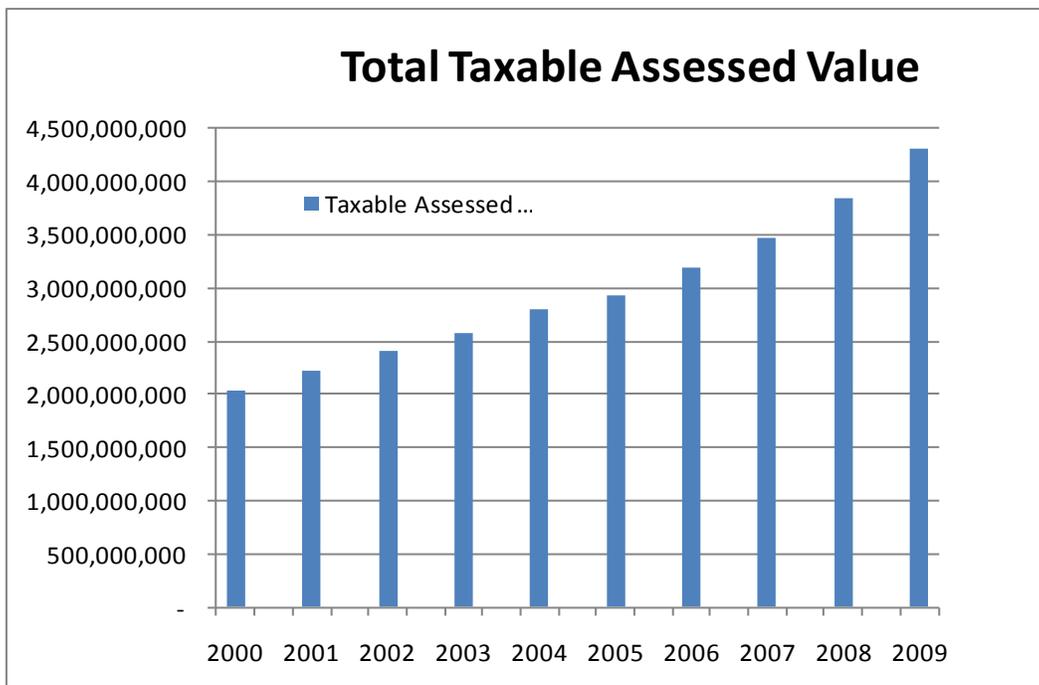
TAXPAYER	2009			2000		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL TAXABLE ASSESSED VALUE
Vintage Park Partners	\$ 28,928,300	1	0.67%	\$ 22,483,000	2	1.30%
Burien Plaza LLC	20,189,700	2	0.47%	18,981,400	4	1.10%
Qwest Corporation	20,057,255	3	0.47%	20,828,118	3	1.20%
Wesbild BP, Inc (Redwood Industrials)	18,571,300	4	0.43%	7,966,900	8	0.46%
Fred Meyer	18,032,417	5	0.42%	14,407,243	4	0.83%
Powell-Five Corners Assoc.	16,430,100	6	0.38%	8,532,500	7	0.49%
MG South Hills Apts.	12,545,000	7	0.29%			0.00%
Red Mortgage Capital	8,924,000	8	0.21%			0.00%
Burien Development Group	6,872,800	9	0.16%	5,064,900	11	0.29%
Burien Toyota	6,356,447	10	0.15%	2,630,043	16	0.15%
HCH Specialty Center ¹	5,346,200	12	0.12%	31,733,662	1	1.83%
Albertsons	4,521,200	14	0.11%	5,165,448	10	0.30%
Corp. Catholic Archbishop	-		-	8,032,900	8	0.46%
All Others	\$ 4,136,536,570		96.12%	\$ 1,585,429,325		91.58%
Total Assessed Valuation	\$ 4,303,311,289		100.00%	\$ 1,731,255,439		100.00%

Note¹: The taxable assessed value for HCH Specialty Center is usually closer to \$16,000,000. They applied for non-profit exemption for two of their parcels. In August 2007, they were granted exemption for the two parcels and therefore do not pay tax.

Source: King County Department of Assessments

**Schedule 7
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years**

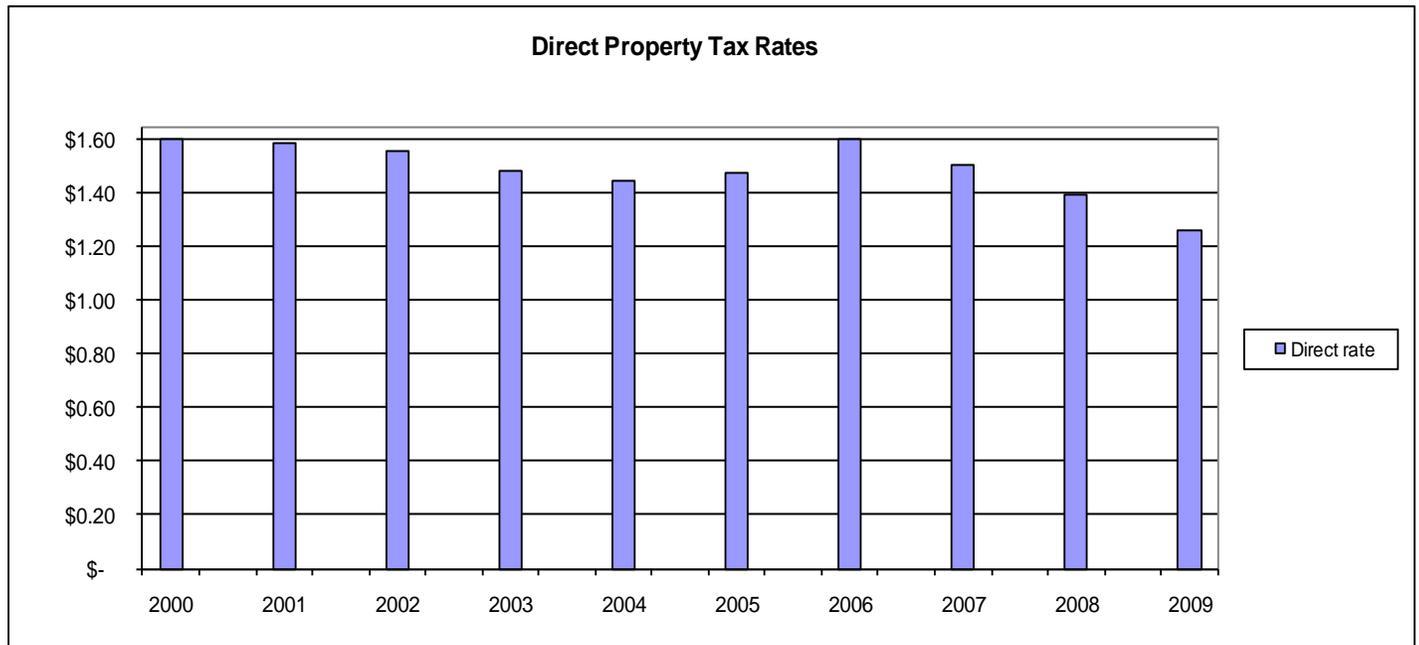
Fiscal Year	Real Property	Personal Property	Public Utilities	Total Assessed Value	Total Direct Tax Rate
2000	1,970,100,124	36,229,604	35,409,018	2,041,738,746	1.60000
2001	2,161,406,644	39,732,076	25,903,979	2,227,042,699	1.58846
2002	2,338,574,360	41,137,246	28,811,859	2,408,523,465	1.55431
2003	2,494,310,245	41,894,501	32,603,228	2,568,807,974	1.48462
2004	2,708,432,153	41,806,088	42,958,973	2,793,197,214	1.44756
2005	2,838,657,786	40,814,631	43,294,795	2,922,767,212	1.47443
2006	3,109,763,255	48,184,807	29,782,487	3,187,730,549	1.60056
2007	3,377,993,328	56,744,617	35,713,227	3,470,451,166	1.50806
2008	3,754,785,884	53,833,456	36,525,259	3,845,144,599	1.39132
2009	4,212,964,074	55,290,643	35,056,572	4,303,311,289	1.26467



Source: King County Department of Assessments

**Schedule 8
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

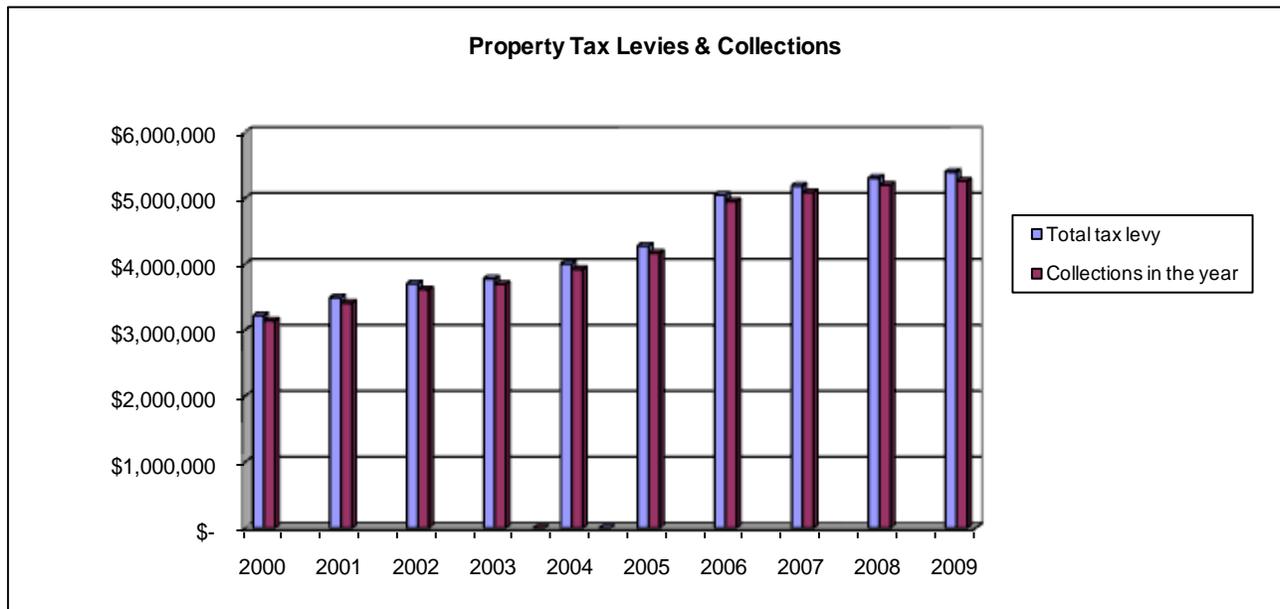
Fiscal Year	City of Burien	Fire District	Washington State	King County	Port of Seattle	Emergency Medical Service	School District #401	Library	King County Flood Zone	Ferry District	Total
2000	1.60000	1.46221	3.30278	1.68951	0.21585	0.27299	3.63349	0.58651			12.76334
2001	1.58846	1.43436	3.14502	1.55218	0.19029	0.24624	3.43098	0.55737			12.14490
2002	1.55431	1.34794	2.98946	1.44949	0.18956	0.25000	3.22776	0.52581			11.53433
2003	1.48462	1.50000	2.89680	1.34948	0.25895	0.24143	4.11138	0.54568			12.38834
2004	1.44756	1.40472	2.75678	1.43146	0.25402	0.23717	3.98005	0.53653			12.04829
2005	1.47443	1.50000	2.68951	1.38229	0.25321	0.23182	4.27094	0.53255			12.33475
2006	1.60056	1.50000	2.49787	1.32869	0.2333	0.21982	4.1453	0.53424			12.05978
2007	1.50806	1.50000	2.32535	1.28956	0.23158	0.20621	4.03208	0.50027			11.59311
2008	1.39132	1.50000	2.13233	1.20770	0.22359	0.30000	4.03495	0.45336	0.10000	0.05500	11.39825
2009	1.26467	1.43583	1.96268	1.09772	0.197	0.27404	3.88471	0.41736	0.09123	0.05018	10.67542



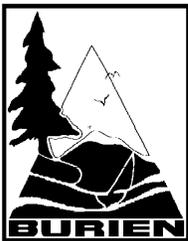
Sources: City of Burien Finance Department
King County Assessor's Office, codes and levies

**Schedule 9
Property Tax Levies & Collections
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy	Collected within fiscal year		Collections in Subsequent Years	Collections to date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	3,220,019	3,142,534	97.59%	77,485	3,220,019	100.00%
2001	3,494,834	3,408,844	97.54%	85,900	3,494,744	100.00%
2002	3,704,418	3,616,075	97.62%	88,304	3,704,379	100.00%
2003	3,779,677	3,693,440	97.72%	86,170	3,779,610	100.00%
2004	4,005,574	3,916,881	97.79%	87,559	4,004,440	99.97%
2005	4,275,394	4,168,080	97.49%	101,982	4,270,062	99.88%
2006	5,048,830	4,947,525	97.99%	99,193	5,046,718	99.96%
2007	5,184,678	5,085,653	98.09%	86,185	5,171,838	99.75%
2008	5,306,349	5,197,215	97.94%	75,643	5,272,858	99.37%
2009	5,397,125	5,258,160	97.43%	-	5,258,160	97.43%



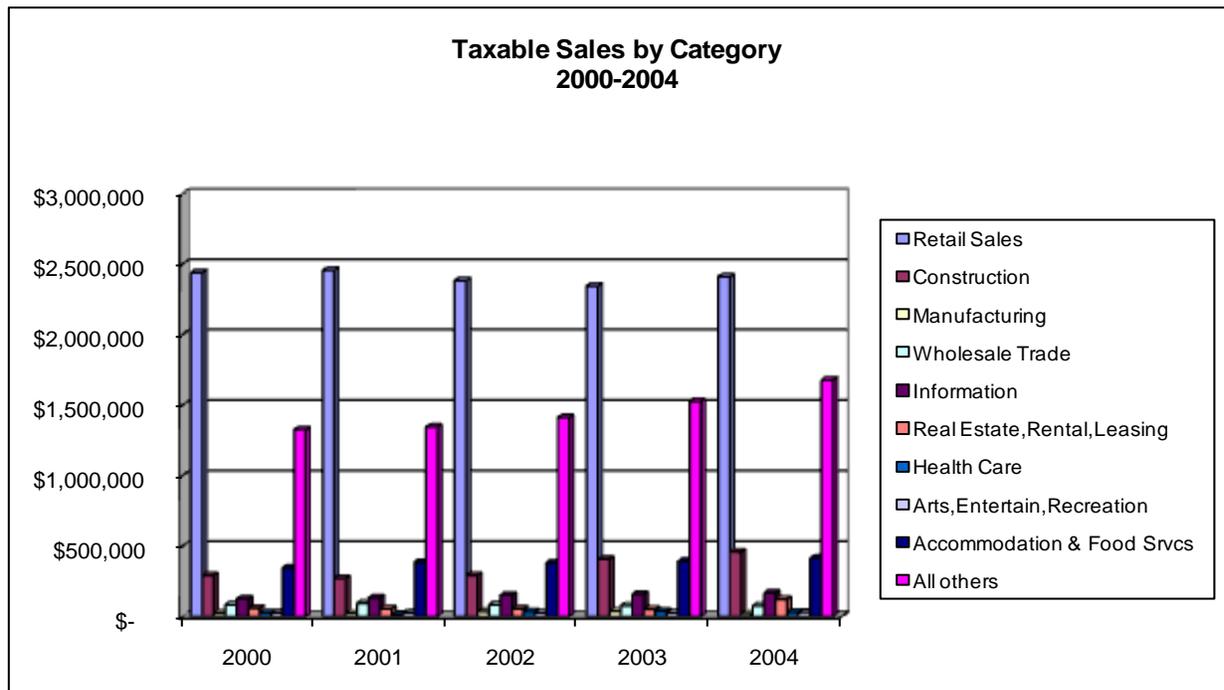
Sources: King County Department of Assessments
City of Burien Finance Department



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**Schedule 10
Sales Tax Collections by Sector*
Last Ten Fiscal Years**

	2000	2001	2002	2003	2004
RETAIL TRADE					
Vehicle and Parts Dealer	1,321,943	1,287,249	1,251,675	1,253,785	1,287,156
General Merchandise Stores	346,001	344,509	327,656	289,238	305,095
Food & Beverage Stores	212,017	228,213	222,198	228,551	211,022
Misc Store Retailers	137,091	167,273	169,669	164,074	180,488
Health & Personal Care	139,852	148,097	142,720	133,908	130,901
Other Retail	283,843	281,300	268,872	275,298	296,782
Subtotal Retail	\$ 2,440,747	\$ 2,456,641	\$ 2,382,790	\$ 2,344,854	\$ 2,411,444
OTHER CATEGORIES					
Construction	292,854	271,306	292,841	406,805	459,266
Manufacturing	22,650	22,084	33,504	38,788	21,478
Wholesale Trade	84,765	95,807	84,203	77,422	77,233
Information	125,818	133,576	152,691	158,146	168,776
Real Estate, Rental, Leasing	60,679	55,376	54,775	52,281	123,687
Health Care Assistance	27,443	15,858	34,378	36,515	31,712
Arts, Entertain, Recreation	26,108	26,107	26,693	28,295	30,073
Accommod & Food Srvcs	345,311	384,187	380,210	393,148	414,342
All Other Categories	341,155	340,787	352,574	335,531	352,104
Subtotal Other	\$ 1,326,783	\$ 1,345,088	\$ 1,411,869	\$ 1,526,931	\$ 1,678,671
Total Sales Tax Collected	\$ 3,767,530	\$ 3,801,729	\$ 3,794,659	\$ 3,871,785	\$ 4,090,115



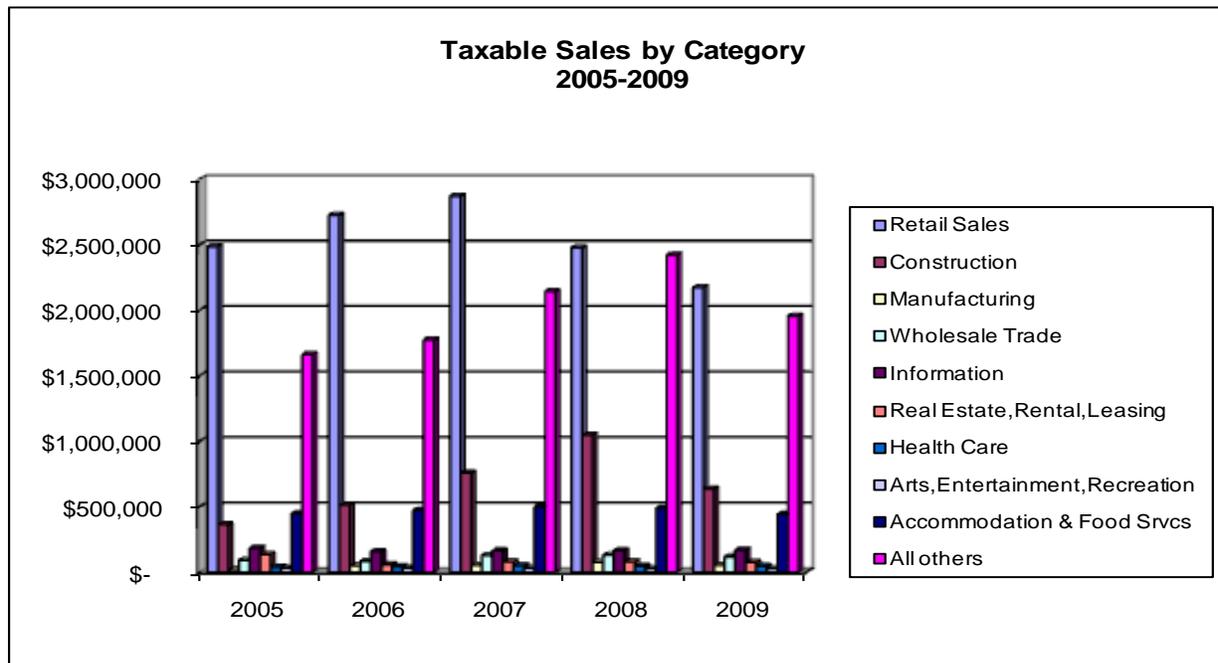
Source: City of Burien Finance Department

Microflex Software & Financial Solutions

*Only includes the .85% sales tax received for general governmental purposes.

**Schedule 10
Sales Tax Collections by Sector
Last Ten Fiscal Years
(continued)**

	2005	2006	2007	2008	2009
RETAIL TRADE					
Vehicle and Parts Dealer	1,319,803	1,460,690	1,539,517	1,206,451	919,128
General Merchandise Stores	304,571	313,979	343,209	362,069	359,373
Food & Beverage Stores	220,236	244,606	254,986	251,873	238,002
Misc Store Retailers	203,882	259,676	286,092	273,214	272,344
Health & Personal Care	132,085	129,032	140,315	136,682	97,240
Other Retail	305,956	317,870	307,072	247,225	287,735
Subtotal Retail	\$ 2,486,533	\$ 2,725,853	\$ 2,871,191	\$ 2,477,514	\$ 2,173,822
OTHER CATEGORIES					
Construction	364,012	511,606	759,568	1,046,693	635,484
Manufacturing	20,924	49,653	54,925	76,262	53,552
Wholesale Trade	90,605	84,891	127,232	130,617	118,204
Information	183,831	156,806	163,382	164,905	167,560
Real Estate, Rental, Leasing	134,814	56,215	80,059	78,706	75,146
Health Care Assistance	38,780	41,076	49,886	44,668	45,158
Arts, Entertain, Recreation	29,975	29,750	30,399	28,516	27,507
Accommod & Food Srvc	446,957	471,534	497,836	488,362	441,924
All Other Categories	352,757	371,547	381,071	362,695	391,564
Subtotal Other	\$ 1,662,655	\$ 1,773,078	\$ 2,144,358	\$ 2,421,424	\$ 1,956,099
Total Sales Tax Collected	\$ 4,149,188	\$ 4,498,931	\$ 5,015,549	\$ 4,898,938	\$ 4,129,921



Sources: City of Burien Finance Department

Microflex Software & Financial Solutions

* Only includes the .85% sales tax received for general governmental purposes.

Schedule 11
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	<u>Governmental Activities</u>			<u>Business-type Activities</u>		Total Primary Government Debt	Percentage of Personal Income	Net Bonded Debt per Capita
	General Obligation Bonds	Special Assessment Debt	Public Works Trust Fund Loan	Public Works Trust Fund Loan				
2000	660,000	-	-	-	-	660,000	0.85%	\$ 20.70
2001	510,000	-	366,002	-	-	876,002	1.14%	\$ 27.52
2002	3,550,000	-	1,140,017	-	-	4,690,017	6.02%	\$ 147.44
2003	3,270,000	1,000,000	2,318,015	-	-	6,588,015	8.32%	\$ 209.28
2004	2,970,000	950,000	2,196,014	-	-	6,116,014	6.92%	\$ 196.47
2005	2,850,000	897,222	2,066,837	-	-	5,814,059	6.60%	\$ 187.31
2006	12,530,000	844,444	1,937,660	-	-	15,312,104	15.85%	\$ 492.67
2007	12,090,000	1,491,666	2,508,483	696,150	-	16,786,299	16.09%	\$ 534.43
2008	11,615,000	1,697,712	2,638,129	1,490,005	-	17,440,846	16.05%	\$ 552.98
2009	14,579,400	1,588,134	2,452,150	1,411,524	-	20,031,208	17.69%	\$ 628.13

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

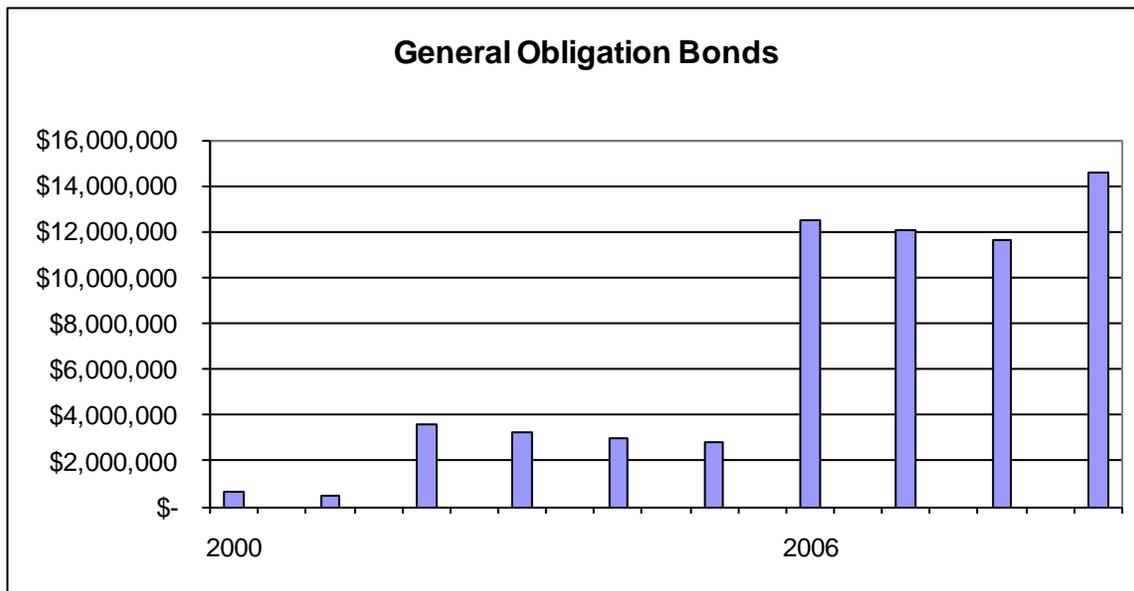
Schedule 12
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Debt Limit	153,130,406	167,028,202	180,639,260	192,660,598	209,489,791
Total net debt applicable to limit	660,000	510,000	3,547,199	3,270,000	2,970,000
Legal debt margin	\$ 152,470,406	\$ 166,518,202	\$ 177,092,061	\$ 189,390,598	\$ 206,519,791
Total net debt applicable to limit as a percentage of debt limit	0.43%	0.31%	1.96%	1.70%	1.42%
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt Limit	219,207,541	239,079,791	260,283,837	285,650,497	322,748,347
Total net debt applicable to limit	2,850,000	12,530,000	12,090,000	11,615,000	14,579,400
Legal debt margin	\$ 216,357,541	\$ 226,549,791	\$ 248,193,837	\$ 274,035,497	\$ 308,168,947
Total net debt applicable to limit as a percentage of debt limit	1.30%	5.24%	4.64%	4.07%	4.52%

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

**Schedule 13
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

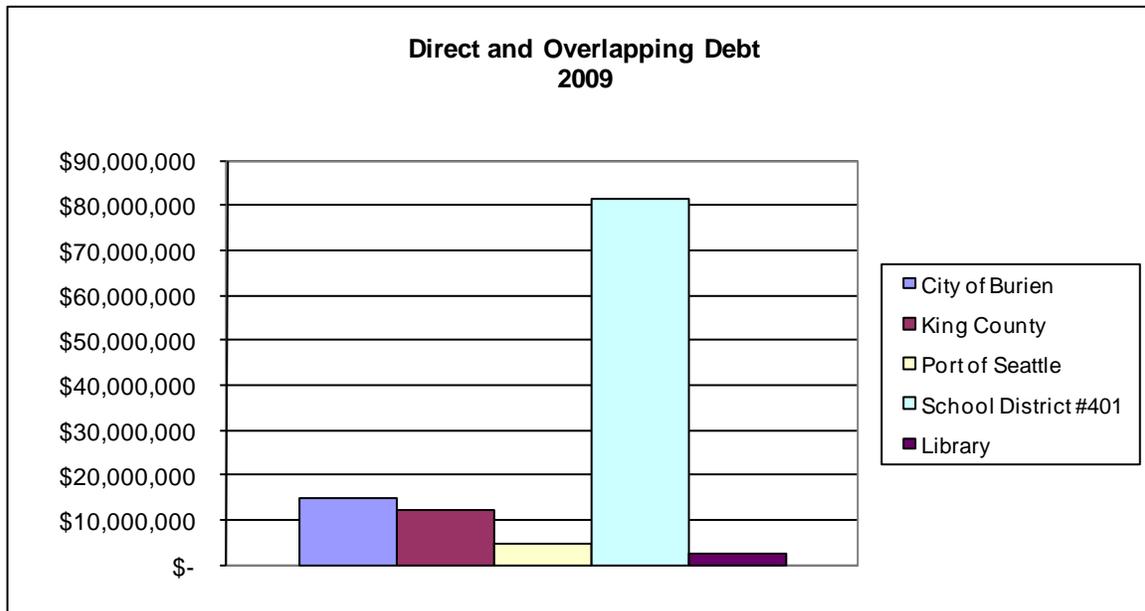
Fiscal Year	General Obligation Bonds	Assessed Value (AV)	% of General Obligation Debt to AV	Population	Per Capita
2000	660,000	2,041,738,746	0.03%	31,881	\$ 20.70
2001	510,000	2,227,042,699	0.02%	31,830	\$ 16.02
2002	3,550,000	2,408,523,465	0.15%	31,810	\$ 111.60
2003	3,270,000	2,568,807,974	0.13%	31,480	\$ 103.88
2004	2,970,000	2,793,197,214	0.11%	31,130	\$ 95.41
2005	2,850,000	2,922,767,212	0.10%	31,040	\$ 91.82
2006	12,530,000	3,187,730,549	0.39%	31,080	\$ 403.15
2007	12,090,000	3,470,451,166	0.35%	31,410	\$ 384.91
2008	11,615,000	3,808,673,294	0.30%	31,540	\$ 368.26
2009	14,579,400	4,212,964,074	0.35%	31,890	\$ 457.18



**Sources: King County Department of Assessments
City of Burien Community Development Services Department**

**Schedule 14
Direct and Overlapping Governmental Activities Debt
December 31, 2009**

	<u>Net General Obligation Debt Outstanding</u>	<u>Percentage Applicable to Burien</u>	<u>Estimated Amount Applicable to Burien</u>
Direct:			
City of Burien	\$ 14,579,400	100.00%	\$ 14,579,400
Overlapping:			
King County	1,018,882,000	1.18%	12,022,808
Port of Seattle	378,065,000	1.18%	4,461,167
School District #401	302,852,163	26.85%	81,315,806
Library	129,221,246	1.92%	2,481,048
Total Overlapping Debt:	<u>1,829,020,409</u>	<u>5.48%</u>	<u>100,280,828</u>
Total Direct and Overlapping Debt:	<u>\$ 1,843,599,809</u>		<u>\$ 114,860,228</u>



Calculated based on total assessed value of the overlapping districts to the assessed value of the City of Burien.

Sources: City of Burien Community Development Services Department
King County Department of Assessments

Schedule 15
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population ¹	Personal Income ²	Per capita personal income ²	Unemployment Rate ³	School Enrollment
2000	31,881	\$ 77,271,598	44,418	3.6	17,781
2001	31,830	\$ 76,883,017	43,734	4.6	17,930
2002	31,810	\$ 77,940,608	44,153	5.5	17,768
2003	31,480	\$ 79,199,166	44,704	5.6	17,783
2004	31,130	\$ 88,407,884	49,533	4.6	16,724
2005	31,040	\$ 88,065,435	48,789	5.1	17,700
2006	31,080	\$ 96,579,228	52,655	4.6	17,718
2007	31,410	\$ 104,305,566	55,920	4.0	17,527
2008	31,540	\$ 108,686,400	57,374	6.4	17,647
2009	31,890	\$ 113,251,229	58,865	9.6	18,224

Note¹ : Population data is provided by Burien's Community Development staff.

Note² : Both personal income and per capita personal income are based on King County information, in which Burien is located, however, 2007 information was not available.

Note³ : The compiled unemployment rate data for Burien was extracted from U.S. Bureau of Labor Statistics website. The rates reflect the annual average for each of the years presented and are not seasonally adjusted.

Sources: Community Development staff
U.S. Bureau of Economic Analysis
U.S. Bureau of Labor Statistics
Highline School District

**Schedule 16
Principal Employers
December 31, 2009**

<u>EMPLOYER</u>	<u>2009</u>		<u>% of Total City Employment</u>	<u>2000</u>	
	<u>EMPLOYEES</u>	<u>Rank</u>		<u>EMPLOYEES</u>	<u>Rank</u>
Highline Public Schools	2,200	1	25.17%	2,500	1
Highline Community Hospital	1,100	2	12.58%	1,100	2
Fred Meyers	223	3	2.55%	225	3
Wizards Restaurant	120	4	1.37%	200	4
Life Care Center of Burien	144	5	1.65%	-	
Burien Toyota, Inc.	116	6	1.33%	90	9
Ruth Dykeman Children's Center	103	8	1.18%	-	
Safeway Stores	104	7	1.19%	86	10
Group Health Cooperative	91	9	1.04%	92	8
Highline West Seattle Mental Health	90	10	1.03%	-	
Azteca Restaurant	80	11	0.92%	-	
Puget Sound Educational Service District	-			240	5
Burien Terrace	-			120	6
Carl T. Madsen, Inc	-			96	7
TOTAL EMPLOYMENT - MAJOR EMPLOYERS	4,371		50.01%	5,319	

Total City employment is 8471 in 2009

Note¹: Total city employment for 1998 was unavailable

Sources: City of Burien Finance Department

MicroFlex Software & Financial Solutions

Schedule 17
Full Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Fund					
City Manager	5.00	5.00	3.50	3.60	3.60
Community Relations	4.375	4.00	4.00	4.50	4.50
Finance & Admin Services	7.00	6.00	7.50	6.70	6.70
Legal Services	2.00	2.00	-	-	1.10
Public Works	3.75	1.75	1.75	1.75	1.70
Community Development	10.00	10.00	10.00	10.00	10.60
Parks & Recreation	5.25	6.625	10.725	10.475	12.025
Other					
Street	4.375	2.50	2.00	2.00	4.15
SWM	1.875	3.50	3.75	3.75	2.65
CIP	-	3.25	3.50	3.500	3.20
Total all other governmental funds	43.625	44.625	46.725	46.275	50.225
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund					
City Manager	4.60	4.90	7.30	10.20	8.20
Community Relations	4.50	4.75	5.00	-	-
Finance & Admin Services	5.70	5.70	8.25	8.30	8.80
Legal Services	1.10	1.10	0.50	0.50	-
Public Works	1.90	2.00	2.20	4.10	4.10
Community Development	11.60	13.60	10.80	13.10	13.10
Parks & Recreation	13.60	13.60	13.825	14.825	15.08
Other					
Street	4.30	4.10	3.25	1.95	1.95
SWM	2.80	2.90	2.05	3.25	3.25
CIP	3.50	3.50	3.50	5.20	5.20
Total all other governmental funds	53.60	56.15	56.675	61.425	59.675

Source: City of Burien Finance Department

Schedule 18
Operating Indicators by function
Last eight fiscal years *

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Police					
Response time for priority 1 calls	*	*	6.66 min.	6.57 min.	6.63 min.
Response time to critical emergencies	*	*	2.55 min.	2.81 min.	2.66 min.
Dispatched calls for service	*	*	13,294	12,483	12,233
Total crime index per 1,000 population	*	*	75.0	67.7	70.4
Traffic safety enforcement stops	*	*	2,582	3,603	2,789
Public Works					
Right of way use permits issued	*	*	*	325	345
Reported potholes	*	*	*	23	44
# of storm water ponds	*	*	*	12	13
% of city drainage system mapped and inventoried	*	*	*	70%	82%
Community Development					
Citizen action requests	*	*	100%	642	455
Land use-related permit applications	*	*	106	103	140
% of land use permit reviews completed by target	*	*	65%	68%	79%
Construction related permit applications	*	*	1,433	1,959	1,618
Commercial permits	88	77	75	96	89
Construction Value-commercial	\$ 7,920,277	\$ 5,964,605	\$ 5,047,344	\$ 19,805,019	\$ 20,268,161
Residential permits	226	199	194	246	191
Construction Value-residential	\$ 11,494,706	\$ 7,591,316	\$ 6,423,894	\$ 25,206,387	\$ 18,445,105
Parks & Recreation					
Acres of neighborhood parks	*	*	24	26	26
Acres of community parks	*	*	29	30	30
Acres of regional and open space parks	*	*	253	260	260
Cost to maintain all parks per acre	*	*	\$ 1,241	\$ 1,235	\$ 1,095
# of kids provided scholarships	*	*	65	134	116

* Prior year's data is not available

Source: Various City of Burien Departments

Schedule 18
Operating Indicators by function
Last eight fiscal years *

Page 2 of 2

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Police					
Response time for priority 1 calls	7.38 min.	7.51 min.	7.06 min.	8.44 min.	8.69 min.
Response time to critical emergencies	3.10 min.	2.75 min.	3.28 min.	3.28 min.	3.47 min.
Dispatched calls for service	12,674	12,476	11,518	10,191	20,507
Total crime index per 1,000 population	71.6	67.5	61.0	53.2	55.5
Traffic safety enforcement stops	2,617	2,595	2,264	2,157	2,060
Public Safety					
Right of way use permits issued	386	360	365	306	330
Reported potholes	10	9	15	17	27
# of storm water ponds	14	15	15	15	15
% of city drainage system mapped and inventoried	93%	98%	98%	98%	99%
Community Development					
Citizen action requests	460	697	566	438	384
Land use-related permit applications	115	88	108	59	82
% of land use permit reviews completed by target date	74%	79%	67%	69%	73%
Construction related permit applications	1,768	2,003	2,074	2,153	1,763
Commercial permits	124	121	116	235	107
Construction Value-commercial	\$ 24,386,583	\$ 52,960,694	\$ 27,568,622	\$ 63,225,037	\$ 6,917,359
Residential permits	233	275	309	283	159
Construction Value-residential	\$ 25,858,711	\$ 56,453,304	\$ 27,443,690	\$ 13,283,754	\$ 9,233,956
Parks & Recreation					
Acres of neighborhood parks	26	26	27	27	27
Acres of community parks	31	31	32	32	32
Acres of regional and open space parks	278	278	287	287	287
Cost to maintain all parks per acre	\$ 959	\$ 1,135	\$ 986	\$ 1,033	\$ 1,014
# of kids provided scholarships	114	\$ 87	\$ 78	\$ 60	\$ 61

* Data is not available

Source: Various City of Burien Departments

Schedule 19
Capital Asset Statistics by function
Last ten fiscal years

Page 1of 1

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Police					
Stations	1	1	1	1	1
Patrol Units	34	35	35	35	35
Fire Stations	2	2	2	2	2
Public Works					
Streets (miles)	*	*	113	113	113
Street lights	*	*	664	664	664
Traffic Signals	*	50	52	52	52
Pump stations (city owned)	2	2	2	2	2
Storm water drainage ponds (city owned)	4	4	4	4	4
Parks & Recreation					
Skate parks	-	1	1	1	1
Playgrounds	5	5	5	6	6
Baseball/softball diamonds	5	5	5	5	5
Soccer/football fields	3	3	3	3	3
Community centers	1	1	1	1	1
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Police					
Stations	1	1	1	1	1
Patrol Units	35	35	40	40	39
Fire Stations	2	2	2	2	2
Public Works					
Streets (miles)	113	113	113	113	114
Street lights	664	664	664	664	700
Traffic Signals	53	53	53	53	55
Pump stations (city owned)	2	2	3	3	3
Storm water drainage ponds (city owned)	4	4	4	4	4
Parks & Recreation					
Skate parks	1	1	1	1	1
Playgrounds	6	7	7	8	8
Baseball/softball diamonds	5	5	5	5	5
Soccer/football fields	3	3	3	3	3
Community centers	1	1	1	1	1

* Data is not available

Sources: Various City of Burien Departments

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