

# 2010 Comprehensive Annual Financial Report

For the year ended December 31, 2010



Sunset at Seahurst Park

## City of Burien, Washington

400 SW 152<sup>nd</sup> St., Suite 300

Burien, WA 98166

(206) 241-4647





The City of Burien, Washington

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2010

*Prepared by the  
City of Burien Finance Department  
400 SW 152<sup>nd</sup> St., Suite 300  
Burien, Washington 98166*

## **BURIEN CITY COUNCIL**

Joan McGilton, Mayor

Rose Clark  
Jack Block, Jr.  
Kathy Keene

Brian Bennett  
Lucy Krakowiak  
Gordon Shaw

*As we look into the future, we see the*

*City of Burien as...*

- ↙ **a friendly community with well established neighborhoods and a small town atmosphere.**
- ↙ **a culturally diverse, safety-conscious, crime-free, and people-oriented community.**
- ↙ **a community that has established programs serving people of all ages.**
- ↙ **a community with an open, responsive, local government with active, informed citizens.**
- ↙ **a community with natural open spaces, neighborhood parks, paths, and trails.**
- ↙ **a community that has preserved and enhanced its historic and natural features, habitat areas, and air and water quality.**
- ↙ **a community with a local and regional transportation system that integrates cars, pedestrians, bicycles, and transit.**
- ↙ **a community with a thriving, attractive, and customer-friendly city center and business areas.**
- ↙ **a community with land use patterns that bring together individual, business and community goals.**
- ↙ **a model community with excellent police and fire services, outstanding schools, and quality community services and facilities.**

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# Burien

*Washington, USA*

400 SW 152<sup>nd</sup> St., Suite 300, Burien, WA 98166

Phone: (206) 241-4647 • FAX (206) 248-5539

[www.burienwa.gov](http://www.burienwa.gov)

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June 28, 2011

**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, 2010. 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 2009 and 2010.

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 City staff, as an in-house City Attorney was hired in 2010. Services provided include legal advisor to the City Council and management and representing the City in litigation matters. Public prosecution, public defender and additional litigation assistance are 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 Services* are provided by City staff and contract services and include engineering, street maintenance, and surface water management.

*Planning and Community Development Services* 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 2010 expenditures reported in the financial statements relating to those entities:

• King County Sheriff's Office (police services)	\$8,582,352
• King County Public Works Department (street & signal maintenance)	658,888
• King County Surface Water Management Division	645,741
• Jail Services with Yakima County, City of Renton and King County Department of Adult Detention	429,173
• King County District Court	<u>227,628</u>
 Total 2010 major contracts with other governmental agencies	 <u>\$10,543,782</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 24% of the total sales tax revenue to the City in 2010. 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 food services, 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 following the national trend out of the recent recession. At the

regional level, Burien is well situated to recover from the 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 slight increase in employment as the economy attempts to recover from the effects of the last few years. Over the last several years, significant diversification has occurred in the job market in the region. This diversification has lessened the impact of past job cutbacks by one large regional employer and should hasten the recovery which is now beginning to occur.

#### **IV. MAJOR INITIATIVES**

The following are among the City's 2010 achievements:

- Completed an annexation of more than 14,000 new residents and opened a city hall annex facility in the new neighborhood.
- Assumed responsibility for an animal licensing, care and control program in the city.
- Formed a Transportation Benefit District to help repay an \$8.6 million bond issue that funded a major street overlay project.
- Completed design of the 1<sup>st</sup> Ave South, phase 2 project.
- Hired staff to begin assuming the responsibility for the Street and Surface Water Management maintenance programs.
- Completed remodeling project and moved into the new Community Center.
- Hired a full-time in-house City Attorney.

Initiatives for 2011 include the following:

- Perform a city-wide community involved visioning project.
- Update the Comprehensive Plan.
- Prepare a Transportation Master Plan.
- Prepare a Drainage Master Plan.
- Complete a new Recreation and Open Space (PROS) Plan.
- Complete the police municipalization study.

## 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.

**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 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 controls. The internal 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, 2010, bonds payable total \$22,604,400, of which \$2,185,000 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 remaining balance of the 2006 limited tax general obligation bond is \$8,400,000, payable over 20 years with interest rates ranging from 3.75% to 5.0%. The third bond issue's remaining balance of bonds payable is \$8,530,000. This bond issue is a 2010 limited tax general obligation bond payable over 20 years with interest rates ranging from 2.00% to 6.13%, partially funded with Build America Bond interest credits. The final bonds payable amount is a Special Obligation bond issued by the South Correctional Entity Public Development Authority 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 2010 are as follows:

	<u>Ratio of Debt to Assessed Valuation</u>	<u>Debt Per Capita</u>
Net Direct Tax Supported Debt	0.62%	\$ 489

## **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 2010 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 2010 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, 2009. 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, in particular, Gary Coleman, the City's Accounting Manager. 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,

Kim Krause,  
Finance Director



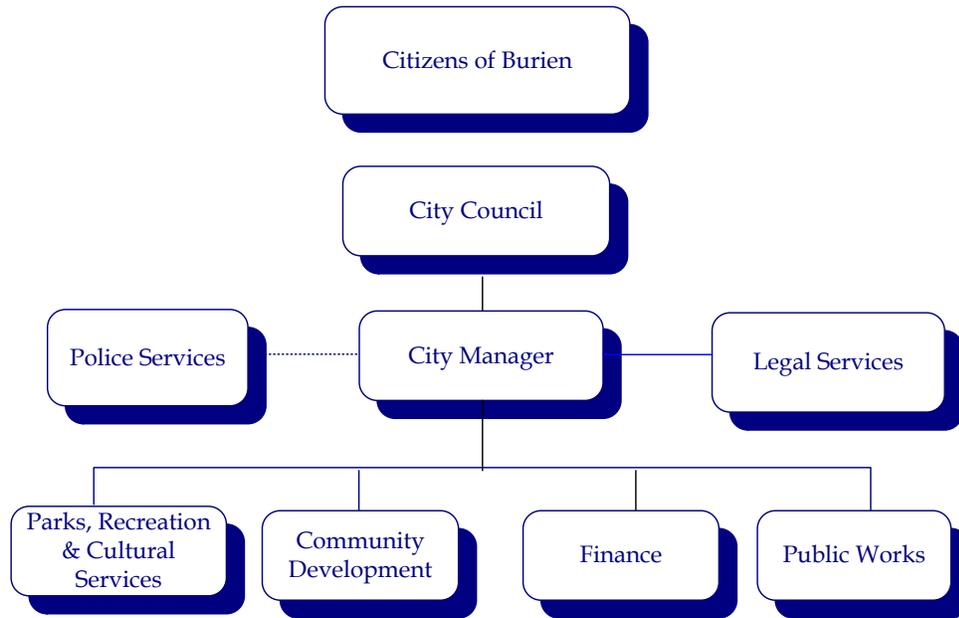
**ELECTED CITY OFFICIALS****2010 City Councilmembers**

	<b><u>Term Ending</u></b>
Joan McGilton, Mayor	December 2013
Rose Clark, Deputy Mayor	December 2013
Brian Bennett	December 2013
Jack Block, Jr.	December 2013
Kathy Keene, resigned 12/31/10	December 2011
Lucy Krakowiak	December 2011
Gordon Shaw	December 2011

**CITY ADMINISTRATION**

City Manager	Michael Martin
Finance Director	Kim Krause
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 27, 2011

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, 2010, 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, 2010, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General and Street funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

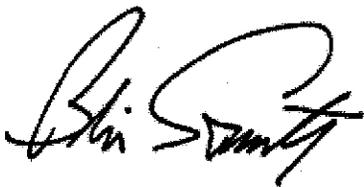
In accordance with Government Auditing Standards, we will also issue our report dated June 27, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 3-1 through 3-7 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 5-2 through 5-12 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 Introductory and Statistical sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Sonntag", written in a cursive style.

**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 eight 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 \$114.9 million. Of this amount, \$102.5 is invested in capital assets net of related long term debt and the remaining \$12.4 million is available for capital projects, debt service and to meet the government's ongoing activities and obligations.

The City of Burien's total net assets increased by \$6.5 million in 2010. Government activities net assets increased by \$5.9 million while Business-type activities increased by \$642 thousand. This increase is attributed to the current year annexation of almost \$9 million in capital assets offset by an \$8.6 million bond issue funding a multi-year street overlay program.

As of year end, December 31, 2010 the City of Burien's governmental funds reported combining ending fund balance of \$10.6 million, an increase of \$3.2 million in comparison to the prior year. This increase is due to an \$8.6 million bond sale in late 2010, net of current year expenditures, which is funding a large street overlay project begun in 2010 and expected to be completed in 2011.

At the end of the current fiscal year, unreserved fund balance for the general fund was \$3.4 million, or 18.6% of total current year general fund revenues. This is up from the \$3.1 million in unreserved General Fund, fund balance at the end of 2009. This ending fund balance exceeds the financial policy required amount of 10% of ongoing revenues, by approximately \$1.6 million, and is available to fund future capital programs and to ride out the current economic downturn. This relatively small increase 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 \$7.7 million, a net increase in governmental activities of \$7.8 million and a decrease of \$83 thousand in business-type activities. The governmental activities increase is attributed to an \$8.6 million General Obligation Debt issue, net of current year's debt service payments on prior issued debt. 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) Pronouncements.

## **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 \$114.9 million at the close of the fiscal year.

During fiscal year 2010 the major changes to the net assets is the increase in restricted net assets. This change is comprised of a large increase in capital assets as a result of the recent annexation, offset by a similar amount of a new bond issue, with the net increase showing up in current assets and restricted net assets. The unspent proceeds of the debt issued in 2010 are planned to be spent in 2011 completing the street overlay project. A condensed version of the Statement of Net Assets at December 31, 2010 is presented below.

**City of Burien's Net Assets at Year-End**

	Governmental		Business - Type		Total	
	Activities		Activities			
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 23,224,839	\$ 15,561,322	\$ 475,268	\$ 319,768	\$ 23,700,107	\$ 15,881,090
Capital assets, net of accumulated depreciation	119,393,669	108,853,064	7,506,554	7,049,626	126,900,223	115,902,690
Total assets	142,618,508	124,414,386	7,981,822	7,369,394	150,600,330	131,783,780
Long-term liabilities	26,836,217	19,030,339	1,328,494	1,411,524	28,164,711	20,441,863
Other liabilities	7,359,889	2,842,396	208,887	155,857	7,568,776	2,998,253
Total liabilities	\$ 34,196,106	\$ 21,872,735	\$ 1,537,381	\$ 1,567,381	\$ 35,733,487	\$ 23,440,116
Net Assets:						
Invested in capital assets, net of related debt	96,277,930	93,522,178	6,178,060	5,638,102	102,455,990	99,160,280
Restricted	8,641,935	5,782,283	-	-	8,641,935	5,782,283
Unrestricted	3,502,537	3,237,190	266,381	163,911	3,768,918	3,401,101
Total Net assets	\$ 108,422,402	\$ 102,541,651	6,444,441	5,802,013	114,866,843	\$ 108,343,664

**Governmental Activities**

The changes in total net assets for 2010, are as just discussed above. The recent annexation added in excess of \$8.4 million in land and infrastructure, offset by a \$8.6 million bond issue with the unspent bond proceeds expected to be spent in the following year.

**Business-type Activities**

Storm Water Management: The increase in net assets of the Surface Water Management fund is a result of the contribution of capital assets from the annexation, and from current year construction work in progress in the capital project fund.

**STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2010:**

The Activities Statement shows a net increase in the City of Burien's net assets of \$6.5 million. A summary version of the Statement of Activities follows.

**Summary of Revenues**

	Governmental		Business - Type		Total	
	Activities		Activities			
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 3,279,321	\$ 2,675,764	\$ 2,301,075	\$ 1,936,479	\$ 5,580,396	\$ 4,612,243
Operating grants & contributions	3,199,708	4,077,745	-	-	3,199,708	4,077,745
Capital grants & contributions	9,388,375	1,427,409	394,182	-	9,782,557	1,427,409
General Revenues:						
Property taxes	7,268,281	5,438,426	-	-	7,268,281	5,438,426
Sales Taxes	5,101,336	4,734,585	-	-	5,101,336	4,734,585
Other Taxes	4,577,108	3,877,187	-	-	4,577,108	3,877,187
Investment Interest	28,013	65,022	2,033	2,643	30,046	67,665
Total Revenues	\$ 32,842,142	\$ 22,296,138	\$ 2,697,290	\$ 1,939,122	\$ 35,539,432	\$ 24,235,260

**Summary of Expenses**

	Governmental		Business - Type		Total	
	Activities		Activities			
	2010	2009	2010	2009	2010	2009
Expenses						
General Government	\$ 4,852,865	\$ 3,899,493	\$ -	\$ -	\$ 4,852,865	\$ 3,899,493
Public Safety	9,181,710	7,376,981	-	-	9,181,710	7,376,981
Physical Environment	580,156	644,205	-	-	580,156	644,205
Transportation	7,744,105	5,336,579	-	-	7,744,105	5,336,579
Economic Environment	1,351,931	1,904,957	-	-	1,351,931	1,904,957
Health and Human Services	10,391	8,856	-	-	10,391	8,856
Culture and Recreation	3,162,760	2,653,889	-	-	3,162,760	2,653,889
Interest on Long-term Obligations	597,646	488,960	6,977	6,918	604,623	495,878
Storm Drainage	-	-	1,527,712	1,270,074	1,527,712	1,270,074
Total Expenses	\$ 27,481,564	\$ 22,313,920	\$ 1,534,689	\$ 1,276,992	\$ 29,016,253	\$ 23,590,912
Increase in net assets before transfers	5,360,578	(17,782)	1,162,601	662,130	6,523,179	644,348
Transfers	520,173	463,692	(520,173)	(463,692)	-	-
Increase in net assets	5,880,751	445,910	642,428	198,438	6,523,179	644,348
Net assets - beginning	102,541,651	102,095,741	5,802,013	5,603,575	108,343,664	107,699,316
Net assets - ending	\$ 108,422,402	\$ 102,541,651	\$ 6,444,441	\$ 5,802,013	\$ 114,866,843	\$ 108,343,664

### GOVERNMENTAL AND PROPRIETARY ACTIVITIES FOR FISCAL YEAR ENDING DECEMBER 31, 2010

#### *Governmental Activities*

With the exception of Operating Grants and Contributions all revenue categories show an increase from the prior year. The most significant increase was in Capital Grants and Contributions revenue. This is attributed to the acquisition of a large amount of land and infrastructure as a result of the annexation which occurred April 1, 2010. Property Tax revenue also shows a significant increase. This is a transfer of road taxes collected by the county and transferred to the city as a result of the annexation. These road taxes are restricted to street related purposes and were deposited in the Street Fund.

The increase in General Fund, fund balance is a result of an insurance claim reimbursement, received in the current year, and expenditures were less than the amended budget amount. The additional costs estimated to be incurred as a result of the annexation were slower to materialize than first projected.

The fund balance of the Transportation Capital Project Fund increased significantly during the year just ended as a result of a bond issue during the year. The \$8.6 million proceeds from this bond sale are being used to fund a major street overlay project in the city, which began in late 2010 and is expected to be completed in 2011.

#### *Business-type Activities*

Storm Water Fund revenues increased significantly in 2010 as a result of the contribution of infrastructure from the annexation as well as increased charges for services due to the large service area. Operating expenses are also increasing as the new service area is phased into our service contracts.

**BUDGETARY HIGHLIGHTS**

The City Council approved three amendments to the 2010 adopted budget. These amendments provided for adjusting beginning fund balances to the ending 2009 actual fund balance amounts, incorporating the annexed area into current year operations and to incorporate the bond issue proceeds and the related expenditures of those funds.

General Fund revenues were 1.75% less than the amended budgeted revenue for the year and this was predominantly due to a lower than expected amount of sales tax revenue offset partially by additional gambling tax revenue, due to the reopening of the casino and an insurance claim reimbursement. Expenditures were 6.3% less than the amended budget with most of this savings coming from General Governmental, Police Services and Community Development, since anticipated costs of providing services to the annexed area have been slower to materialize than originally budgeted.

**CAPITAL ASSETS AND DEBT ADMINISTRATION*****Capital Assets***

As of December 31, 2010 the City had invested \$126.9 million in capital assets as reflected in the following table, which represents a net increase (additions, deductions and depreciation) of \$11.0 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>			
	2010	2009	2010	2009	2010	2009
Land	\$ 25,806,770	\$ 22,771,670	\$ 1,076,060	\$ 1,076,060	\$ 26,882,830	\$ 23,847,730
Buildings	11,953,151	10,776,936	-	-	11,953,151	10,776,936
Improvements other than buildings	6,560,360	6,432,994	-	-	6,560,360	6,432,994
Machinery and equipment	1,394,856	1,124,631	53,503	33,732	1,448,359	1,158,363
Infrastructure	36,622,397	35,050,778	5,982,246	2,598,770	42,604,643	37,649,548
Construction work in progress	37,056,135	32,696,055	394,745	3,341,064	37,450,880	36,037,119
Total	\$ 119,393,669	\$ 108,853,064	\$ 7,506,554	\$ 7,049,626	\$ 126,900,223	\$ 115,902,690

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 \$37 million which is comprised of parks and street improvement, projects still under construction.

**CHANGE IN CAPITAL ASSETS**

	Governmental		Business - Type		Total	
	Activities		Activities			
	2010	2009	2010	2009	2010	2009
Changes in Capital Assets						
Land	\$ 3,035,100	\$ -	\$ -	\$ -	\$ 3,035,100	\$ -
Buildings	1,176,215	10,538,476	-	-	1,176,215	10,538,476
Improvements other than buildings	127,366	4,543,783	-	-	127,366	4,543,783
Machinery and equipment	270,225	965,141	19,771	26,417	289,996	991,558
Infrastructure	1,571,619	6,041,283	3,383,476	(135,002)	4,955,095	5,906,281
Construction in progress	4,360,080	(14,341,087)	(2,946,319)	212,323	1,413,761	(14,128,764)
Total	\$ 10,540,605	\$ 7,747,596	\$ 456,928	\$ 103,738	\$ 10,997,533	\$ 7,851,334

**OUTSTANDING DEBT**

As of year-end 2010 the City had \$27.7 million in debt outstanding compared to \$20 million last year. This \$7.7 million increase is the result of a general obligation debt issue in 2010, 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			
	2010	2009	2010	2009	2010	2009
General Obligation Bonds	\$ 19,155,000	\$ 11,130,000	\$ -	\$ -	\$ 19,155,000	\$ 11,130,000
Special Obligation Bonds - SCORE PDA	3,449,400	3,449,400	-	-	3,449,400	3,449,400
Special Assessment debt with government commitment (Public Works Trust Fund Loan)	1,475,221	1,588,134	-	-	1,475,221	1,588,134
Public Works Trust Fund Loan	2,262,837	2,452,150	1,328,493	1,411,524	3,591,330	3,863,674
Total	26,342,458	18,619,684	1,328,493	1,411,524	27,670,951	20,031,208

**ECONOMIC FACTORS**

While property taxes are important to the City, they only represent 22.5% of total governmental resources. Sales taxes, and Business and Occupation/utility taxes, comprise approximately 15.8% and 10.3% of these resources respectively and inter-governmental revenues from state shared revenues and grants make up 35.7 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 adopted a biennial budget. The second biennial budget for 2011 - 2012 projects an 18% increase in resources over the previous biennium and a 19% increase in expenditures. These large increases are a result of the annexation which occurred in early 2010, which increased the population of the city by over 44%. Additionally, surface water management revenue is also expected to increase each year as a policy exists providing for an automatic annual adjustment of rates, tied to inflation.

## **FINANCIAL CONTACT**

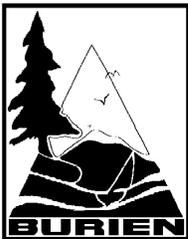
The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the City's Finance Director at 400 SW 152<sup>nd</sup> 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, 2010**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Assets</b>			
Cash and cash equivalents	\$ 14,296,930	\$ 384,086	\$ 14,681,016
Receivables			
Accounts	924,723	79,067	1,003,790
Taxes	420,090	-	420,090
Taxes delinquent	135,363	-	135,363
Special assessments	1,305,157	-	1,305,157
Due from other governments	2,282,744	12,115	2,294,859
Deferred Charges	194,066	-	194,066
Restricted cash	9,710	-	9,710
Investment in Joint Venture - SCORE	3,656,056	-	3,656,056
Property and equipment, net of depreciation:			
Land	25,806,770	1,076,060	26,882,830
Buildings	11,953,151	-	11,953,151
Machinery and equipment	1,394,856	53,503	1,448,359
Other improvements	6,560,360	-	6,560,360
Infrastructure	36,622,397	5,982,246	42,604,643
Construction work in progress	37,056,135	394,745	37,450,880
Total Assets	<u>\$ 142,618,508</u>	<u>\$ 7,981,822</u>	<u>\$ 150,600,330</u>
<b>Liabilities</b>			
Accounts payable	\$ 6,554,873	\$ 208,887	\$ 6,763,760
Employee benefits payable	9,710	-	9,710
Bond interest payable	78,118	-	78,118
Unearned revenue	217,506	-	217,506
Deposits payable	499,682	-	499,682
Noncurrent liabilities:			
Due within one year	1,216,058	83,031	1,299,089
Due in more than one year	25,620,159	1,245,463	26,865,622
Total Liabilities	<u>\$ 34,196,106</u>	<u>\$ 1,537,381</u>	<u>\$ 35,733,487</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	\$ 96,277,930	\$ 6,178,060	\$ 102,455,990
Restricted for:			
Special revenue	2,001,837	-	2,001,837
Debt service	1,408,331	-	1,408,331
Capital projects	5,231,767	-	5,231,767
Unrestricted	3,502,537	266,381	3,768,918
Total Net Assets	<u>\$ 108,422,402</u>	<u>\$ 6,444,441</u>	<u>\$ 114,866,843</u>

See accompanying notes to the financial statements.

**City of Burien, Washington**  
**Statement of Activities**  
**For the Year Ended December 31, 2010**

<b>Functions/Programs</b>	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
Judicial	\$ 488,330	\$ 374,706	\$ -
General Government	4,364,535	1,376,229	1,031,039
Public Safety	9,181,710	-	1,249,954
Physical Environment	580,156	6,014	-
Transportation	7,744,105	246,870	862,543
Economic Environment	1,351,931	698,606	16,086
Mental & Physical Health	10,391	-	8,406
Culture and Recreation	3,162,760	576,896	31,680
Interest on Long-term Debt	597,646	-	-
Total governmental activities	<u>\$ 27,481,564</u>	<u>\$ 3,279,321</u>	<u>\$ 3,199,708</u>
Business-type activities:			
Storm water	<u>\$ 1,534,689</u>	<u>\$ 2,301,075</u>	<u>\$ -</u>
Total business-type activities	<u>\$ 1,534,689</u>	<u>\$ 2,301,075</u>	<u>\$ -</u>
 Total government	 <u><u>\$ 29,016,253</u></u>	 <u><u>\$ 5,580,396</u></u>	 <u><u>\$ 3,199,708</u></u>

## General revenues:

Property taxes

Sales Taxes

B &amp; 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
\$ -	\$ (113,624)	\$ -	\$ (113,624)
-	(1,957,267)	-	(1,957,267)
-	(7,931,756)	-	(7,931,756)
100	(574,042)	-	(574,042)
5,629,491	(1,005,201)	-	(1,005,201)
-	(637,239)	-	(637,239)
-	(1,985)	-	(1,985)
3,758,784	1,204,600	-	1,204,600
-	(597,646)	-	(597,646)
<u>\$ 9,388,375</u>	<u>\$ (11,614,160)</u>	<u>\$ -</u>	<u>\$ (11,614,160)</u>
<u>\$ 394,182</u>	<u>\$ -</u>	<u>\$ 1,160,568</u>	<u>\$ 1,160,568</u>
<u>\$ 394,182</u>	<u>\$ -</u>	<u>\$ 1,160,568</u>	<u>\$ 1,160,568</u>
<u>\$ 9,782,557</u>	<u>\$ (11,614,160)</u>	<u>\$ 1,160,568</u>	<u>\$ (10,453,592)</u>
	\$ 7,268,281	\$ -	\$ 7,268,281
	5,101,336	-	5,101,336
	3,336,895	-	3,336,895
	1,240,213	-	1,240,213
	28,013	2,033	30,046
	520,173	(520,173)	-
	<u>\$ 17,494,911</u>	<u>\$ (518,140)</u>	<u>\$ 16,976,771</u>
	\$ 5,880,751	\$ 642,428	\$ 6,523,179
	<u>\$ 102,541,651</u>	<u>\$ 5,802,013</u>	<u>\$108,343,664</u>
	<u>\$ 108,422,402</u>	<u>\$ 6,444,441</u>	<u>\$114,866,843</u>

**City of Burien, Washington**  
**Governmental Funds**  
**Balance Sheet**  
**December 31, 2010**

	<u>General</u>	<u>Street</u>	<u>Debt Service</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 4,313,593	\$ 13,630	\$ 3,743
Accounts receivable	-	-	9,943
Taxes receivable:			
Current	420,090	-	-
Delinquent	135,363	-	-
Special assessments receivable	-	-	1,305,157
Due from other governments	1,355,482	872,150	-
Due from other funds	-	-	-
Restricted cash and cash equivalents	9,710	-	-
Total Assets	<u>\$ 6,234,238</u>	<u>\$ 885,780</u>	<u>\$ 1,318,843</u>
<b>Liabilities and Fund Balance</b>			
Liabilities:			
Accounts payable	\$ 2,399,381	\$ 383,637	\$ -
401A Admin Fee Payable	9,710		-
Due to other funds	-	50,000	-
Deposits payable	217,506		-
Deferred revenue	189,464		1,305,157
Total Liabilities	<u>\$ 2,816,061</u>	<u>\$ 433,637</u>	<u>\$ 1,305,157</u>
Fund Balance:			
Unreserved reported in:			
General Fund	\$ 3,418,177	\$ -	\$ -
Special Revenue Funds	-	452,143	-
Debt Service Funds	-	-	13,686
Capital Projects Funds	-	-	-
Total Fund Balances	<u>\$ 3,418,177</u>	<u>\$ 452,143</u>	<u>\$ 13,686</u>
Total Liabilities and Fund Balance	<u>\$ 6,234,238</u>	<u>\$ 885,780</u>	<u>\$ 1,318,843</u>

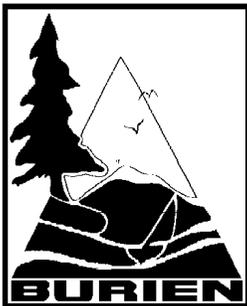
See accompanying notes to the financial statements.

Transportation Capital Projects	Other Governmental	Total
\$ 6,305,512	\$ 3,660,452	\$ 14,296,930
881,868	215	892,026
-	30,091	450,181
-	-	135,363
-	-	1,305,157
55,112	-	2,282,744
50,000	-	50,000
-	-	9,710
<u>\$ 7,292,492</u>	<u>\$ 3,690,758</u>	<u>\$ 19,422,111</u>
\$ 3,685,477	\$ 86,378	\$ 6,554,873
-	-	9,710
-	-	50,000
-	-	217,506
-	459,000	1,953,621
<u>\$ 3,685,477</u>	<u>\$ 545,378</u>	<u>\$ 8,785,710</u>
\$ -	\$ -	\$ 3,418,177
-	1,549,694	2,001,837
-	165,000	178,686
3,607,015	1,430,686	5,037,701
<u>\$ 3,607,015</u>	<u>\$ 3,145,380</u>	<u>\$ 10,636,401</u>
<u>\$ 7,292,492</u>	<u>\$ 3,690,758</u>	<u>\$ 19,422,111</u>

**City of Burien, Washington**  
**Reconciliation of Total Governmental Fund Balances**  
**to Net Assets of Governmental Activities**  
**December 31, 2010**

Total governmental fund balances		\$ 10,636,401
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		119,393,669
These assets consist of:		
Land	\$ 25,806,770	
Construction in Progress	37,056,135	
Buildings	12,981,581	
Improvements other than buildings	7,851,354	
Machinery and equipment - General Government	3,234,824	
Infrastructure	72,744,920	
Less: Accumulated Depreciation	<u>(40,281,915)</u>	
	\$ 119,393,669	
Investment in joint ventures are not a financial resource and, therefore are not reported in the funds.		3,656,056
Long term liabilities, including bonds payable are not due and payable in the current period and, therefore, are not reported in the funds.		(26,720,269)
These long-term liabilities consist of:		
Long term portion of long term debt	\$ 21,715,833	
Due within one year portion of long-term debt	1,177,225	
Premium on bond issues to be amortized over life of debt	222,681	
Bond Issue costs to be amortized over life of debt	(194,066)	
Long term portion of Special Obligation debt - Joint Venture	3,449,400	
Compensated absences	271,078	
Accrued interest payable on long-term debt	<u>78,118</u>	
	\$ 26,720,269	
Receivables not available to pay current period expenditures and, therefore, are deferred in the funds:		1,453,939
Special Assessments	\$ 1,305,157	
Property Taxes	<u>148,782</u>	
	\$ 1,453,939	
Accrued interest on Special Assessments not available to pay current period expenditures and, therefore, not reported in the funds.		2,606
Net Assets of Governmental Activities		<u><u>\$ 108,422,402</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, 2010**

	General	Street	Debt Service
<b>Revenues</b>			
General property taxes	\$ 4,364,710	\$ 1,763,955	\$ -
Sales Tax	5,101,336	-	-
Real Estate Excise Tax	-	-	-
B & O	483,086	-	-
Utility Tax	2,853,809	-	-
Gambling & other taxes	620,126	32,966	-
Intergovernmental revenue	2,337,265	862,543	29,703
Licenses & permits	934,499	268,915	-
Charges for services	867,451	-	48,164
Fines & forfeitures	180,113	233,410	-
Special assessments	-	-	97,470
Investment income	15,747	2,376	44
Miscellaneous	572,727	-	7,202
Total revenues	<u>18,330,869</u>	<u>3,164,165</u>	<u>182,583</u>
<b>Expenditures</b>			
Current:			
General government	4,141,081	-	-
Public safety	9,156,830	-	-
Transportation	-	1,876,756	-
Recreation	2,665,896	-	-
Physical Environment	575,646	-	-
Mental and Physical Health	10,391	-	-
Economic development	1,329,356	-	-
Debt service			
Principal	-	-	892,225
Interest	-	-	577,867
Capital outlay	72,941	97,593	-
Total expenditures	<u>17,952,141</u>	<u>1,974,349</u>	<u>1,470,092</u>
Excess of revenues over (under) expenditures	<u>378,728</u>	<u>1,189,816</u>	<u>(1,287,509)</u>
<b>Other Financing</b>			
<b>Sources (Uses)</b>			
Issuance of debt	-	-	-
Transfers in	152,000	-	1,233,428
Transfers (out)	(215,000)	(835,500)	-
Total other financing sources and uses	<u>(63,000)</u>	<u>(835,500)</u>	<u>1,233,428</u>
Net change in fund balances	<u>315,728</u>	<u>354,316</u>	<u>(54,081)</u>
Fund balances - beginning	<u>3,102,449</u>	<u>97,827</u>	<u>67,767</u>
Fund balances - ending	<u>\$ 3,418,177</u>	<u>\$ 452,143</u>	<u>\$ 13,686</u>

See accompanying notes to the financial statements

<u>Transportation Capital Projects</u>	<u>Other Governmental</u>	<u>Total</u>
\$ -	\$ 1,157,244	\$ 7,285,909
-	-	5,101,336
-	587,121	587,121
-	-	483,086
-	-	2,853,809
-	-	653,092
245,957	723,684	4,199,152
-	-	1,203,414
80,059	8,080	1,003,754
-	-	413,523
-	-	97,470
4,232	5,801	28,200
-	-	579,929
<u>330,248</u>	<u>2,481,930</u>	<u>24,489,795</u>
-	15,555	4,156,636
-	-	9,156,830
1,361,550	43,382	3,281,688
-	43,078	2,708,974
-	4,510	580,156
-	-	10,391
-	-	1,329,356
-	-	892,225
-	-	577,867
5,358,640	2,416,002	7,945,176
<u>6,720,190</u>	<u>2,522,527</u>	<u>30,639,299</u>
<u>(6,389,942)</u>	<u>(40,597)</u>	<u>(6,149,504)</u>
8,687,116	-	8,687,116
1,678,000	1,025,246	4,088,674
-	(2,356,928)	(3,407,428)
<u>10,365,116</u>	<u>(1,331,682)</u>	<u>9,368,362</u>
<u>3,975,174</u>	<u>(1,372,279)</u>	<u>3,218,858</u>
<u>(368,159)</u>	<u>4,517,659</u>	<u>7,417,543</u>
<u>\$ 3,607,015</u>	<u>\$ 3,145,380</u>	<u>\$ 10,636,401</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, 2010

Net change in fund balances - total governmental funds	\$	3,218,858
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.		
		10,701,677
This is comprised of:		
Capital Outlays	\$ 7,945,176	
Current year depreciation	(5,706,495)	
Contributed Capital Assets from annexation	8,462,996	
	\$ 10,701,677	
Investment in joint ventures are not considered financial resources and are, therefore not reported in the funds. (Decrease in equity)		(11,727)
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.		(161,073)
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.		(110,651)
This is comprised of:		
Property tax revenue	\$ (17,628)	
Accrued interest receivable on special assessment	(188)	
Special assessment reven	(92,835)	
	\$ (110,651)	
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.		(7,698,323)
This is comprised of:		
General Obligation Bond Sale	(8,615,000)	
Premium on Bond Sale	(72,116)	
Amortization of Bond Premium	10,038	
Principal payments on long-term debt	892,225	
Bond Issue Costs	86,530	
	\$ (7,698,323)	
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.		(58,010)
This is comprised of:		
Accrued interest expense	\$ (29,816)	
Amortization of bond issue costs	(7,169)	
Accrued compensated absences expense	(21,025)	
	\$ (58,010)	
Change in Net Assets of Governmental Activities	\$	5,880,751

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, 2010**

	Budget		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 13,705,110	\$ 14,347,350	\$ 13,423,067	\$ (924,283)
Intergovernmental revenue	1,089,220	1,889,500	2,337,265	447,765
Licenses & permits	742,340	1,113,500	934,499	(179,001)
Charges for services	1,101,632	1,042,000	867,451	(174,549)
Fines & forfeitures	50,000	202,000	180,113	(21,887)
Investment income	152,000	63,000	15,747	(47,253)
Miscellaneous	-	-	572,727	572,727
Total revenues	16,840,302	18,657,350	18,330,869	(326,481)
<b>Expenditures</b>				
Current:				
General Government	3,854,880	4,382,399	4,141,081	241,318
Public Safety	8,451,596	9,833,245	9,156,830	676,415
Health	7,379	7,379	10,391	(3,012)
Public Works	527,962	643,280	575,646	67,634
Recreation	2,571,245	2,683,732	2,665,896	17,836
Community Development	1,545,252	1,607,606	1,329,356	278,250
Capital Outlay	-	-	72,941	(72,941)
Total expenditures	16,958,314	19,157,641	17,952,141	1,205,500
Excess of revenues over (under) expenditures	(118,012)	(500,291)	378,728	879,019
<b>Other Financing</b>				
<b>Sources (Uses)</b>				
Transfers in	152,000	152,000	152,000	-
Transfers (out)	(195,000)	(215,000)	(215,000)	-
Total other financing sources (uses)	(43,000)	(63,000)	(63,000)	-
Excess of revenues and other sources over (under) expenditures and other uses:	(161,012)	(563,291)	315,728	879,019
Fund balances - beginning	3,187,974	3,768,613	3,102,449	(666,164)
Fund balances - ending	\$ 3,026,962	\$ 3,205,322	\$ 3,418,177	\$ 212,855

See accompanying notes to the financial statements.

**City of Burien, Washington**  
**Street Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances-Budget and Actual**  
**For the Year Ended December 31, 2010**

	Budget		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues</b>				
King County Road Taxes	-	1,961,000	1,763,955	(197,045)
Utility taxes	372,600	24,000	-	(24,000)
Gambling & Other taxes	-	-	32,966	32,966
Intergovernmental revenue	1,397,250	953,000	862,543	(90,457)
Licenses & permits	631,350	268,000	268,915	915
Investment income	11,400	10,000	2,376	(7,624)
Miscellaneous	280,000	240,000	233,410	(6,590)
Total revenues	<u>2,692,600</u>	<u>3,456,000</u>	<u>3,164,165</u>	<u>(291,835)</u>
<b>Expenditures</b>				
Current:				
Transportation	<u>1,557,294</u>	<u>2,200,245</u>	<u>1,974,349</u>	<u>225,896</u>
Total expenditures	<u>1,557,294</u>	<u>2,200,245</u>	<u>1,974,349</u>	<u>225,896</u>
Excess of revenues over (under) expenditures	<u>1,135,306</u>	<u>1,255,755</u>	<u>1,189,816</u>	<u>(65,939)</u>
<b>Other Financing</b>				
<b>Sources (Uses)</b>				
Transfers (out)	<u>(1,128,676)</u>	<u>(835,500)</u>	<u>(835,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,128,676)</u>	<u>(835,500)</u>	<u>(835,500)</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	6,630	420,255	354,316	(65,939)
Fund balances - beginning	<u>128,000</u>	<u>208,862</u>	<u>97,827</u>	<u>111,035</u>
Fund balances - ending	<u>\$ 134,630</u>	<u>\$ 629,117</u>	<u>\$ 452,143</u>	<u>\$ 45,096</u>

See accompanying notes to the financial statements.

**City of Burien, Washington**  
**Proprietary Fund**  
**Statement of Net Assets**  
**December 31, 2010**

	Surface Water Management
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 384,086
Utility receivables, net	79,067
Due from other governments	12,115
Total current assets	475,268
Non-current assets:	
Capital assets, net of depreciation	7,506,554
Total non-current assets	7,506,554
Total Assets	\$ 7,981,822
 <b>Liabilities</b>	
Current liabilities:	
Accounts payable	\$ 208,887
Due within one year	83,031
	\$ 291,918
Noncurrent Liabilities:	
Due in more than one year	1,245,463
Total Liabilities	\$ 1,537,381
 <b>Net Assets</b>	
Invested in capital assets, net of related debt	\$ 6,178,060
Unrestricted	266,381
Total Net Assets	\$ 6,444,441

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, 2010**

	Surface Water Management
<b>Operating Revenues:</b>	
Charges for services	\$ 2,301,075
Total operating revenues	2,301,075
<b>Operating Expenses:</b>	
Personal services	412,987
Support services	111,946
Repairs & maintenance	873,292
Depreciation	129,487
Total operating expenses	1,527,712
Operating income (loss)	773,363
Non-operating revenues (expenses):	
Investment income	2,033
Interest Expense	(6,977)
Total nonoperating revenues (expenses)	(4,944)
Income before capital contributions and transfers	768,419
Capital Contribution	555,255
Transfers to other funds	(681,246)
	(125,991)
Changes in net assets	642,428
Total net assets - beginning	5,802,013
Total net assets - ending	\$ 6,444,441

See accompanying notes to the financial statements.

**City of Burien, Washington**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2010**

	Surface Water Management
<b>Cash Flows from Operating Activities</b>	
Receipts from customers	\$ 2,283,588
Payments to suppliers	(935,740)
Payments to employees	(389,186)
Net cash provided (used) by operating activities	958,662
<b>Cash Flows from Non-capital Financing Activities</b>	
Operating subsidies and transfers to other funds	(681,246)
Net cash provided (used) by non-capital financing activities	(681,246)
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchase and construction of capital assets	(31,161)
Principal payments on Capital Debt	(83,031)
Interest paid on debt service	(6,977)
Net cash provided (used) by capital and related financing activities	(121,169)
<b>Cash Flows from Investing Activities</b>	
Interest received on investments	2,033
Net cash provided by investing activities	2,033
Net increase (decrease) in cash and cash equivalents	158,280
Cash and cash equivalents, beginning	225,806
Cash and cash equivalents, ending	\$ 384,086
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>	
Operating income (loss)	\$ 773,363
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	129,487
Changes in assets and liabilities:	
Accounts receivable	2,780
Accounts payable	53,032
Total adjustments	185,299
Net Cash Provided by Operating Activities	\$ 958,662

Noncash capital activities of \$555,255 are comprised of contributed capital assets from the general government of \$161,073 and \$394,182 from the county as a result of the recent annexation.

See accompanying notes to the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2010

**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 2010 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 *Street Fund* accounts for operations and maintenance of the cities roadways.

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.

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, 2010, 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 is one interfund balance of \$50,000 to the Transportation Capital Project Fund, from the Street 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 three bond issues, four Public Works Trust Fund Loans and a special obligation bond issued by a joint venture of several cities, of which Burien has a 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.

## **The Authorized Staffing Level Compliance**

The 2010 budget authorized 62.89 full-time equivalent staff positions. At December 31, 2010, 2.5 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, 2010 the carrying amount of the City's demand deposits with Key Bank was \$315,504. Petty cash totaled \$1,225 which is allocated to various City departments, and \$ 1,580 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, 2010 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>\$14,372,417</u>	<u>\$14,372,417</u>
Total Investments	<u>\$14,372,417</u>	<u>\$14,372,417</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, 2010, 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 2010 was \$1.52034 per \$1,000 of the assessed valuation of \$3,627,221,053 for a total regular levy of \$5,514,609.

**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>2010 Interfund Receivables and Payables:</i>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Transportation Capital Projects Fund	\$ 50,000	\$ -
Street Fund	-	50,000
Total Interfund Receivables and Payables:	<u>\$ 50,000</u>	<u>\$ 50,000</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.

*2010 Transfers:*

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 152,000	\$ 215,000
Street Fund	-	835,500
Debt Service Fund	1,233,428	-
Transportation Capital Project Fund	1,678,000	-
Other Governmental Funds:		
Public Works Reserve Fund	-	329,840
Equipment Replacement Reserve	215,000	-
Art in Public Places	5,000	-
Capital Projects Reserve Fund	-	922,088
Town Square Capital Project Fund	200,000	-
Parks and General Government Capital Projects Fund	-	5,000
Surface Water Management Capital Project Fund	605,246	1,100,000
Sub-total Other Governmental Funds	<u>1,025,246</u>	<u>2,356,928</u>
Business-type Activities - Surface Water Management Fund	-	681,246
	<u>\$ 4,088,674</u>	<u>\$ 4,088,674</u>

*Interfund Transfer of Capital Assets:*

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Activities		
Surface Water Management Capital Project Fund	\$ -	\$ 161,073
Business-type activities		
Surface Water Management Fund	161,073	-
	<u>\$ 161,073</u>	<u>\$ 161,073</u>

**NOTE 7. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2010 is presented on the following page:

<b>Governmental Activities</b>	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Capital Assets, not being depreciated				
Land	\$ 22,771,670	\$ 3,035,100	\$ -	\$ 25,806,770
Construction in Progress	32,696,055	7,299,112	2,939,032	37,056,135
Total capital assets, not being depreciated	55,467,725	10,334,212	2,939,032	62,862,905
Capital Assets, being depreciated				
Buildings	\$ 11,243,206	\$ 1,738,375	\$ -	\$ 12,981,581
Improvements other than buildings	7,322,626	528,728	-	7,851,354
Machinery and equipment	2,749,831	484,993	-	3,234,824
Infrastructure	66,645,095	6,099,825	-	72,744,920
Total Capital Assets, being depreciated	87,960,758	8,851,921	-	96,812,679
Less accumulated depreciation for:				
Buildings	\$ 466,270	\$ 562,160	\$ -	\$ 1,028,430
Improvements	889,632	401,362	-	1,290,994
Machinery and Equipment	1,625,200	214,768	-	1,839,968
Infrastructure	31,594,317	4,528,206	-	36,122,523
Total Accumulated Depreciation	34,575,419	5,706,496	-	40,281,915
Total capital assets, being depreciated, net	53,385,339	3,145,425	-	56,530,764
Governmental activities capital assets, net	\$ 108,853,064	\$ 13,479,637	\$ 2,939,032	\$ 119,393,669
<b>Business type Activities</b>	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Capital Assets, not being depreciated				
Land	\$ 1,076,060	\$ -	\$ -	\$ 1,076,060
Construction in Progress	3,341,064	161,073	3,107,392	394,745
Total capital assets, not being depreciated	4,417,124	161,073	3,107,392	1,470,805
Capital Assets, being depreciated				
Buildings	\$ -	\$ -	\$ -	\$ -
Improvements other than buildings	-	-	-	-
Machinery and equipment	125,404	31,161	-	156,565
Infrastructure	3,845,541	3,501,573	-	7,347,114
Total Capital Assets, being depreciated	3,970,945	3,532,734	-	7,503,679
Less accumulated depreciation for:				
Buildings	\$ -	\$ -	\$ -	\$ -
Improvements	-	-	-	-
Machinery and Equipment	91,672	11,390	-	103,062
Infrastructure	1,246,771	118,097	-	1,364,868
Total Accumulated Depreciation	1,338,443	129,487	-	1,467,930
Total capital assets, being depreciated, net	2,632,502	3,403,247	-	6,035,749
Business-type activities capital assets, net	\$ 7,049,626	\$ 3,564,320	\$ 3,107,392	\$ 7,506,554

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

**Governmental Activities:**

General Government	\$ 702,329
Public Safety	13,153
Transportation, including infrastructure	4,530,073
Culture & Recreation	453,194
Economic Development	<u>7,747</u>
Total Increase in Accumulated Depreciation Governmental Activities	<u>\$5,706,495</u>

**Business- type Activities:**

Surface Water Management	<u>\$ 129,487</u>
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**NOTE 8. CONSTRUCTION COMMITMENTS**

The City has several small active construction projects as of December 31, 2010. With the completion of the parks department's facility remodel of the old Library into a new community center the only project of significance is the 2010 Street Overlay project. At year end 2010 the City has spent in excess of \$1 million on this project and has a remaining commitment of an additional \$6.3 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 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. During 2010 a Limited Tax General Obligation Bonds was issued for \$8.615 million to provide funds for a major street overlay project.

**Changes in General Long Term Debt**

For the Year Ended December 31, 2010

	Balance <u>1/1/010</u>	Increases	Decreases	Balance <u>12/31/10</u>
2002 Limited Tax G.O. 2.5 to 4.70%	\$ 2,325,000	-	\$(140,000)	\$ 2,185,000
2006 Limited Tax G.O. 3.75 to 5.00%	8,805,000	-	(365,000)	8,440,000
2009 Special G.O./SCORE, PDA 2.0% to 5.346 %	3,449,400	-	-	3,449,400
2010 Limited Tax G.O.	<u>-</u>	<u>8,615,000</u>	<u>(85,000)</u>	<u>8,530,000</u>
Total General Obligation Bonds	<u>\$ 14,579,400</u>	<u>\$8,615,000</u>	<u>\$(590,000)</u>	<u>\$ 22,604,400</u>

**Debt Service Requirement to Maturity**  
 Long Term Debt Summary  
 December 31, 2010

<u>Year</u>	<u>General Obligation Bonds</u>		<u>Total Long Term Debt</u>
	<u>Principal</u>	<u>Interest</u>	
2011	875,000	1,031,505	1,906,505
2012	900,000	1,003,505	1,903,505
2013	1,001,600	973,556	1,975,156
2014	1,038,000	939,614	1,977,614
2015	1,079,600	903,979	1,983,579
2016 - 2020	6,055,800	3,805,764	9,861,564
2021 - 2025	6,486,200	2,423,217	8,909,417
2026 - 2030	3,588,000	1,061,192	4,649,192
2031 - 2035	803,800	394,253	1,198,053
2036 - 2039	776,400	105,445	881,845
	<u>\$22,604,400</u>	<u>\$12,642,030</u>	<u>\$35,246,430</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 \$1,420,950 and is being repaid with Real Estate Excise Taxes received in the Public Works Reserve Fund. The second loan is for \$633,333 and is being repaid with revenues from a special assessment (LID #1) against the benefiting property owners on the 152<sup>nd</sup> 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 \$1,683,775. The fourth loan is the responsibility of the Surface Water Management Fund for the Ambaum Pond Project associated with the 1<sup>st</sup> Ave South project. The outstanding balance at year end is \$1,328,493.

**Governmental Funds Debt Service:**

Public Works Trust Fund  
Loans

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2011	302,225	18,690
2012	302,225	17,179
2013	302,225	15,668
2014	302,225	14,157
2015	302,225	12,646
2016 - 2020	1,511,123	40,562
2021 - 2025	715,811	7,451
2026	-	-
	<u>\$ 3,738,058</u>	<u>\$ 126,353</u>

**Business Type Activities Debt Service:**

Public Works Trust Fund  
Loans

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2011	83,031	6,278
2012	83,031	5,886
2013	83,031	5,494
2014	83,031	5,397
2015	83,031	5,494
2016 - 2020	415,154	21,173
2021 - 2025	415,154	10,794
2026	83,031	415
	<u>\$ 1,328,493</u>	<u>\$ 60,931</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 \$9,943. 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
<b>Governmental Activities:</b>					
Bonds Payable					
General obligation bonds	\$11,130,000	\$ 8,615,000	\$ (590,000)	\$19,155,000	\$ 875,000
SCORE PDA, bonds payable	3,449,400	-	-	3,449,400	-
Special assessment debt with government commitment (PWTFLL)					
LID No. 1 SW 152nd St.	686,111	-	(52,778)	633,333	52,778
LID No. 2 1st Ave S.	902,023	-	(60,135)	841,888	60,135
Public Works Trust Funds Loans:					
SW 152nd St Project	1,550,128	-	(129,178)	1,420,950	129,177
1st Ave S. Project	902,022	-	(60,135)	841,887	60,135
Plus Deferred amount for issuance premium	160,602	72,116	(10,037)	222,681	13,833
Bonds and Loans Payable	\$18,780,286	\$ 8,687,116	\$ (902,263)	\$26,565,139	\$ 1,191,058
Compensated Absences	250,053	272,312	(251,287)	271,078	25,000
Governmental activity Long-term liabilities	\$19,030,339	\$ 8,959,428	\$ (1,153,550)	\$26,836,217	\$ 1,216,058
<b>Business type activities:</b>					
Public Works Trust Funds Loans:					
Ambaum Pond Project	1,411,524	-	(83,031)	1,328,493	83,031
Business Type activity Long-term liabilities	\$ 1,411,524	\$ -	\$ (83,031)	\$ 1,328,493	\$ 83,031
<b>Total Governmental and Business- Type Long-term Liabilities</b>	<b>\$20,441,863</b>	<b>\$ 8,959,428</b>	<b>\$ (1,236,581)</b>	<b>\$28,164,710</b>	<b>\$ 1,299,089</b>

### 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 \$271,078, an increase of \$21,025 from the previous year, so governmental expenses for 2010 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>
2010	\$3,445	\$205,597	\$ 8,929
2009	3,956	244,159	7,676
2008	8,596	234,027	13,622

## 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, 2010, there were seventy active members in the City of Burien Retirement Plan. The City's covered payroll for the year ended December 31, 2010, was \$4,061,351 out of total payroll of \$4,308,819. Employee contributions during the year totaled \$251,907. City contributions were \$237,686.

**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 the following monthly amounts:

	Health First	Selections
	<u>1000</u>	<u>1000</u>
Non-Medicare enrolled retiree coverage	\$ 668.43	\$ 625.93
Non-Medicare enrolled spouse coverage	670.74	628.23
Medicare enrolled retiree coverage	364.82	334.01
Medicare enrolled spouse coverage	367.13	336.31

Participating employers are not contractually required to contribute an assessed rate each year by Trust for non-LEOFF 1 retirees. The retiree pays 100% of the premium.

**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%
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	1,990,000	4,995,069	(1,632,787)	5,352,282	1,659,207	214,091	963,411	1,926,822	160,568	428,183
2016-2020	11,145,000	23,535,189	(8,001,883)	26,678,306	8,270,275	1,067,132	4,802,095	9,604,190	800,349	2,134,264
2021-2025	13,405,000	20,377,998	(7,211,504)	26,571,494	8,237,163	1,062,860	4,782,869	9,565,738	797,145	2,125,720
2026-2030	16,325,000	15,803,611	(5,715,798)	26,412,813	8,187,972	1,056,513	4,754,306	9,508,613	792,384	2,113,025
2031-2035	20,095,000	9,856,351	(3,682,383)	26,268,968	8,143,380	1,050,759	4,728,414	9,456,828	788,069	2,101,517
2036-2039	19,410,000	2,636,145	(1,147,380)	20,898,765	6,478,617	835,951	3,761,778	7,523,555	626,963	1,671,901
<b>Totals</b>	<b>\$ 86,235,000</b>	<b>\$ 97,709,391</b>	<b>\$ (34,071,977)</b>	<b>\$ 149,872,414</b>	<b>\$ 46,460,447</b>	<b>\$ 5,994,898</b>	<b>\$ 26,977,035</b>	<b>\$ 53,954,068</b>	<b>\$ 4,496,171</b>	<b>\$ 11,989,792</b>

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, 2010 related to SCORE:

South Correctional Entity (SCORE) 2010 Owner Cities Equity Allocation				
Member City	Percent of Equity	2009 Equity Balance	2010 Distribution	2010 Equity Balance
Auburn	31.00%	\$ 1,692,471	\$ (90,883)	\$ 1,601,588
Burien	4.00%	218,383	(11,727)	206,656
Federal Way	18.00%	982,725	(52,771)	929,954
Renton	36.00%	1,965,450	(105,540)	1,859,910
SeaTac	3.00%	163,787	(8,795)	154,992
Tukwila	8.00%	436,767	(23,454)	413,313
<b>Grand Totals</b>	<b>100.00%</b>	<b>\$ 5,459,583</b>	<b>\$ (293,170)</b>	<b>\$ 5,166,413</b>

Completed 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 145 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, 2010, 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 a defendant in a class action lawsuit against several cities in federal court, regarding automated red light traffic enforcement. The cities have prevailed at the trial court and appellate court levels. It appears that the plaintiffs have nearly exhausted their legal remedies and that this matter will not have a material impact on the financial statements of the City.

**NOTE 15. SUBSEQUENT EVENT**

On June 6, 2011, the Burien City Council approved an out of court settlement agreement with the general contractor on the First Avenue South Street Project for \$2.9 million. This settlement amount has been accrued to the financial statements and resolves this claim.



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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

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.

Town Square Capital Project Fund - This fund was created to acquire the property for Town Square and to construct the City Hall/Library Building, Town Square Park and the internal streets.

Parks and General Government Capital Projects Fund - This fund was created to acquire and construct parks and general governmental capital projects identified in the long range capital improvement plan.

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, 2010				
Special Revenue				
	Public Works Reserve	Equipment Replacement Reserve	Art In Public Places	Capital Projects Reserve
<b>Assets</b>				
Cash and cash equivalents	\$ 408,620	\$ 297,851	\$ 52,341	\$ 760,791
Accounts receivable	-	-	-	-
Taxes receivable	-	-	-	30,091
<b>Total Assets</b>	<b>\$ 408,620</b>	<b>\$ 297,851</b>	<b>\$ 52,341</b>	<b>\$ 790,882</b>
<b>Liabilities and Fund Balance</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balance:</b>				
Unreserved reported in special revenue funds	\$ 408,620	\$ 297,851	\$ 52,341	\$ 790,882
Unreserved reported in debt service funds	-	-	-	-
Unreserved reported in capital projects funds	-	-	-	-
<b>Total Net Assets</b>	<b>\$ 408,620</b>	<b>\$ 297,851</b>	<b>\$ 52,341</b>	<b>\$ 790,882</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 408,620</b>	<b>\$ 297,851</b>	<b>\$ 52,341</b>	<b>\$ 790,882</b>



<b>City of Burien, Washington</b>				
<b>Nonmajor Governmental Funds</b>				
<b>Combining Statement of Revenues, Expenditures and Changes in Fund Balance</b>				
<b>For the Year Ended December 31, 2010</b>				
Special Revenue				
	Public Works Reserve	Equipment Replacement Reserve	Art In Public Places	Capital Projects Reserve
<b>Revenues</b>				
Property Tax	\$ -	\$ -	\$ -	\$ 1,097,850
Real Estate Excise Tax	587,121	-	-	
Intergovernmental	-	-	-	-
Charges for services	8,080	-	-	-
Investment income	1,068	563	122	1,390
<b>Total revenues</b>	<b>\$ 596,269</b>	<b>\$ 563</b>	<b>\$ 122</b>	<b>\$ 1,099,240</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	\$ -	\$ 912	\$ -	\$ -
Transportation	-	43,382	-	-
Recreation	-	-	-	-
Physical environment	-	-	-	-
Capital outlay	-	314,457	-	-
<b>Total expenditures</b>	<b>\$ -</b>	<b>\$ 358,751</b>	<b>\$ -</b>	<b>\$ -</b>
Excess of revenues over (under) expenditures	\$ 596,269	\$ (358,188)	\$ 122	\$ 1,099,240
<b>Other Financing</b>				
<b>Sources (Uses)</b>				
Transfers in	\$ -	\$ 215,000	\$ 5,000	\$ -
Transfers (out)	(329,840)	-	-	(922,088)
<b>Total other financing     sources and uses</b>	<b>\$ (329,840)</b>	<b>\$ 215,000</b>	<b>\$ 5,000</b>	<b>\$ (922,088)</b>
Net change in fund balances	\$ 266,429	\$ (143,188)	\$ 5,122	\$ 177,152
Fund balances - beginning	\$ 142,191	\$ 441,039	\$ 47,219	\$ 613,730
Fund balances - ending	\$ 408,620	\$ 297,851	\$ 52,341	\$ 790,882
See accompanying notes to the financial statements.				



<b>City of Burien, Washington</b>				
<b>Public Works Reserve Fund</b>				
<b>Schedule of Revenues, Expenditures, and</b>				
<b>Changes in Fund Balances-Budget and Actual</b>				
<b>For the Year Ended December 31, 2010</b>				
	Budget			Variance with
	Original	Final	Actual	Final Budget-
			Amounts	Positive
				(Negative)
<b>Revenues</b>				
Real Estate Excise Tax	\$ 1,100,000	\$ 552,000	\$ 587,121	\$ 35,121
Charges for services	32,000	15,000	8,080	(6,920)
Investment income	10,000	1,500	1,068	(432)
Total revenues	1,142,000	568,500	596,269	27,769
<b>Expenditures</b>				
Current:				
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	1,142,000	568,500	596,269	27,769
<b>Other Financing</b>				
<b>Sources (Uses)</b>				
Transfers (out)	(1,140,000)	(329,840)	(329,840)	-
Total other financing sources (uses)	(1,140,000)	(329,840)	(329,840)	-
Excess of revenues and other sources over (under) expenditures and other uses	2,000	238,660	266,429	27,769
Fund balances - beginning	664	90,495	142,191	51,696
Fund balances - ending	<u>\$ 2,664</u>	<u>\$ 329,155</u>	<u>\$ 408,620</u>	<u>\$ 79,465</u>

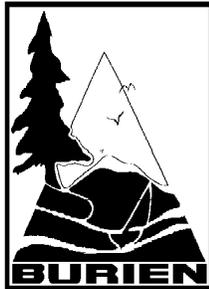
<b>City of Burien, Washington</b>				
<b>Equipment Reserve Fund</b>				
<b>Schedule of Revenues, Expenditures, and</b>				
<b>Changes in Fund Balances-Budget and Actual</b>				
<b>For the Year Ended December 31, 2010</b>				
	Budget			Variance with
	Original	Final	Actual	Final Budget-
			Amounts	Positive
				(Negative)
<b>Revenues</b>				
Investment income	\$ 20,000	\$ 2,500	\$ 563	\$ (1,937)
Total revenues	20,000	2,500	563	(1,937)
<b>Expenditures</b>				
Current:				
General government	-	-	912	(912)
Transportation	-	-	43,382	(43,382)
Capital outlay	82,800	382,800	314,457	68,343
Total expenditures	82,800	382,800	358,751	24,049
Excess of revenues over				
(under) expenditures	(62,800)	(380,300)	(358,188)	22,112
<b>Other Financing</b>				
<b>Sources (Uses)</b>				
Transfers in	195,000	215,000	215,000	-
Total other financing				
sources (uses)	195,000	215,000	215,000	-
Excess of revenues and other sources over				
(under) expenditures and other uses	132,200	(165,300)	(143,188)	22,112
Fund balances - beginning	449,399	402,302	441,039	38,737
Fund balances - ending	\$ 581,599	\$ 237,002	\$ 297,851	\$ 60,849

<b>City of Burien, Washington</b>				
<b>Art in Public Places Fund</b>				
<b>Schedule of Revenues, Expenditures, and</b>				
<b>Changes in Fund Balances-Budget and Actual</b>				
<b>For the Year Ended December 31, 2010</b>				
	Budget			Variance with
			Actual	Final Budget-
	Original	Final	Amounts	Positive
				(Negative)
<b>Revenues</b>				
Investment income	\$ 2,000	\$ 350	\$ 122	\$ (228)
Miscellaneous	-	-	-	
Total revenues	2,000	350	122	(228)
<b>Expenditures</b>				
Current:	-	-	-	
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	2,000	350	122	(228)
<b>Other Financing</b>				
<b>Sources (Uses)</b>				
Transfers in	5,000	10,000	5,000	(5,000)
Total other financing sources (uses)	5,000	10,000	5,000	(5,000)
Excess of revenues and other sources over (under) expenditures and other uses	7,000	10,350	5,122	(5,228)
Fund balances - beginning	50,027	47,663	47,219	(444)
Fund balances - ending	\$ 57,027	\$ 58,013	\$ 52,341	\$ (5,672)

<b>City of Burien, Washington</b>					
<b>Capital Projects Reserve Fund</b>					
<b>Schedule of Revenues, Expenditures, and</b>					
<b>Changes in Fund Balances-Budget and Actual</b>					
<b>For the Year Ended December 31, 2010</b>					
		Budget			Variance with
				Actual	Final Budget-
		Original	Final	Amounts	Positive
					(Negative)
<b>Revenues</b>					
Tax revenue		\$ 1,149,000	\$ 1,193,724	\$ 1,097,850	\$ (95,874)
Investment income		59,000	9,000	1,390	(7,610)
Total revenues		<u>1,208,000</u>	<u>1,202,724</u>	<u>1,099,240</u>	<u>(103,484)</u>
<b>Expenditures</b>					
Current:					
Total expenditures		-	-	-	-
Excess of revenues over					
(under) expenditures		<u>1,208,000</u>	<u>1,202,724</u>	<u>1,099,240</u>	<u>(103,484)</u>
<b>Other Financing</b>					
<b>Sources (Uses)</b>					
Transfers Out		(362,170)	(922,088)	(922,088)	-
Total other financing					
sources (uses)		(362,170)	(922,088)	(922,088)	-
Excess of revenues and other sources over					
(under) expenditures and other uses		845,830	280,636	177,152	(103,484)
Fund balances - beginning		1,247,917	404,412	613,730	209,318
Fund balances - ending		<u>\$ 2,093,747</u>	<u>\$ 685,048</u>	<u>\$ 790,882</u>	<u>\$ 105,834</u>

<b>City of Burien, Washington</b>					
<b>Debt Service Fund</b>					
<b>Schedule of Revenues, Expenditures, and</b>					
<b>Changes in Fund Balances-Budget and Actual</b>					
<b>For the Year Ended December 31, 2010</b>					
	Budget			Actual	Variance with
	Original	Final	Amounts	Final Budget-	Positive
				(Negative)	
<b>Revenues</b>					
Intergovernmental	\$ -	\$ -	29,703		29,703
Charges for Services	-	-	48,164		48,164
Special Assessment	116,000	116,000	104,672		(11,328)
Investment income	-	-	44		44
Total revenues	116,000	116,000	182,583		66,583
<b>Expenditures</b>					
Public Works Trust Fund Loan principal	283,535	283,535	302,225		18,690
G.O. Bond principal	485,000	485,000	590,000		105,000
Interest	501,734	501,734	577,867		76,133
Total expenditures	1,270,269	1,270,269	1,470,092		199,823
Excess of revenues over (under) expenditures	(1,154,269)	(1,154,269)	(1,287,509)		(133,240)
<b>Other Financing</b>					
<b>Sources (Uses)</b>					
Transfers in	1,021,707	1,243,428	1,233,428		(10,000)
Total other financing sources (uses)	1,021,707	1,243,428	1,233,428		(10,000)
Excess of revenues and other sources over (under) expenditures and other uses	(132,562)	89,159	(54,081)		(143,240)
Fund balances - beginning	289,732	(61,084)	67,767		128,851
Fund balances - ending	\$ 157,170	\$ 28,075	\$ 13,686		\$ (14,389)

<b>City of Burien, Washington</b>					
<b>LID Guaranty Fund</b>					
<b>Schedule of Revenues, Expenditures, and</b>					
<b>Changes in Fund Balances-Budget and Actual</b>					
<b>For the Year Ended December 31, 2010</b>					
	Budget			Actual	Variance with
	Original	Final	Amounts	Final Budget-	
				Positive	
				(Negative)	
<b>Revenues</b>					
Total revenues	\$ -	\$ -	\$ -	\$ -	
<b>Expenditures</b>					
Current:					
Total expenditures	-	-	-	-	
Excess of revenues over (under) expenditures	-	-	-	-	
<b>Other Financing</b>					
<b>Sources (Uses)</b>					
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>	



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**Statistical Section  
December 31, 2010**

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.

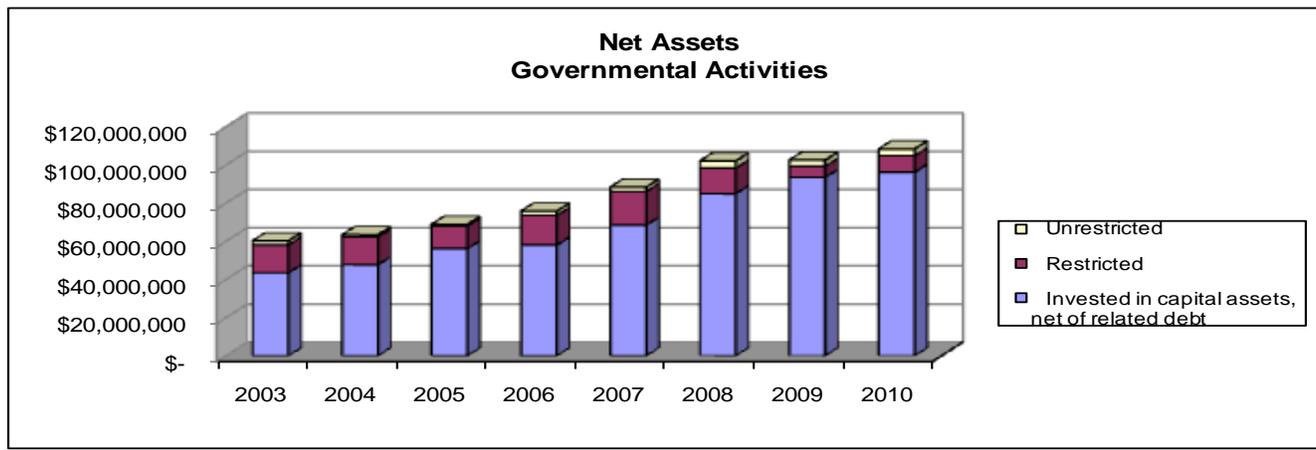
Schedule 15	Demographic and Economic Statistics	6-22
Schedule 16	Principal Employers	6-23

**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.

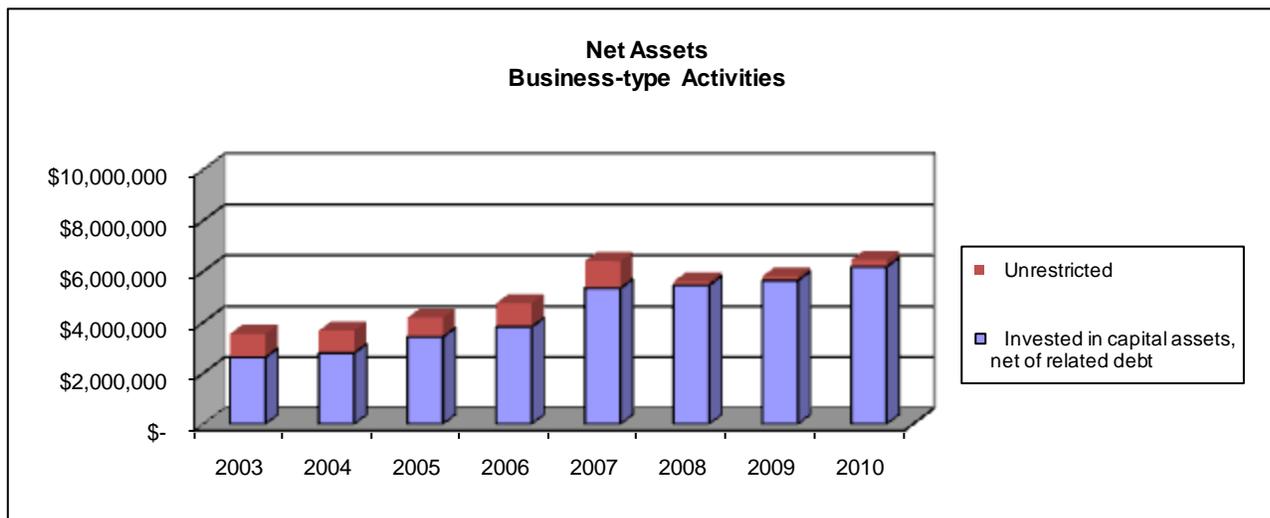
Schedule 17	Full Time Equivalent Employees by Function	6-24
Schedule 18	Operating Indicators by Department	6-25
Schedule 19	Capital Indicators by Department	6-26

**Schedule 1  
Net Assets by Component  
Last Eight Fiscal Years <sup>1</sup>**

	2003	2004	2005	2006	2007	2008	2009	2010
<b>Governmental activities</b>								
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	96,277,930
Restricted	14,666,623	14,474,011	11,777,207	15,556,586	17,617,873	13,423,818	5,782,283	8,641,935
Unrestricted	2,041,689	1,160,862	845,605	2,178,828	2,259,558	3,687,935	3,237,190	3,502,537
<b>Total governmental activities net assets</b>	<b>\$ 60,254,442</b>	<b>\$ 63,429,202</b>	<b>\$ 68,873,162</b>	<b>\$ 75,828,475</b>	<b>\$ 88,450,223</b>	<b>\$ 102,095,741</b>	<b>\$ 102,541,651</b>	<b>\$ 108,422,402</b>



	2003	2004	2005	2006	2007	2008	2009	2010
<b>Business-type activities</b>								
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	6,178,060
Restricted	-	-	-	-	-	-	-	-
Unrestricted	917,860	873,687	753,162	928,910	1,062,208	147,692	163,911	266,381
<b>Total business-type activities net assets</b>	<b>\$ 3,538,961</b>	<b>\$ 3,663,647</b>	<b>\$ 4,174,918</b>	<b>\$ 4,748,493</b>	<b>\$ 6,398,395</b>	<b>\$ 5,603,575</b>	<b>\$ 5,802,013</b>	<b>\$ 6,444,441</b>

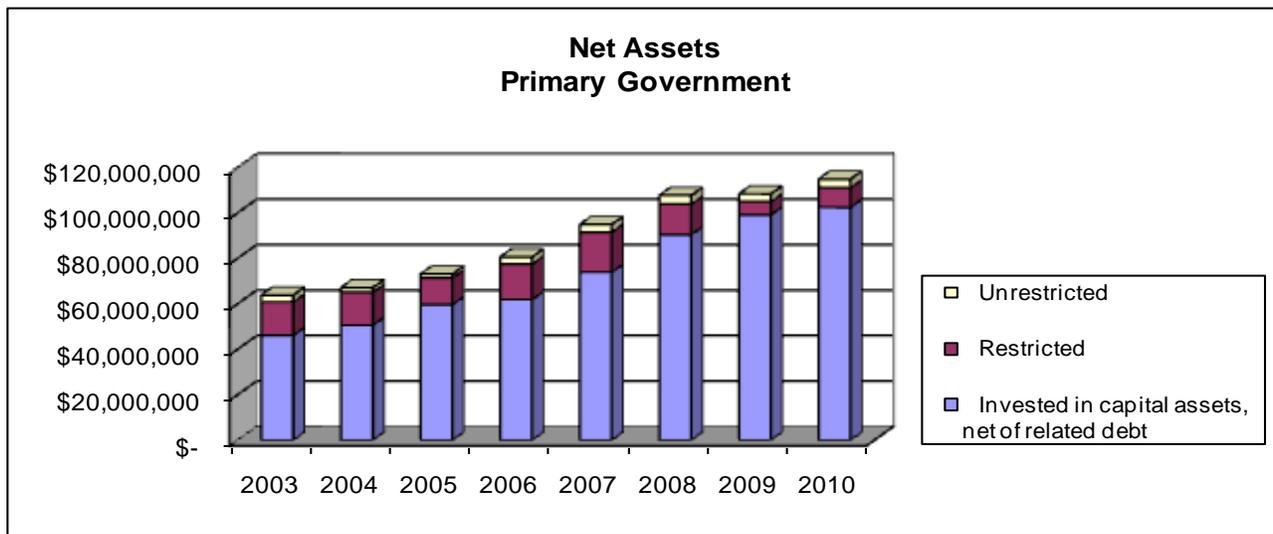


\* Amounts presented from year of implementation of GASB 34 (2003) forward.

Source: City of Burien Finance Department

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

	2003	2004	2005	2006	2007	2008	2009	2010
<b>Primary government</b>								
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	102,455,990
Restricted	14,666,623	14,474,011	11,777,207	15,556,586	17,617,873	13,423,818	5,782,283	8,641,935
Unrestricted	2,959,549	2,034,549	1,598,767	3,107,738	3,321,766	3,835,627	3,401,101	3,768,918
<b>Total primary government net assets</b>	<b>\$ 63,793,403</b>	<b>\$ 67,092,849</b>	<b>\$ 73,048,080</b>	<b>\$ 80,576,968</b>	<b>\$ 94,848,618</b>	<b>\$ 107,699,316</b>	<b>\$ 108,343,664</b>	<b>\$ 114,866,843</b>



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

**Source: City of Burien Finance Department**

**Schedule 2**  
**Changes in Net Assets**  
**Last Eight 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>	<u>2010</u>
<b>Expenses</b>								
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	4,364,535
Judicial	223,500	252,951	243,846	265,336	239,385	236,123	454,344	488,330
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	9,181,710
Physical environment	182,332	188,712	169,743	201,119	292,817	405,561	644,205	580,156
Transportation	2,907,494	3,671,190	3,496,991	3,817,317	4,384,302	4,670,274	5,336,579	7,744,105
Economic development	1,241,659	1,102,345	1,236,388	1,292,505	1,336,188	1,551,828	1,904,957	1,351,931
Mental and physical health	52,898	55,773	52,995	6,676	7,333	7,274	8,856	10,391
Culture and recreation	1,821,347	1,937,012	2,237,990	2,312,841	2,488,481	2,590,110	2,653,889	3,162,760
Interest on long-term debt	168,023	148,232	135,118	162,993	500,609	502,459	488,960	597,646
<b>Total governmental activities expenses</b>	<b>\$ 15,191,360</b>	<b>\$ 16,722,440</b>	<b>\$ 17,023,004</b>	<b>\$ 18,247,095</b>	<b>\$ 20,038,987</b>	<b>\$ 21,722,572</b>	<b>\$ 22,313,920</b>	<b>\$ 27,481,564</b>
Business-type activities:								
Storm Water	1,017,830	952,761	997,661	968,228	1,048,450	1,100,780	1,276,992	1,534,689
<b>Total business-type activities expenses</b>	<b>\$ 1,017,830</b>	<b>\$ 952,761</b>	<b>\$ 997,661</b>	<b>\$ 968,228</b>	<b>\$ 1,048,450</b>	<b>\$ 1,100,780</b>	<b>\$ 1,276,992</b>	<b>\$ 1,534,689</b>
<b>Total primary government expenses</b>	<b>\$ 16,209,190</b>	<b>\$ 17,675,201</b>	<b>\$ 18,020,665</b>	<b>\$ 19,215,323</b>	<b>\$ 21,087,437</b>	<b>\$ 22,823,352</b>	<b>\$ 23,590,912</b>	<b>\$ 29,016,253</b>
<b>Program Revenues</b>								
Governmental Activities:								
Charges for Services								
General government	816,684	865,467	822,824	868,005	823,749	727,145	822,322	1,376,229
Judicial	-	54,046	19,566	7,138	4,682	4,703	231,341	374,706
Security of persons and property	61,893	55	110	-	2,104	-	-	-
Physical environment	356	372	3,663	25,767	931	223,089	536	6,014
Transportation	105,206	128,167	594,313	231,467	116,789	915,307	185,707	246,870
Economic Environment	859,831	513,185	824,601	1,259,430	1,329,150	1,253,287	916,319	698,606
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	576,896
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	3,199,708
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	9,388,375
<b>Total governmental activities program revenues</b>	<b>\$ 7,659,632</b>	<b>\$ 6,418,021</b>	<b>\$ 8,273,183</b>	<b>\$ 9,314,704</b>	<b>\$ 17,355,952</b>	<b>\$ 18,142,866</b>	<b>\$ 8,180,918</b>	<b>\$ 15,867,404</b>
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	2,301,075
Operating Grants and Contributions	-	-	-	-	-	7,977	-	-
Capital Grants and Contributions	-	-	-	-	-	95,000	-	394,182
<b>Total business-type activities program revenues</b>	<b>\$ 1,285,884</b>	<b>\$ 1,282,132</b>	<b>\$ 1,555,745</b>	<b>\$ 1,571,544</b>	<b>\$ 1,631,203</b>	<b>\$ 1,832,419</b>	<b>\$ 1,936,479</b>	<b>\$ 2,695,257</b>
<b>Total primary government program revenues</b>	<b>\$ 8,945,516</b>	<b>\$ 7,700,153</b>	<b>\$ 9,828,928</b>	<b>\$ 10,886,248</b>	<b>\$ 18,987,155</b>	<b>\$ 19,975,285</b>	<b>\$ 10,117,397</b>	<b>\$ 18,562,661</b>
<b>Net (Expense)/Revenue</b>								
Governmental activities	\$ (7,531,728)	\$ (10,304,419)	\$ (8,749,821)	\$ (8,932,391)	\$ (2,683,035)	\$ (3,579,706)	\$ (14,133,002)	\$ (11,614,160)
Business-type activities	\$ 268,054	\$ 329,371	\$ 558,084	\$ 603,316	\$ 582,753	\$ 731,639	\$ 659,487	\$ 1,160,568
<b>Total primary government net expense</b>	<b>\$ (7,263,674)</b>	<b>\$ (9,975,048)</b>	<b>\$ (8,191,737)</b>	<b>\$ (8,329,075)</b>	<b>\$ (2,100,282)</b>	<b>\$ (2,848,067)</b>	<b>\$ (13,473,515)</b>	<b>\$ (10,453,592)</b>

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

**Source: City of Burien Finance Department**

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

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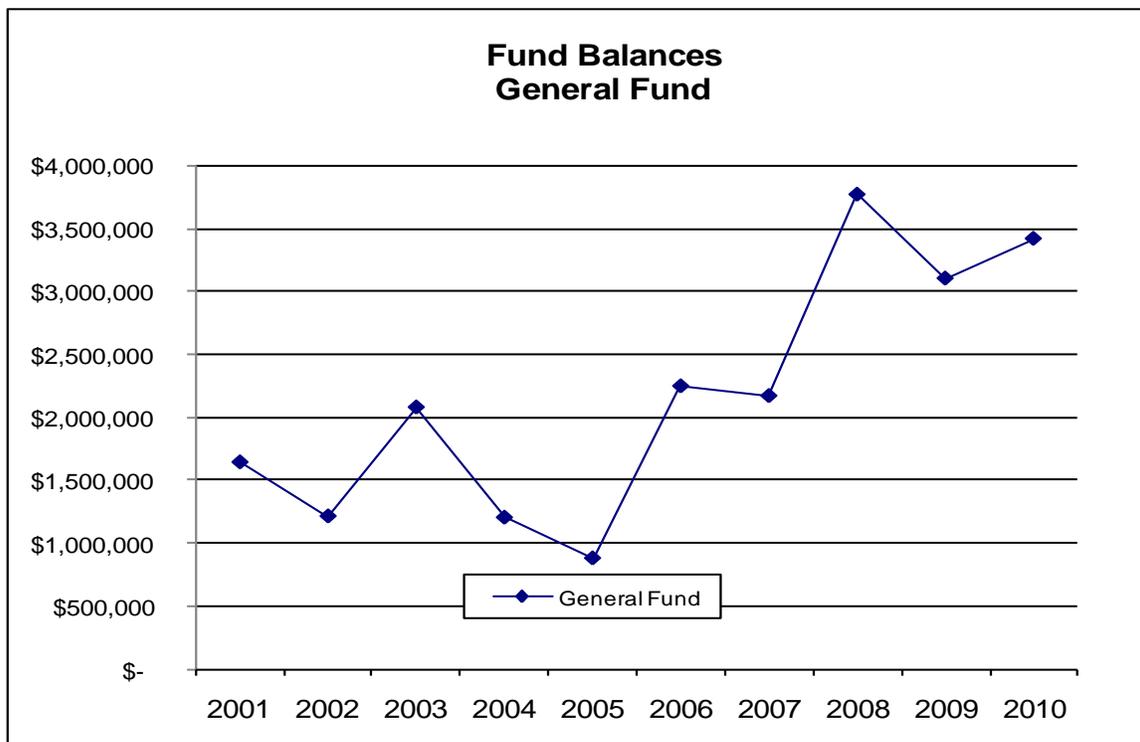
	Fiscal year							
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental Activities:								
Taxes								
Property Taxes	3,837,341	4,051,825	4,256,885	5,030,230	5,127,319	5,296,290	5,438,426	7,268,281
Sales Taxes	4,472,489	4,715,981	4,816,460	5,208,554	5,789,088	5,652,874	4,734,585	5,101,336
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	3,336,895
Other Taxes	1,640,490	1,833,136	1,922,414	2,167,986	1,942,576	1,139,338	652,366	1,240,213
Grants & Contributions not restricted to specific 1	200,117	-	-	-	-	-	-	-
Unrestricted investment Earnings	175,867	218,257	468,386	560,895	862,694	381,608	65,022	28,013
Gain/(Loss) on sale of capital assets	-	-	-	-	(439,231)	-	-	-
Transfers	(76,182)	223,075	80,128	84,211	-	1,558,099	463,692	520,173
<b>Total Governmental Activities</b>	<b>\$ 12,382,100</b>	<b>\$ 13,479,179</b>	<b>\$ 14,193,781</b>	<b>\$ 15,887,704</b>	<b>\$ 16,371,932</b>	<b>\$ 17,225,224</b>	<b>\$ 14,578,912</b>	<b>\$ 17,494,911</b>
Business type activities:								
Grants & Contributions not restricted to specific	13,798	18,390	33,315	54,470	59,905	31,640	2,643	2,033
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)	(520,173)
<b>Total business-type activities</b>	<b>\$ 89,980</b>	<b>\$ (204,685)</b>	<b>\$ (46,813)</b>	<b>\$ (29,741)</b>	<b>\$ 1,067,149</b>	<b>\$ (1,526,459)</b>	<b>\$ (461,049)</b>	<b>\$ (518,140)</b>
<b>Total primary government</b>	<b>\$ 12,472,080</b>	<b>\$ 13,274,494</b>	<b>\$ 14,146,968</b>	<b>\$ 15,857,963</b>	<b>\$ 17,439,081</b>	<b>\$ 15,698,765</b>	<b>\$ 14,117,863</b>	<b>\$ 16,976,771</b>
<b>Change in Net Assets</b>								
Governmental Activities	\$ 4,850,372	\$ 3,174,760	\$ 5,443,960	\$ 6,955,313	\$ 13,688,897	\$ 13,645,518	\$ 445,910	\$ 5,880,751
Business type activities	\$ 358,034	\$ 124,686	\$ 511,271	\$ 573,575	\$ 1,649,902	\$ (794,820)	\$ 198,438	\$ 642,428
<b>Total primary government</b>	<b>\$ 5,208,406</b>	<b>\$ 3,299,446</b>	<b>\$ 5,955,231</b>	<b>\$ 7,528,888</b>	<b>\$ 15,338,799</b>	<b>\$ 12,850,698</b>	<b>\$ 644,348</b>	<b>\$ 6,523,179</b>

\* 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**

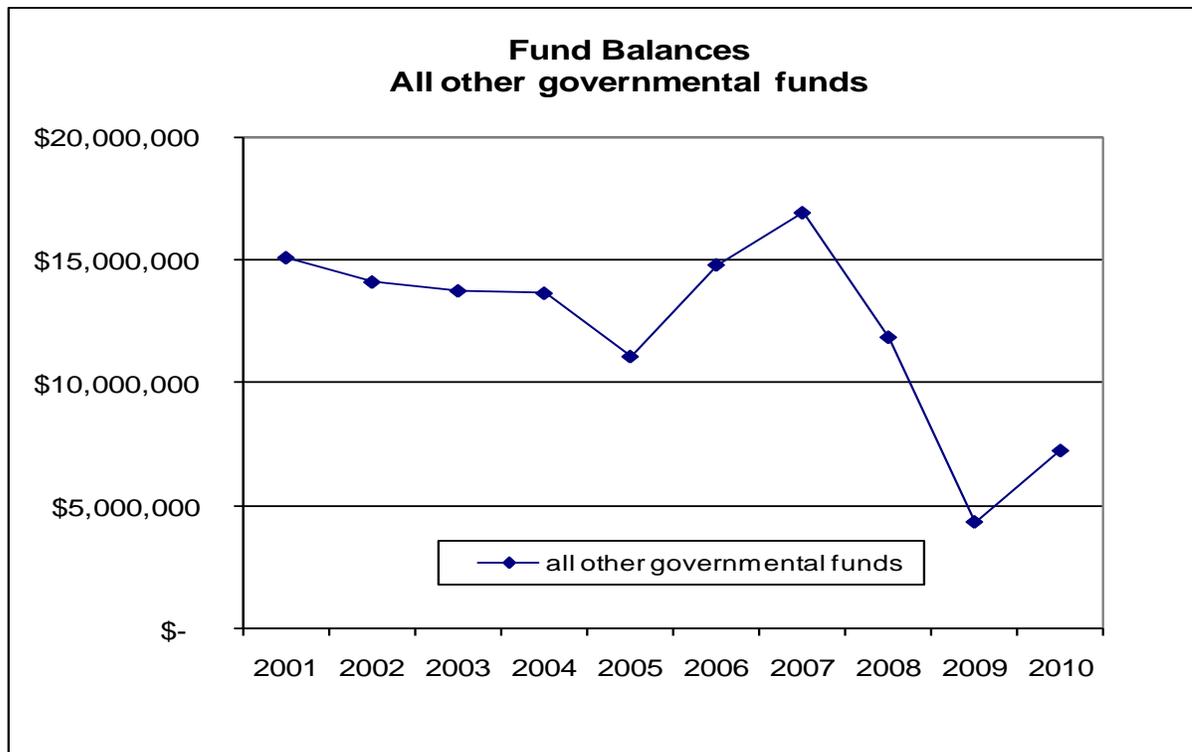
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>General Fund</b>					
Reserved	-	-	16,354	-	-
Unreserved	1,642,202	1,212,794	2,061,943	1,202,844	879,363
Total general fund	\$ 1,642,202	\$ 1,212,794	\$ 2,078,297	\$ 1,202,844	\$ 879,363
<b>All other governmental funds</b>					
Reserved	216,942	738,486	-	-	-
Unreserved, reported in:					
Special revenue funds	5,711,798	6,779,496	3,353,952	4,826,774	3,431,536
Debt service funds	-	2,801	147,757	179,983	250,835
Capital project funds	9,142,628	6,557,940	10,218,102	8,616,043	7,363,931
Total all other governmental funds	\$ 15,071,368	\$ 14,078,723	\$ 13,719,811	\$ 13,622,800	\$ 11,046,302



Source: City of Burien Finance Department

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>General Fund</b>					
Reserved	-	-	-	-	-
Unreserved	2,246,260	2,168,985	3,768,613	3,102,449	3,418,177
<b>Total general fund</b>	\$ 2,246,260	\$ 2,168,985	\$ 3,768,613	\$ 3,102,449	\$ 3,418,177
<b>All other governmental funds</b>					
Reserved	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	2,714,618	2,737,367	1,151,402	1,342,006	2,001,837
Debt service funds	262,140	169,874	103,916	232,767	178,686
Capital project funds	11,799,595	13,993,444	10,577,804	2,740,321	7,978,056
<b>Total all other governmental funds</b>	\$ 14,776,353	\$ 16,900,685	\$ 11,833,122	\$ 4,315,094	\$ 10,158,579



Source: City of Burien Finance Department

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

Page 1 of 2

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>Revenues</b>					
Taxes	9,305,820	11,342,207	11,956,694	13,049,998	13,628,926
Licenses and permits	758,049	782,153	1,035,781	1,036,920	1,084,921
Intergovernmental	3,190,142	4,984,591	4,675,593	4,346,065	5,289,263
Charges for services	1,672,090	1,879,513	794,866	632,507	1,306,884
Fines	81,023	78,444	80,410	81,880	78,846
Interfund revenues	-	-	-	-	-
Special Assessments	-	-	52,405	80,873	120,526
Contributions	-	-	21,156	2,000	5,355
Interest	743,137	344,874	175,867	218,449	468,694
Miscellaneous	45,656	563,101	363,460	318,650	507,888
Total revenues	<u>\$ 15,795,917</u>	<u>\$ 19,974,883</u>	<u>\$ 19,156,232</u>	<u>\$ 19,767,342</u>	<u>\$ 22,491,303</u>
<b>Expenditures</b>					
General government	2,644,371	2,794,564	2,645,265	3,093,365	2,800,272
Security of persons and property	5,360,000	6,054,442	6,021,350	6,401,898	6,718,075
Physical environment	756,160	808,612	160,590	980,036	169,743
Transportation	1,278,575	1,037,937	1,320,292	1,753,530	1,523,327
Economic development	763,229	966,366	1,152,531	166,551	1,129,808
Mental and physical health	5,739	5,590	52,898	55,773	52,995
Culture and recreation	1,233,912	1,455,771	1,673,811	1,774,666	2,104,891
Capital outlay	2,445,649	11,919,624	7,271,300	6,398,202	11,003,340
Debt service					
Principal	150,000	160,000	402,001	472,001	301,955
Interest	40,550	30,574	148,516	150,051	135,621
Total expenditures	<u>\$ 14,678,185</u>	<u>\$ 25,233,480</u>	<u>\$ 20,848,554</u>	<u>\$ 21,246,073</u>	<u>\$ 25,940,027</u>
Excess of revenues over (under) expenditures	<u>\$ 1,117,732</u>	<u>\$ (5,258,597)</u>	<u>\$ (1,692,322)</u>	<u>\$ (1,478,731)</u>	<u>\$ (3,448,724)</u>
<b>Other financing sources (uses)</b>					
Proceeds from sale of Capital Assets	-	-	-	-	-
Transfers in	2,884,987	5,103,902	8,980,903	5,245,827	10,047,015
Transfers out	(2,884,987)	(5,103,902)	(8,562,133)	(4,739,290)	(9,498,271)
Proceeds of long-term debt	366,002	3,836,544	2,440,016	-	-
Total other financing sources (uses)	<u>\$ 366,002</u>	<u>\$ 3,836,544</u>	<u>\$ 2,858,786</u>	<u>\$ 506,537</u>	<u>\$ 548,744</u>
<b>Net change in fund balances</b>	<u>\$ 1,483,734</u>	<u>\$ (1,422,053)</u>	<u>\$ 1,166,464</u>	<u>\$ (972,194)</u>	<u>\$ (2,899,980)</u>
<b>Debt service as a percentage of noncapital expenditures</b>					
	1.56%	1.43%	4.05%	4.19%	2.93%

Source: City of Burien Finance Department

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

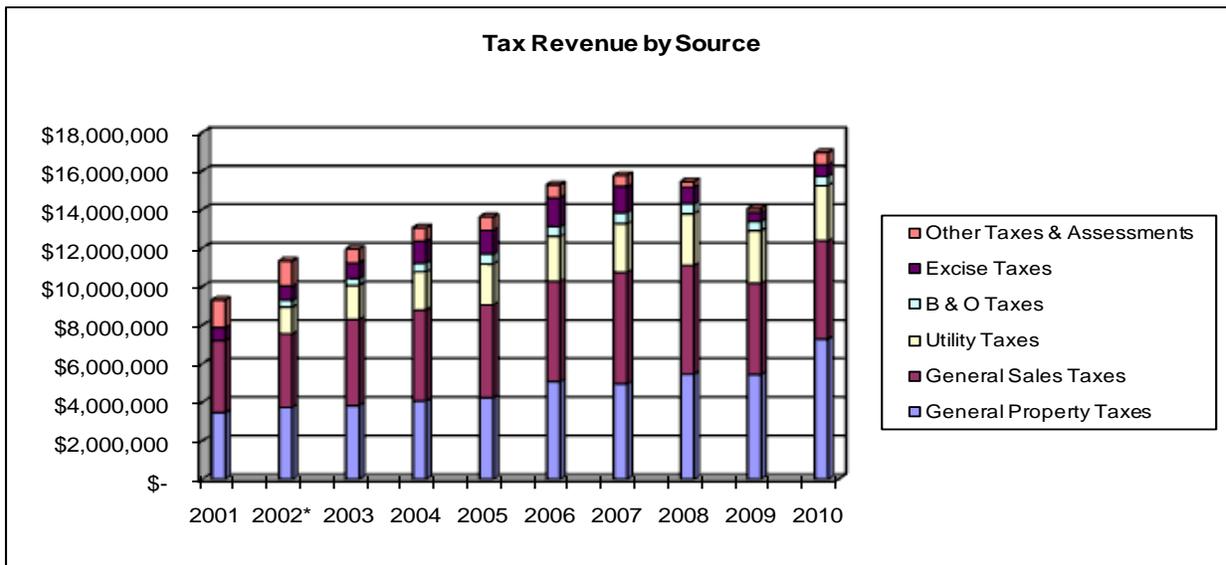
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	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Revenues</b>					
Taxes	15,285,611	15,775,296	15,446,916	14,016,723	16,964,353
Licenses and permits	1,394,510	1,431,306	1,478,569	1,122,043	1,203,414
Intergovernmental	6,577,103	14,592,405	13,544,957	5,499,962	4,199,152
Charges for services	1,094,863	1,161,931	2,034,042	1,231,027	1,003,754
Fines	60,900	46,308	50,841	281,586	413,523
Interfund revenues	-	-	-	-	-
Special Assessments	58,501	49,689	115,324	115,651	97,470
Contributions	13,845	-	-	-	-
Interest	561,035	802,921	380,207	77,449	28,200
Miscellaneous	170,849	126,610	41,000	36,631	579,929
<b>Total revenues</b>	<b>\$ 25,217,217</b>	<b>\$ 33,986,466</b>	<b>\$ 33,091,856</b>	<b>\$ 22,381,072</b>	<b>\$ 24,489,795</b>
<b>Expenditures</b>					
General government	3,349,414	3,633,946	4,454,315	3,859,719	4,156,636
Security of persons and property	6,956,408	7,261,097	7,442,974	7,575,198	9,156,830
Physical environment	201,119	292,817	405,561	644,205	580,156
Transportation	1,530,098	1,676,784	1,579,884	1,853,404	3,281,688
Economic development	1,297,941	1,242,025	1,499,453	1,796,853	1,329,356
Mental and physical health	6,676	7,333	7,274	8,856	10,391
Culture and recreation	2,138,852	2,264,176	2,359,512	2,415,119	2,708,974
Capital outlay	14,790,490	21,864,642	19,720,970	11,806,302	7,945,176
Debt service					
Principal	306,955	621,955	739,308	780,558	892,225
Interest	132,115	507,199	513,639	501,065	577,867
<b>Total expenditures</b>	<b>\$ 30,710,068</b>	<b>\$ 39,371,974</b>	<b>\$ 38,722,890</b>	<b>\$ 31,241,279</b>	<b>\$ 30,639,299</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$ (5,492,851)</b>	<b>\$ (5,385,508)</b>	<b>\$ (5,631,034)</b>	<b>\$ (8,860,207)</b>	<b>\$ (6,149,504)</b>
<b>Other financing sources (uses)</b>					
Proceeds from sale of Capital Assets	-	4,716,552	5,000	-	-
Transfers in	6,476,451	6,357,420	7,946,811	2,339,482	4,088,674
Transfers out	(5,882,367)	(5,737,557)	(6,388,712)	(1,663,467)	(3,407,428)
Proceeds of long-term debt	9,995,715	4,716,552	600,000	-	8,687,116
<b>Total other financing sources (uses)</b>	<b>\$ 10,589,799</b>	<b>\$ 10,052,967</b>	<b>\$ 2,163,099</b>	<b>\$ 676,015</b>	<b>\$ 9,368,362</b>
<b>Net change in fund balances</b>	<b>\$ 5,096,948</b>	<b>\$ 4,667,459</b>	<b>\$ (3,467,935)</b>	<b>\$ (8,184,192)</b>	<b>\$ 3,218,858</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>2.76%</b>	<b>6.45%</b>	<b>6.59%</b>	<b>6.59%</b>	<b>6.48%</b>

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 <sup>2</sup>	Utility Taxes	Business & Occupation Taxes	Excise Taxes	Other Taxes and Assessments <sup>3</sup>	Total Taxes
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
2010	7,285,909	5,101,336	2,853,809	483,086	587,121	653,092	16,964,353
<b>Change</b>							
2001-2010	109.9%	36.3%	54.6%	26.4%	-12.2%	-54.1%	82.3%



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

Note<sup>2</sup>: Local criminal justice tax collection is *included* in General Sales Taxes beginning in 2003.

Note<sup>3</sup>: 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**

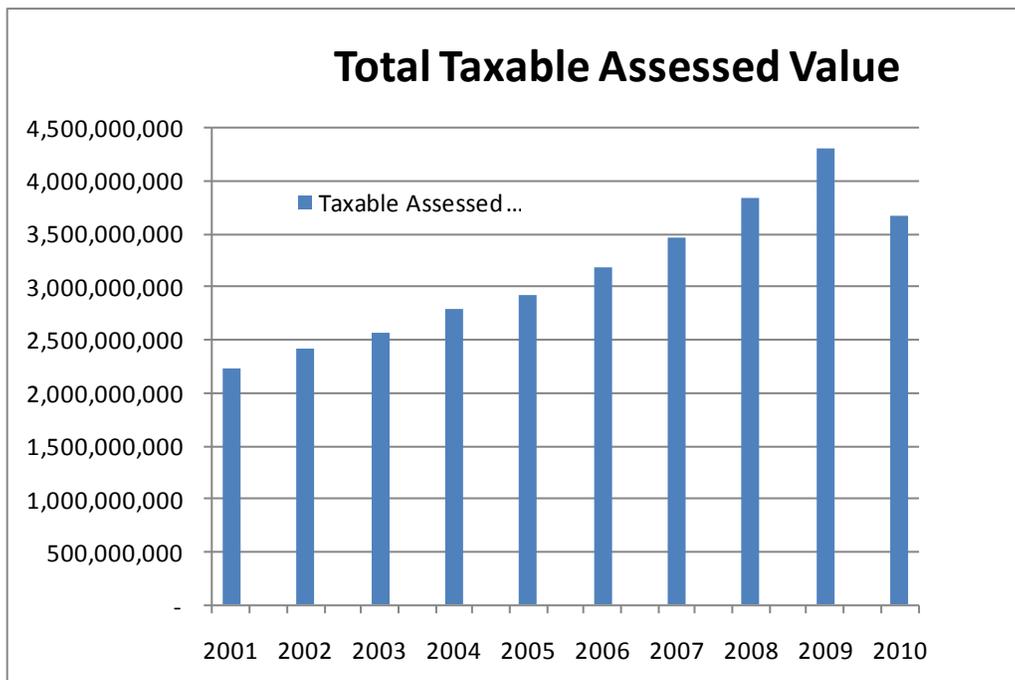
<u>TAXPAYER</u>	<u>2010</u>			<u>2001</u>		
	<u>TAXABLE ASSESSED VALUE</u>	<u>RANK</u>	<u>% OF TOTAL TAXABLE ASSESSED VALUE</u>	<u>TAXABLE ASSESSED VALUE</u>	<u>RANK</u>	<u>% OF TOTAL TAXABLE ASSESSED VALUE</u>
Vintage Park Partners	\$ 33,724,000	1	0.74%	\$ 20,956,000	3	0.94%
Burien Plaza LLC	21,910,500	2	0.48%	11,747,100	5	0.53%
Qwest Corporation	20,117,954	3	0.44%	22,864,935	2	1.03%
Fred Meyer	17,028,270	4	0.37%	14,273,044	4	0.64%
Wesbild BP, Inc (Redwood Industrials)	16,063,900	5	0.35%	7,966,900	8	0.36%
Powell-Five Corners Assoc.	14,953,300	6	0.33%	8,491,567	7	0.38%
MG South Hills Apts.	12,545,000	7	0.27%	9,332,000	6	0.42%
Red Mortgage Capital	8,924,000	8	0.20%	6,312,000	9	0.28%
Burien Development Group	6,872,800	9	0.15%	5,064,900	11	0.23%
Burien Toyota	6,041,300	10	0.13%	2,893,343	16	0.13%
HCH Specialty Center <sup>1</sup>	5,188,000	11	0.11%	29,922,202	1	1.34%
Des Moines Way Co.	4,950,400	12	0.11%	3,558,100		0.16%
Burien Health Care Realty	4,059,600	13	0.14%			
Albertsons	3,869,000	14	0.08%	4,813,332	12	0.22%
<b>All Others</b>	<b>\$ 4,398,174,068</b>		<b>96.15%</b>	<b>\$ 2,078,847,276</b>		<b>93.35%</b>
<b>Total Assessed Valuation</b>	<b>\$ 4,574,422,092</b>		<b>100.00%</b>	<b>\$ 2,227,042,699</b>		<b>128.64%</b>

Note<sup>1</sup>: HCH Specialty Center applied for non-profit exemption for two of their parcels. In August 2007, they were granted exemption for the two parcels and therefore are no longer taxable.

Source: King County Department of Assessments

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

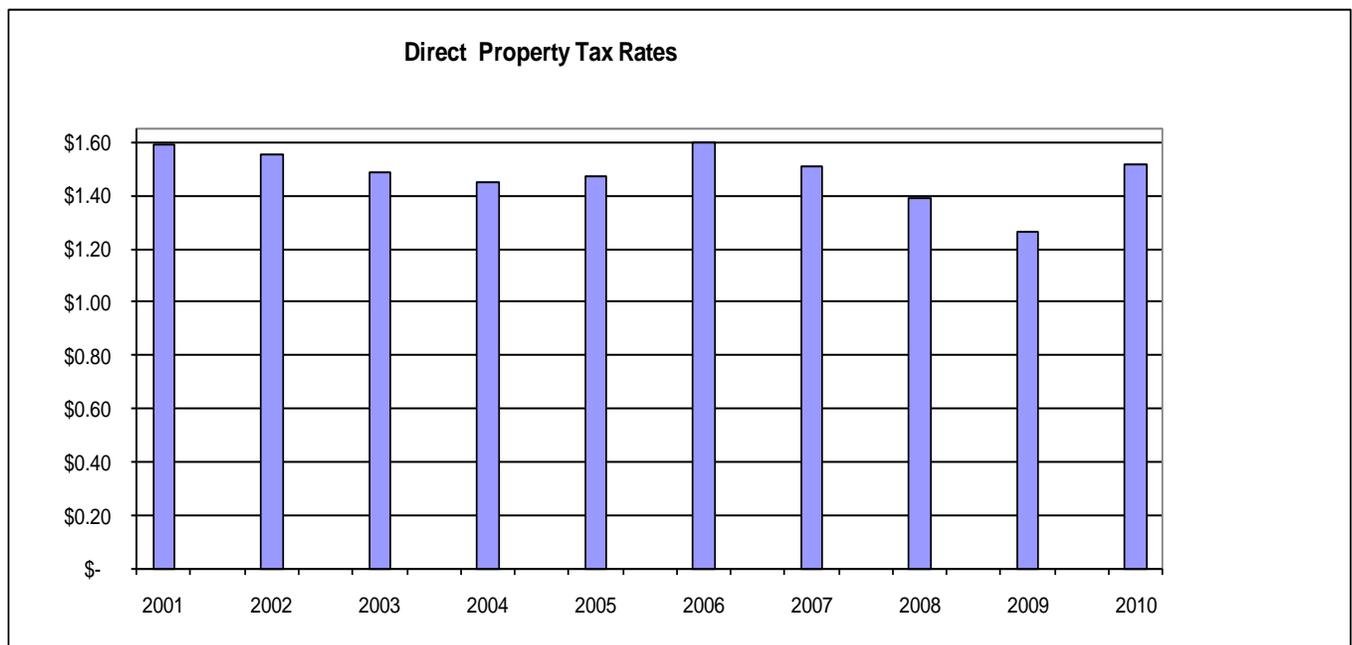
<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Public Utilities</b>	<b>Total Assessed Value</b>	<b>Total Direct Tax Rate</b>
2001	2,161,406,644	39,732,076	25,903,979	2,227,042,699	1.58846
2002	2,338,574,360	41,137,246	28,811,859	2,408,523,465	1.55431
2003	2,494,310,245	41,894,501	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
2010	3,580,133,188	54,401,316	31,078,381	3,665,612,885	1.52034



Source: King County Department of Assessments

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

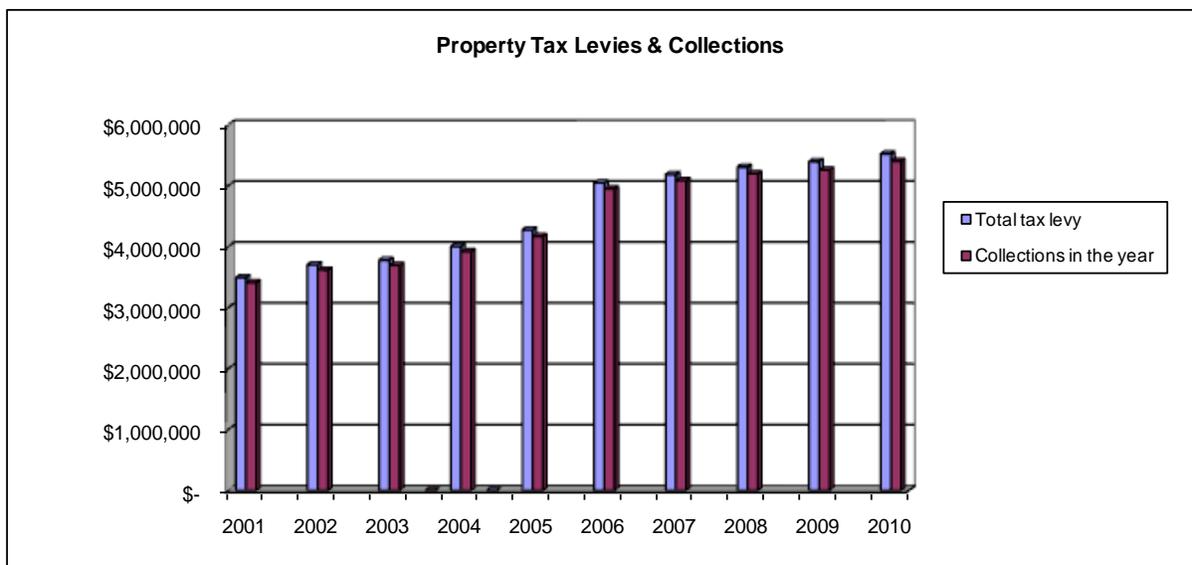
Fiscal Year	Direct Rates			Overlapping Rates							Total
	City of Burien	Fire District	Washington State	King County	Port of Seattle	Emergency Medical Service	School District #401	Library	King County Flood Zone	Ferry District	
2001	1.58846	1.43436	3.14502	1.55218	0.19029	0.24624	3.43098	0.55737	-	-	12.14490
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
2010	1.52034	1.90275	2.22253	1.28499	0.21597	0.30000	4.36502	0.48526	0.10514	0.00348	12.40548



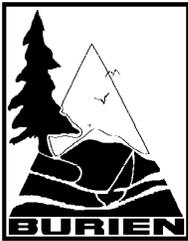
Sources: City of Burien Finance Department  
King County Assessor's Office, codes and levies

**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
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%	87,620	4,004,501	99.97%
2005	4,275,394	4,168,080	97.49%	102,027	4,270,107	99.88%
2006	5,048,830	4,947,525	97.99%	99,898	5,047,423	99.97%
2007	5,184,678	5,085,653	98.09%	96,711	5,182,364	99.96%
2008	5,306,349	5,197,215	97.94%	95,420	5,292,635	99.74%
2009	5,397,125	5,258,160	97.43%	84,165	5,342,325	98.98%
2010	5,518,390	5,404,321	97.93%	-	5,404,321	97.93%



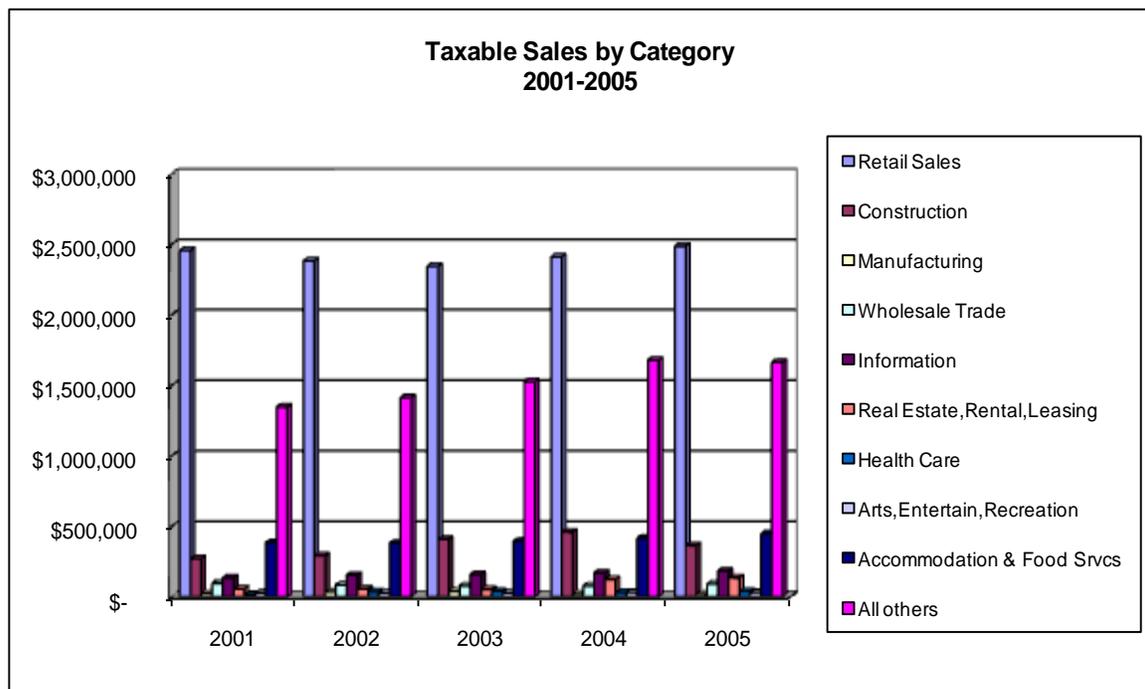
Sources: King County Department of Assessments  
City of Burien Finance Department



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

	2001	2002	2003	2004	2005
<b>RETAIL TRADE</b>					
Vehicle and Parts Dealer	1,287,249	1,251,675	1,253,785	1,287,156	1,319,803
General Merchandise Stores	344,509	327,656	289,238	305,095	304,571
Food & Beverage Stores	228,213	222,198	228,551	211,022	220,236
Misc Store Retailers	167,273	169,669	164,074	180,488	203,882
Health & Personal Care	148,097	142,720	133,908	130,901	132,085
Other Retail	281,300	268,872	275,298	296,782	305,956
<b>Subtotal Retail</b>	<b>\$ 2,456,641</b>	<b>\$ 2,382,790</b>	<b>\$ 2,344,854</b>	<b>\$ 2,411,444</b>	<b>\$ 2,486,533</b>
<b>OTHER CATEGORIES</b>					
Construction	271,306	292,841	406,805	459,266	364,012
Manufacturing	22,084	33,504	38,788	21,478	20,924
Wholesale Trade	95,807	84,203	77,422	77,233	90,605
Information	133,576	152,691	158,146	168,776	183,831
Real Estate, Rental, Leasing	55,376	54,775	52,281	123,687	134,814
Health Care Assistance	15,858	34,378	36,515	31,712	38,780
Arts, Entertain, Recreation	26,107	26,693	28,295	30,073	29,975
Accommod & Food Srvcs	384,187	380,210	393,148	414,342	446,957
All Other Categories	340,787	352,574	335,531	352,104	352,757
<b>Subtotal Other</b>	<b>1,345,088</b>	<b>1,411,869</b>	<b>1,526,931</b>	<b>1,678,671</b>	<b>1,662,655</b>
<b>Total Sales Tax Collected</b>	<b>\$ 3,801,729</b>	<b>\$ 3,794,659</b>	<b>\$ 3,871,785</b>	<b>\$ 4,090,115</b>	<b>\$ 4,149,188</b>



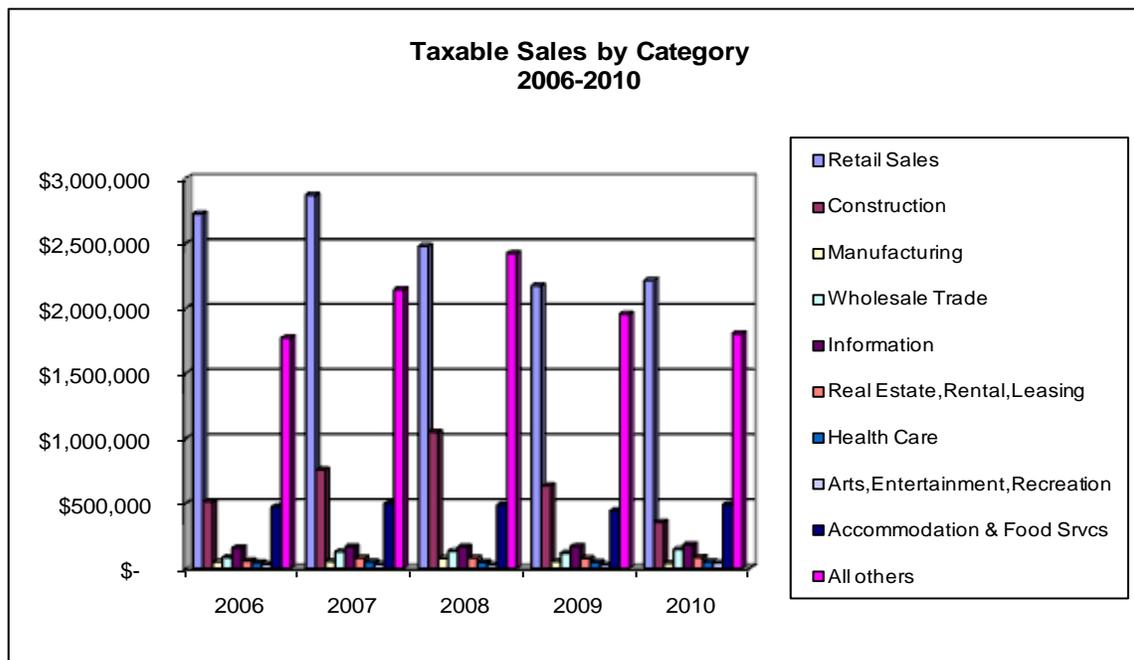
Source: City of Burien Finance Department

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)**

	2006	2007	2008	2009	2010
<b>RETAIL TRADE</b>					
Vehicle and Parts Dealer	1,460,690	1,539,517	1,206,451	919,128	972,157
General Merchandise Stores	313,979	343,209	362,069	359,373	370,665
Food & Beverage Stores	244,606	254,986	251,873	238,002	276,239
Misc Store Retailers	259,676	286,092	273,214	272,344	374,088
Health & Personal Care	129,032	140,315	136,682	97,240	97,712
Other Retail	317,870	307,072	247,225	287,735	123,779
<b>Subtotal Retail</b>	<b>\$ 2,725,853</b>	<b>\$ 2,871,191</b>	<b>\$ 2,477,514</b>	<b>\$ 2,173,822</b>	<b>\$ 2,214,640</b>
<b>OTHER CATEGORIES</b>					
Construction	511,606	759,568	1,046,693	635,484	355,127
Manufacturing	49,653	54,925	76,262	53,552	39,774
Wholesale Trade	84,891	127,232	130,617	118,204	146,883
Information	156,806	163,382	164,905	167,560	181,108
Real Estate, Rental, Leasing	56,215	80,059	78,706	75,146	84,471
Health Care Assistance	41,076	49,886	44,668	45,158	51,341
Arts, Entertain, Recreation	29,750	30,399	28,516	27,507	43,137
Accommod & Food Svcs	471,534	497,836	488,362	441,924	487,716
All Other Categories	371,547	381,071	362,695	391,564	415,149
<b>Subtotal Other</b>	<b>\$ 1,773,078</b>	<b>\$ 2,144,358</b>	<b>\$ 2,421,424</b>	<b>\$ 1,956,099</b>	<b>\$ 1,804,706</b>
<b>Total Sales Tax Collected</b>	<b>\$ 4,498,931</b>	<b>\$ 5,015,549</b>	<b>\$ 4,898,938</b>	<b>\$ 4,129,921</b>	<b>\$ 4,019,346</b>



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				
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
2010	22,604,400	1,475,221	2,262,837	1,328,493	-	27,670,951	23.45%	\$ 599.17

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

**Schedule 12**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Debt Limit	167,028,202	180,639,260	192,660,598	209,489,791	219,207,541
Total net debt applicable to limit	510,000	3,547,199	3,270,000	2,970,000	2,850,000
Legal debt margin	\$ 166,518,202	\$ 177,092,061	\$ 189,390,598	\$ 206,519,791	\$ 216,357,541
Total net debt applicable to limit as a percentage of debt limit	0.31%	1.96%	1.70%	1.42%	1.30%

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt Limit	239,079,791	260,283,837	285,650,497	322,748,347	343,081,657
Total net debt applicable to limit	12,530,000	12,090,000	11,615,000	14,579,400	22,604,400
Legal debt margin	\$ 226,549,791	\$ 248,193,837	\$ 274,035,497	\$ 308,168,947	\$ 320,477,257
Total net debt applicable to limit as a percentage of debt limit	5.24%	4.64%	4.07%	4.52%	6.59%

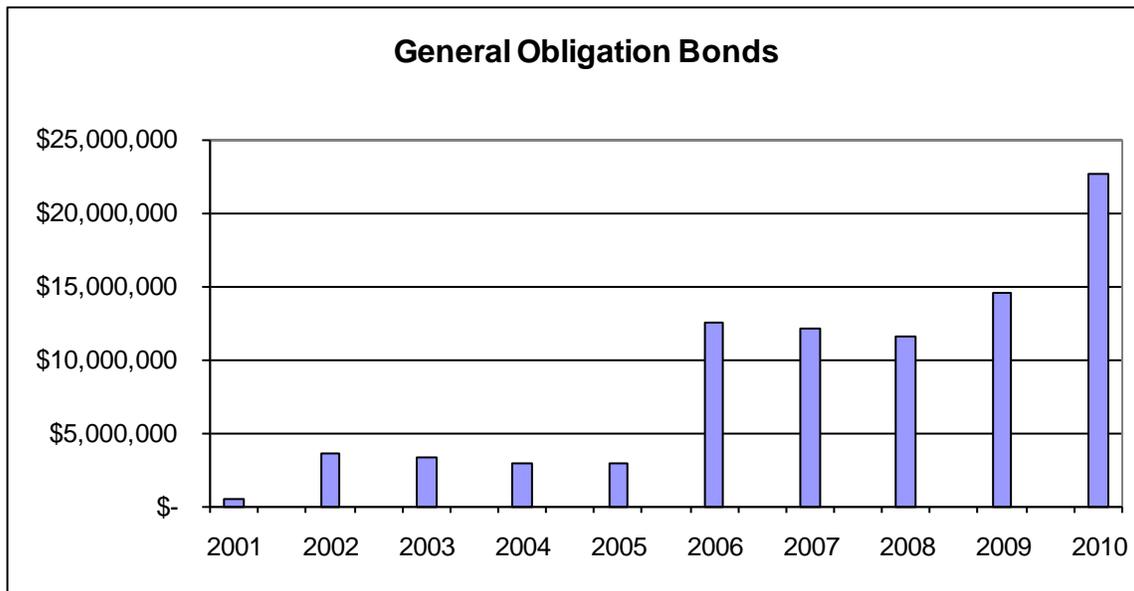
**Legal Debt Margin calculation for Fiscal Year 2010**

Total Assessed Value	\$ 4,574,422,092
Debt Limit:	
2.5% of general purpose limit, voted and non-voted	114,360,552
2.5% of utility purpose limit, voted	114,360,552
2.5% of open space, voted	114,360,552
Total debt limit	<u>\$ 343,081,657</u>
Debt applicable to limits:	
General Obligation Bonds	22,604,400
<b>Legal Debt Margin</b>	<u><u>\$ 320,477,257</u></u>

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

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

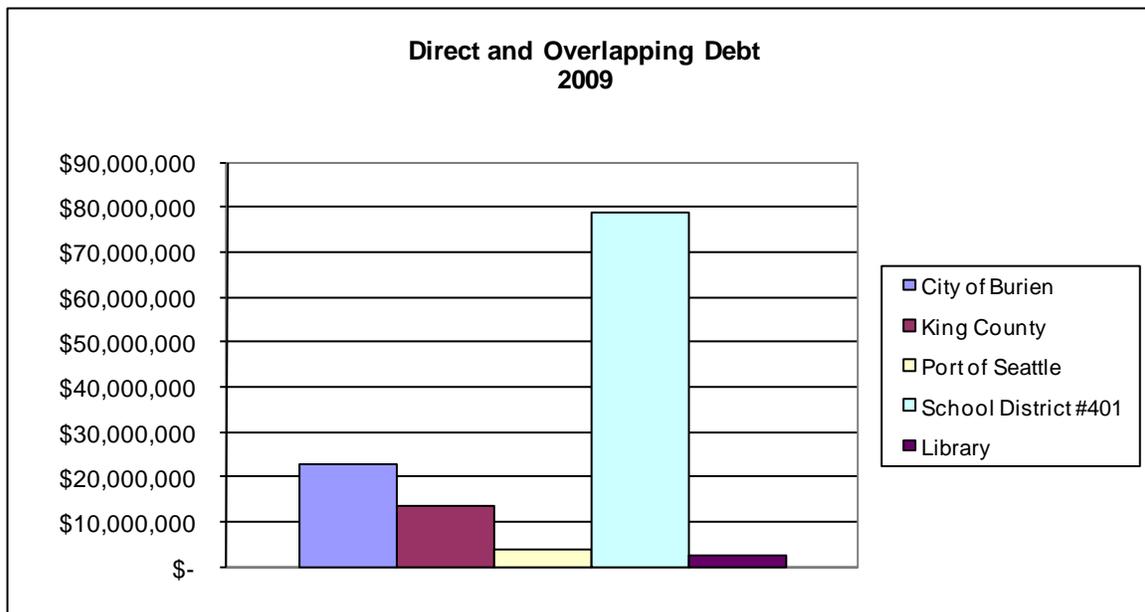
Fiscal Year	General Obligation Bonds	Assessed Value (AV)	% of General Obligation Debt to AV	Population	Per Capita
2001	510,000	2,227,042,699	0.02%	31,830	\$ 16.02
2002	3,550,000	2,408,523,465	0.15%	31,810	\$ 111.60
2003	3,270,000	2,568,807,974	0.13%	31,480	\$ 103.88
2004	2,970,000	2,793,197,214	0.11%	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
2010	22,604,400	3,665,612,885	0.62%	46,182	\$ 489.46



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

**Schedule 14  
Direct and Overlapping Governmental Activities Debt  
December 31, 2010**

	<u>Net General Obligation Debt Outstanding</u>	<u>Percentage Applicable to Burien</u>	<u>Estimated Amount Applicable to Burien</u>
<b>Direct:</b>			
City of Burien	\$ 22,604,400	100.00%	\$ 22,604,400
<b>Overlapping:</b>			
King County	1,140,426,000	1.18%	13,457,027
Port of Seattle	335,500,000	1.18%	3,958,900
School District #401	292,916,605	26.85%	78,648,108
Library	131,901,411	1.92%	2,532,507
<b>Total Overlapping Debt:</b>	<u>1,900,744,016</u>	<u>5.19%</u>	<u>98,596,542</u>
<b>Total Direct and Overlapping Debt:</b>	<u>\$ 1,923,348,416</u>		<u>\$ 121,200,942</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 <sup>1</sup>	Personal Income <sup>2</sup>	Per capita personal income <sup>2</sup>	Unemployment Rate <sup>3</sup>	School Enrollment
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
2010	46,182	\$ 118,007,780	59,454	9.2	17,391

Note<sup>1</sup> : Population data is provided by Burien's Community Development staff.

Note<sup>2</sup> : 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.

Note<sup>3</sup> : 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>2010</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	28.31%	2,500	1
Highline Community Hospital	1,100	2	14.16%	1,100	2
Fred Meyers	216	3	2.78%	225	3
Burien Toyota, Inc.	114	4	1.47%	90	9
Burien Nursing & Rehab	105	5	1.35%	-	
Safeway Stores	104	6	1.34%	86	10
Wizards Restaurant	99	7	1.27%	200	4
Ruth Dykeman Children's Center	78	8	1.00%	-	
Group Health Cooperative	90	9	1.16%	92	8
Highline West Seattle Mental Health	90	10	1.16%	-	
Azteca Restaurant	80	11	1.03%	-	
Puget Sound Educational Service District	-			240	5
Burien Terrace	-			120	6
Carl T. Madsen, Inc	-			96	7
<b>TOTAL EMPLOYMENT - MAJOR EMPLOYERS</b>	<b>4,276</b>		<b>55.03%</b>	<b>5,319</b>	

Total City employment is 7771 in 2010

Note<sup>1</sup>: 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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund					
City Manager	5.00	3.50	3.60	3.60	4.60
Community Relations	4.00	4.00	4.50	4.50	4.50
Finance & Admin Services	6.00	7.50	6.70	6.70	5.70
Legal Services	2.00	-	-	1.10	1.10
Public Works	1.75	1.75	1.75	1.70	1.90
Community Development	10.00	10.00	10.00	10.60	11.60
Parks & Recreation	6.625	10.725	10.475	12.025	13.60
Other					
Street	2.50	2.00	2.00	4.15	4.30
SWM	3.50	3.75	3.75	2.65	2.80
CIP	3.25	3.50	3.500	3.20	3.50
<b>Total all other governmental funds</b>	<b>44.625</b>	<b>46.725</b>	<b>46.275</b>	<b>50.225</b>	<b>53.60</b>
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund					
City Manager	4.90	7.30	10.20	8.20	9.60
Community Relations	4.75	5.00	-	-	-
Finance & Admin Services	5.70	8.25	8.30	8.80	8.55
Legal Services	1.10	0.50	0.50	-	3.00
Public Works	2.00	2.20	4.10	4.10	2.90
Community Development	13.60	10.80	13.10	13.10	12.10
Parks & Recreation	13.60	13.825	14.825	15.08	15.38
Other					
Street	4.10	3.25	1.95	1.95	4.45
SWM	2.90	2.05	3.25	3.25	6.25
CIP	3.50	3.50	5.20	5.20	5.20
<b>Total all other governmental funds</b>	<b>56.15</b>	<b>56.675</b>	<b>61.425</b>	<b>59.675</b>	<b>67.425</b>

Source: City of Burien Finance Department

**Schedule 18**  
**Operating Indicators by function**  
**Last eight fiscal years \***

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>Police</b>					
Response time for priority 1 calls	*	6.66 min.	6.57 min.	6.63 min.	7.38 min.
Response time to critical emergencies	*	2.55 min.	2.81 min.	2.66 min.	3.10 min.
Dispatched calls for service	*	13,294	12,483	12,233	12,674
Total crime index per 1,000 population	*	75.0	67.7	70.4	71.6
Traffic safety enforcement stops	*	2,582	3,603	2,789	2,617
<b>Public Works</b>					
Right of way use permits issued	*	*	325	345	386
Reported potholes	*	*	23	44	10
# of storm water ponds	*	*	12	13	14
% of city drainage system mapped and inventoried	*	*	70%	82%	93%
<b>Community Development</b>					
Citizen action requests	*	100%	642	455	460
Land use-related permit applications	*	106	103	140	115
% of land use permit reviews completed by target	*	65%	68%	79%	74%
Construction related permit applications	*	1,433	1,959	1,618	1,768
Commercial permits	77	75	96	89	124
Construction Value-commercial	\$ 5,964,605	\$ 5,047,344	\$ 19,805,019	\$ 20,268,161	\$ 24,386,583
Residential permits	199	194	246	191	233
Construction Value-residential	\$ 7,591,316	\$ 6,423,894	\$ 25,206,387	\$ 18,445,105	\$ 25,858,711
<b>Parks &amp; Recreation</b>					
Acres of neighborhood parks	*	24	26	26	26
Acres of community parks	*	29	30	30	31
Acres of regional and open space parks	*	253	260	260	278
Cost to maintain all parks per acre	*	\$ 1,241	\$ 1,235	\$ 1,095	\$ 959
# of kids provided scholarships	*	65	134	116	114

\* Prior year's data is not available

Source: Various City of Burien Departments

**Schedule 18**  
**Operating Indicators by function**  
**Last eight fiscal years \***

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	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Police</b>					
Response time for priority 1 calls	7.51 min.	7.06 min.	8.44 min.	8.69 min.	8.54 min.
Response time to critical emergencies	2.75 min.	3.28 min.	3.28 min.	3.47 min.	2.87 min.
Dispatched calls for service	12,476	11,518	10,191	10,507	13,410
Total crime index per 1,000 population	67.5	61.0	53.2	55.5	55.0
Traffic safety enforcement stops	2,595	2,264	2,157	2,060	1,508
<b>Public Safety</b>					
Right of way use permits issued	360	365	306	330	353
Reported potholes	9	15	17	27	37
# of storm water ponds	15	15	15	15	18
% of city drainage system mapped and inventoried	98%	98%	98%	99%	85%
<b>Community Development</b>					
Citizen action requests	697	566	438	384	604
Land use-related permit applications	88	108	59	82	57
% of land use permit reviews completed by target date	79%	67%	69%	73%	89%
Construction related permit applications	2,003	2,074	2,153	1,763	1,473
Commercial permits	121	116	235	107	120
Construction Value-commercial	\$ 52,960,694	\$ 27,568,622	\$ 63,225,037	\$ 6,917,359	\$ 17,117,248
Residential permits	275	309	283	159	105
Construction Value-residential	\$ 56,453,304	\$ 27,443,690	\$ 13,283,754	\$ 9,233,956	\$ 10,516,667
<b>Parks &amp; Recreation</b>					
Acres of neighborhood parks	26	27	27	27	58
Acres of community parks	31	32	32	32	32
Acres of regional and open space parks	278	287	287	287	287
Cost to maintain all parks per acre	\$ 1,135	\$ 986	\$ 1,033	\$ 1,014	\$ 1,265
# of kids provided scholarships	\$ 87	\$ 78	\$ 60	\$ 61	\$ 134

\* Data is not available

Source: Various City of Burien Departments

**Schedule 19**  
**Capital Asset Statistics by function**  
**Last ten fiscal years**

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	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>Police</b>					
Stations	1	1	1	1	1
Patrol Units	35	35	35	35	35
<b>Fire Stations</b>	2	2	2	2	2
<b>Public Works</b>					
Streets (miles)	*	113	113	113	113
Street lights	*	664	664	664	664
Traffic Signals	50	52	52	52	53
Pump stations (city owned)	2	2	2	2	2
Storm water drainage ponds (city owned)	4	4	4	4	4
<b>Parks &amp; Recreation</b>					
Skate parks	1	1	1	1	1
Playgrounds	5	5	6	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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Police</b>					
Stations	1	1	1	1	1
Patrol Units	35	40	40	39	41
<b>Fire Stations</b>	2	2	2	2	3
<b>Public Works</b>					
Streets (miles)	113	113	113	114	150
Street lights	664	664	664	700	930
Traffic Signals	53	53	53	55	71
Pump stations (city owned)	2	3	3	3	3
Storm water drainage ponds (city owned)	4	4	4	4	6
<b>Parks &amp; Recreation</b>					
Skate parks	1	1	1	1	1
Playgrounds	7	7	8	8	11
Baseball/softball diamonds	5	5	5	5	5
Soccer/football fields	3	3	3	3	3
Community centers	1	1	1	1	2

\* Data is not available

Sources: Various City of Burien Departments

**Prepared By:**

Kim Krause  
Finance Director

Gary E. Coleman  
Accounting Manager

Carolyn Towle  
Accountant

Lilia Carmona  
Accounting Assistant

Phyllis Dickey  
Accounting Technician

Lori Fleming  
Contract Management Analyst