

2011 Comprehensive Annual Financial Report

For the year ended December 31, 2011



Seahurst Park

City of Burien, Washington

400 SW 152nd St., Suite 300 Burien,

WA 98166

(206) 241-4647





The City of Burien, Washington

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2011

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

BURIEN CITY COUNCIL

Brian Bennett, Mayor

Rose Clark
Jack Block, Jr.
Bob Edgar

Lucy Krakowiak
Joan McGilton
Gerald Robison

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.**

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal -----	1-1
Certificate of Achievement for Excellence in Financial Reporting -----	1-8
Principal City Officials -----	1-9
Organizational Chart -----	1-10
FINANCIAL SECTION	
Independent Auditor’s Report -----	2-1
Management’s Discussion and Analysis -----	3-1
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets -----	4-3
Statement of Activities -----	4-4
Fund Financial Statements:	
Balance Sheet – Governmental Funds -----	4-6
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities -----	4-8
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds -----	4-10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities -----	4-12
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual: - General Fund -----	4-13
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual: - Street Fund -----	4-14
Statement of Net Assets – Proprietary Fund -----	4-15
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Fund -----	4-16
Statement of Cash Flows – Proprietary Fund -----	4-17
Notes to the Financial Statements -----	4-18
Combining, Individual Fund Statements and Schedule:	
Combining Balance Sheet – Nonmajor Governmental Funds -----	5-2
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds -----	5-4
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Public Works Reserve Fund -----	5-6
Transportation Benefit District Fund -----	5-7

Schedules of Revenues, Expenditures and Changes in Fund

Balances – Budget and Actual (continued):

LID Guaranty Fund ----- 5-8
 Debt Service Fund ----- 5-9

STATISTICAL SECTION

Financial Trend Information

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

Revenue Capacity Information

Schedule 6 Principal Taxpayers - Property Taxes ----- 6-11
 Schedule 7 Assessed Value by Type ----- 6-12
 Schedule 8 Direct and Overlapping Property Tax Rates ----- 6-14
 Schedule 9 Property Tax Levies & Collections ----- 6-16
 Schedule 10 Sales Tax Collections by Sector ----- 6-18

Debt Capacity Information

Schedule 11 Ratios of Outstanding Debt by Type ----- 6-20
 Schedule 12 Computation of Legal Debt Margin & Ratios ----- 6-21
 Schedule 13 Ratios of Net General Bonded Debt Outstanding ----- 6-22
 Schedule 14 Direct and Overlapping Governmental Activities Debt ----- 6-23

Demographic and Economic Information

Schedule 15 Demographic and Economic Statistics ----- 6-24
 Schedule 16 Principal Employers ----- 6-25

Operating Information

Schedule 17 Full Time Equivalent Employees by Function ----- 6-26
 Schedule 18 Operating Indicators by Department ----- 6-27
 Schedule 19 Capital Indicators by Department ----- 6-28





Burien

Washington, USA

City of Burien

400 SW 152nd St., Suite 300, Burien, WA 98166-1911

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

www.burienwa.gov

June 25, 2012

**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, 2011. 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. The City is also financially accountable for the Burien Transportation Benefit District's financial statements. The district's financial operations are accounted for in a special revenue fund. This blending of financial information is included in the Fund Financial Statements and Schedules section of this report and more fully discussed in Note 14 in the financial statements.

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 2010 and 2011.

Generally Accepted Accounting Principles (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 were provided through contracts with the King County Department of Adult Detention, the Okanogan County Jail, and the Yakima County Department of Corrections, however, in late 2011 the city began transitioning jail services to the South Correctional Entity (SCORE) jail.

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 2011 expenditures reported in the financial statements relating to those entities:

• King County Sheriff's Office (police services)	\$9,346,243
• King County Public Works Department (street & signal maintenance)	254,473
• King County Surface Water Management Division	352,301
• Jail Services with Yakima County, Okanogan County Jail and King County Department of Adult Detention and the South Correctional Entity (SCORE).	585,100
• King County District Court	<u>440,649</u>
Total 2011 major contracts with other governmental agencies	<u>\$10,978,766</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 sub regional 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 2011. Auto dealers serve a regional market competing with other regional auto centers. The next largest sectors of activity reflect Burien's role as a sub regional 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 City is actively working with the Port of Seattle to redevelop the area blighted by the construction of the third runway and is pursuing funding opportunities to expand and improve access to and from State Route 518, which will further revitalize this area.

Substantial redevelopment has occurred on key sites within the City. Two recent projects include the construction of an emergency services facility at Highline Community Hospital and construction of 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 2011 achievements:

- Completed the police municipalization study.
- Transition to use of the South Correctional Entity (SCORE) Jail facility.
- Began construction of the 1st Avenue South, Phase 2 project.
- Completed the 2010 Street Overlay Project.
- Continue to expand public works staff and reduce utilization of King County Street and Surface Water maintenance services.
- Completed an annexation study for the North Highline area.
- Initiated a utility tax audit.

- Completed a new City Vision.

Initiatives for 2012 include the following:

- Continue to advance the development of the Northeast Redevelopment Area (NERA).
- Update the Comprehensive Plan, and complete the Transportation, Drainage and Parks Master Plans.
- Complete construction of the Seahurst Park North Shoreline Restoration Project.
- Continue to advance the final phase of the Transit Oriented Development (TOD) and Town Square projects.
- Implement a new employee health care benefit package.
- Continue to plan for the potential future annexation of the North Highline area.
- Complete Ambaum and 1st Ave South Corridor plans.
- Review and update franchise agreements.
- Advance the Kids and Cops initiative.
- Update the Code Enforcement Ordinance and the Criminal and Traffic Sections of the Burien Municipal Code.

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 made 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, 2011, bonds payable total \$28,299,400, of which \$145,000 is from a 2002 limited tax general obligation bond issue. The debt service on these bonds was partially refunded as part of the 2011 debt issue and the remaining balance will be paid off in 2012. The interest rates on this issue range from 2.5% to 4.7%. The remaining balance of the 2006 limited tax general obligation bond is \$8,060,000, 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 \$8,180,000. 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. In 2011, a new bond was issued for 8,550,000, of which \$ 8,465,000 is outstanding at year end. These bonds were issued to complete the 1st Avenue South, Phase 1 project and to refund the majority of the 2002 bonds. The interest rates on this issue range from 2.0% to 4.0%. 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 are useful indicators of the City’s relative debt burden. These ratios for the end of 2011 are as follows:

	<u>Ratio of Debt to Assessed Valuation</u>	<u>Debt Per Capita</u>
Net Direct Tax Supported Debt	0.61%	\$ 594

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 2011 audit of all City funds has been completed and was conducted in accordance with generally accepted auditing standards. The City has received an unqualified opinion on its 2011 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, 2010. 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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Burien Washington

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davidson

President

Jeffrey R. Emer

Executive Director

ELECTED CITY OFFICIALS2011 City Councilmembers

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

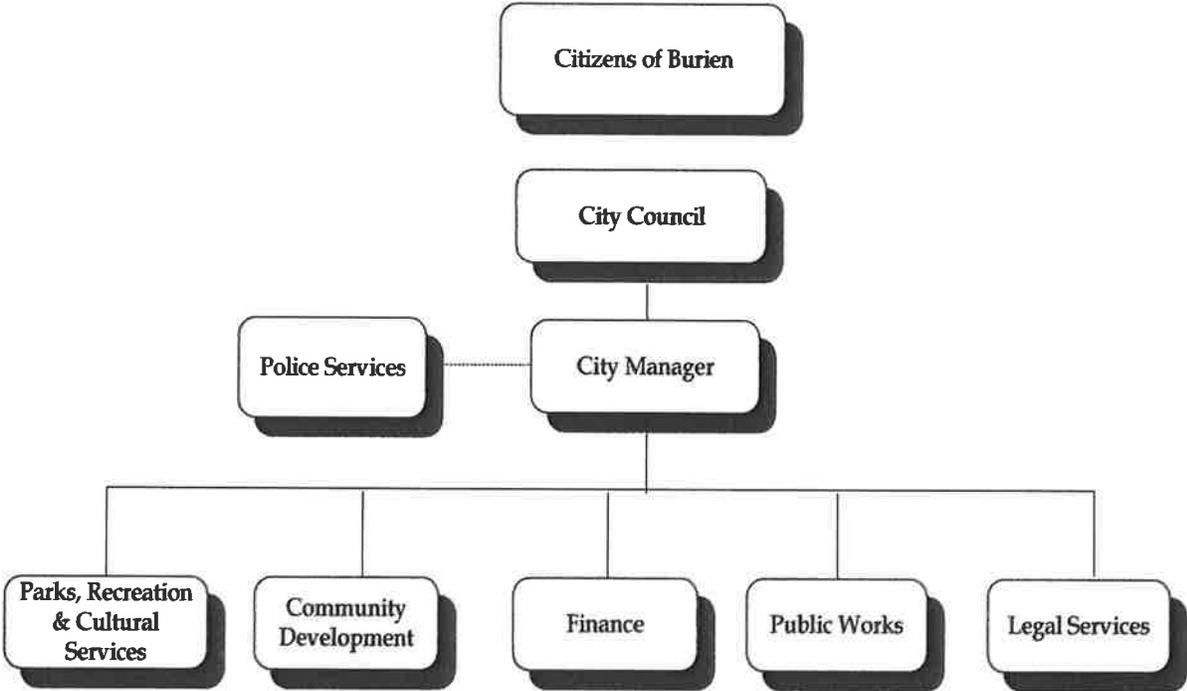
2012 City Councilmembers

	<u>Term Ending</u>
Brian Bennett, Mayor	December 2013
Rose Clark, Deputy Mayor	December 2013
Jack Block, Jr.	December 2013
Bob Edgar	December 2015
Lucy Krakowiak	December 2015
Joan McGilton	December 2013
Gerald Robison	December 2015

CITY ADMINISTRATION

City Manager	Michael Martin
Finance Director	Kim Krause
Public Works Director	Maiya Andrews
Community Development Director	Scott Greenberg
Parks, Recreation & Cultural Services Director	Michael Lafreniere
Chief of Police	Scott Kimerer
City Attorney	Craig Knutson

City of Burien, Washington
Organizational Chart



----- Denotes Contract Services

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. That trend is reversed this year with a decrease of \$ 2.3 million in total net assets. The assets of the City of Burien exceeded its liabilities at the close of the most recent fiscal year by \$112.6 million. Of this amount, \$100.5 million is invested in capital assets net of related long term debt and the remaining \$12.1 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 decreased by \$2.3 million in 2011. Government activities net assets decreased by \$2.0 million and Business-type activities decreased by \$267,000. This decrease is attributed almost entirely to the difference between new bonds issued plus current year depreciation exceeding the increase to capital assets for the year. This is displayed in the Invested in Capital Assets, Net of Related Debt amount in the Net Assets section of the financial statements.

At year end, December 31, 2011, the City of Burien's governmental funds reported a combined ending fund balance of \$9.6 million, a decrease of \$1 million in comparison to the prior year. This decrease is due to the expenditure of the remaining bond funds received in 2010 for the street overlay project and the 2011 reclassification of the Equipment Replacement Reserve Fund from a special revenue fund to an internal service fund.

At the end of the current fiscal year, unreserved fund balance for the general fund is \$3.75 million, or 17.4% of total current year general fund revenues. This is an increase from the \$3.4 million in unreserved General Fund, fund balance at the end of 2010. This ending fund balance exceeds the financial policy required amount of 10% of ongoing revenues, by approximately \$1.6 million, which is available to fund future capital programs and to withstand the current economic downturn. The increase in available fund balance is predominantly due to general government and public safety expenditures being somewhat less than budgeted.

The City of Burien's total long-term debt increased \$5.7 million, which reflects a net increase in governmental activities of \$5.8 million and a decrease of \$83,000 in business-type activities. The governmental activities increase is attributed to an \$8.55 million General Obligation Debt issue, which included a \$1.9 million refunding of the majority of the 2002 bonds and is net of current year's debt service payments on prior issued debt. The decrease in the Business type activities is a result of the 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 presents the detailed financial information for significant, or major, funds and combines the remaining, non-major, funds into one column for a single aggregated report. Individual fund data for the non-major funds is provided in the form of combining statements elsewhere in this report. Budgetary information is provided for governmental operating funds. The notes to the financial statements are an integral part of this report as they provide information that aid in the understanding of the data presented in the government-wide and fund financial statements. Finally, supplemental information related to the financial activity of the City is provided, including the combining statements for non-major funds.

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 with corresponding major resources. 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 assists the user in determining 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

Assets exceeded liabilities by \$112.6 million at the close of the fiscal year.

During fiscal year 2011, net assets decreased by \$2.3 million, primarily due to a reduction in Investment in Capital Assets, net of related debt. This reduction is the result of the issuance of new debt issued during the year and depreciation on capital assets exceeding capital expenditures by almost the entire amount of this change.

City of Burien's Net Assets at Year-End

	Governmental Activities		Business - Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 18,908,187	\$ 23,224,839	\$ 374,098	\$ 475,268	\$ 19,282,285	\$ 23,700,107
Capital assets, net of accumulated depreciation	123,471,101	119,393,669	7,164,249	7,506,554	130,635,350	126,900,223
Total assets	142,379,288	142,618,508	7,538,347	7,981,822	149,917,635	150,600,330
Long-term liabilities	32,634,292	26,836,217	1,245,463	1,328,494	33,879,755	28,164,711
Other liabilities	3,326,253	7,359,889	115,820	208,887	3,442,073	7,568,776
Total liabilities	\$ 35,960,545	\$ 34,196,106	\$ 1,361,283	\$ 1,537,381	\$ 37,321,828	\$ 35,733,487
Net Assets:						
Invested in capital assets, net of related debt	94,556,265	96,277,930	5,918,785	6,178,060	100,475,050	102,455,990
Restricted	2,996,149	8,641,935	-	-	2,996,149	8,641,935
Unrestricted	8,866,329	3,502,537	258,279	266,381	9,124,608	3,768,918
Total Net assets	\$ 106,418,743	\$ 108,422,402	6,177,064	6,444,441	112,595,807	114,866,843

Governmental Activities

The change in total net assets for 2011 is a reduction of \$2 million. The current year bond issue included \$6.5 million of new debt, after the refunding portion, less an additional \$900 thousand for bond payments. Depreciation for the year was in excess of \$6 million and capital expenditures for the year were \$10 million, resulting in a net decrease to Capital Assets net of related debt of almost \$1.7 million. While Restricted Net Assets decreased, Unrestricted Net Assets increased by a similar amount. The majority of this change was a result of the implementation of GASB 54, which shifted previously reported, Restricted for: Special Revenue Funds and Capital Project Funds to the Unrestricted Net Assets account. While these previously restricted balances are assigned to fund future capital projects, the implementation of GASB 54 recognizes the ability of the governing body to change this purpose if the need arises to provide funding for future, as yet, unidentified uses.

Business-type Activities

Storm Water Management: The \$267,000 decrease in net assets of the Surface Water Management fund is a result of the depreciation of capital assets and the transfer of some equipment from the fund to the newly reclassified Equipment Replacement Fund.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2011:

The Activities Statement shows a net decrease in the City of Burien's net assets of \$2.3 million. A summary version of the Statement of Activities follows.

Summary of Revenues

	Governmental		Business - Type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 3,494,795	\$ 3,279,321	\$ 2,451,319	\$ 2,301,075	\$ 5,946,114	\$ 5,580,396
Operating grants & contributions	3,159,909	3,199,708	96,294	-	3,256,203	3,199,708
Capital grants & contributions	1,618,263	9,388,375	-	394,182	1,618,263	9,782,557
General Revenues:						
Property taxes	7,081,681	7,268,281	-	-	7,081,681	7,268,281
Sales Taxes	5,875,089	5,101,336	-	-	5,875,089	5,101,336
Other Taxes	4,720,147	4,577,108	-	-	4,720,147	4,577,108
Investment Interest	24,482	28,013	1,256	2,033	25,738	30,046
Total Revenues	\$ 25,974,366	\$ 32,842,142	\$ 2,548,869	\$ 2,697,290	\$ 28,523,235	\$ 35,539,432

Summary of Expenses

	Governmental		Business - Type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Expenses						
General Government	\$ 5,357,042	\$ 4,852,865	\$ -	\$ -	\$ 5,357,042	\$ 4,852,865
Public Safety	10,696,174	9,181,710	-	-	10,696,174	9,181,710
Physical Environment	619,813	580,156	-	-	619,813	580,156
Transportation	6,769,161	7,744,105	-	-	6,769,161	7,744,105
Economic Environment	1,449,570	1,351,931	-	-	1,449,570	1,351,931
Health and Human Services	11,274	10,391	-	-	11,274	10,391
Culture and Recreation	3,218,432	3,162,760	-	-	3,218,432	3,162,760
Interest on Long-term Obligations	885,197	597,646	6,642	6,977	891,839	604,623
Storm Drainage	-	-	1,780,966	1,527,712	1,780,966	1,527,712
Total Expenses	\$ 29,006,663	\$ 27,481,564	\$ 1,787,608	\$ 1,534,689	\$ 30,794,271	\$ 29,016,253
Increase in net assets before transfers	(3,032,297)	5,360,578	761,261	1,162,601	(2,271,036)	6,523,179
Transfers	1,028,638	520,173	(1,028,638)	(520,173)	-	-
Increase in net assets	(2,003,659)	5,880,751	(267,377)	642,428	(2,271,036)	6,523,179
Net assets - beginning	108,422,402	102,541,651	6,444,441	5,802,013	114,866,843	108,343,664
Net assets - ending	\$ 106,418,743	\$ 108,422,402	\$ 6,177,064	\$ 6,444,441	\$ 112,595,807	\$ 114,866,843

**GOVERNMENTAL AND PROPRIETARY ACTIVITIES
FOR FISCAL YEAR ENDING DECEMBER 31, 2011****Governmental Activities**

With the exception of Capital Grants and Contributions, all revenue categories reflect only minor changes from the prior year. The decrease in Capital Grants and Contributions revenue is attributed to the large acquisition of land and infrastructure as a result of the 2010 annexation. Sales Tax revenue also shows an increase that is predominantly due to the .1% sales tax credit received by the city as a result of the prior year annexation.

The increase in General Fund, fund balance is attributed to reporting the General, Arts in Public Places and the Capital Projects Reserve funds all in the General Fund effective with 2011, as required by GASB Statement No. 54. The resulting increase is essentially all reported in Committed to Capital Projects in the fund statements.

The fund balance of the Transportation Capital Projects Fund decreased for the year just ended as a result of the completion of the Street Overlay project that was funded by the 2010 bond issue.

Business-type Activities

Storm Water Fund operating revenues increased again in 2011 as a result of a full year of surface water management fees billed to property owners in the annexation area; however, this year does not include any contribution of infrastructure. Storm Water management costs increased as the annexed area was fully incorporated into our service area, and a large transfer was made from the operating fund to the Surface Water Management Capital Projects Fund.

BUDGETARY HIGHLIGHTS

The City Council approved one amendment to the 2011 adopted budget. This amendment adjusted beginning fund balances to the ending 2010 actual fund balance amounts, reduced some revenue and expenditure estimates and provided for the receipt and use of the 2011 bond proceeds.

General Fund revenues met budget estimates for the year. Expenditures were 1.93% less than the amended budget with most of this savings taking place in General Governmental and Police Services.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2011, the City had invested \$130.6 million in capital assets as reflected in the following table, which represents a net increase (additions, deductions and depreciation) of \$3.7 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 Activities		Business - Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 25,806,770	\$ 25,806,770	\$ 1,076,060	\$ 1,076,060	\$ 26,882,830	\$ 26,882,830
Buildings	11,390,991	11,953,151	-	-	11,390,991	11,953,151
Improvements other than buildings	6,158,998	6,560,360	-	-	6,158,998	6,560,360
Machinery and equipment	1,481,294	1,394,856	3,923	53,503	1,485,217	1,448,359
Infrastructure	61,294,755	36,622,397	5,689,521	5,982,246	66,984,276	42,604,643
Construction work in progress	17,338,293	37,056,135	394,745	394,745	17,733,038	37,450,880
Total	\$ 123,471,101	\$ 119,393,669	\$ 7,164,249	\$ 7,506,554	\$ 130,635,350	\$ 126,900,223

The above table reconciles the change in capital assets. Included within additions are construction work in progress (CWIP) balances. The CWIP amount for governmental activities is \$17.3 million, which is comprised of parks and street improvement projects still under construction.

CHANGE IN CAPITAL ASSETS

	Governmental		Business - Type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Changes in Capital Assets						
Land	\$ -	\$ 3,035,100	\$ -	\$ -	\$ -	\$ 3,035,100
Buildings	(562,160)	1,176,215	-	-	(562,160)	1,176,215
Improvements other than buildings	(401,362)	127,366	-	-	(401,362)	127,366
Machinery and equipment	86,438	270,225	(49,580)	19,771	36,858	289,996
Infrastructure	24,672,358	1,571,619	(292,725)	3,383,476	24,379,633	4,955,095
Construction in progress	(19,717,842)	4,360,080	-	(2,946,319)	(19,717,842)	1,413,761
Total	\$ 4,077,432	\$ 10,540,605	\$ (342,305)	\$ 456,928	\$ 3,735,127	\$ 10,997,533

OUTSTANDING DEBT

At year-end, the City had \$33.0 million in debt outstanding compared to \$27.7 million in 2010. The \$5.3 million increase is the result of a general obligation debt issue in 2011, which partially refunded the 2002 outstanding bonds and provided additional funding for transportation projects, offset by the annual debt principal payments on all outstanding long-term debt. For additional debt information, see Note 9 in the Notes to the Financial Statements.

OUTSTANDING DEBT AT YEAR-END

	Governmental		Business - Type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
General Obligation Bonds	\$ 24,850,000	\$ 19,155,000	\$ -	\$ -	\$ 24,850,000	\$ 19,155,000
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)	1,362,308	1,475,221	-	-	1,362,308	1,475,221
Public Works Trust Fund Loan	2,073,525	2,262,837	1,245,463	1,328,493	3,318,988	3,591,330
Total	31,735,233	26,342,458	1,245,463	1,328,493	32,980,696	27,670,951

ECONOMIC FACTORS

Property taxes are important to the City as they represent 26.2% of total governmental resources. Sales tax and Business and Occupation/Utility taxes comprise approximately 21.7% and 12.5% of these resources, respectively, and inter-governmental revenues from state shared revenues and grants make up 17.7% of total resources. With the economy's continued negative trend in some areas and slow recovery in others, we are closely monitoring these revenue sources 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 the result of the early 2010 annexation that increased the population of the city

by more than 44%. Additionally, surface water management revenue is expected to increase each year as City policy provides for an automatic inflationary adjustment.

FINANCIAL CONTACT

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



This page intentionally left blank.



**Washington State Auditor
Brian Sonntag**

INDEPENDENT AUDITOR'S REPORT

June 22, 2012

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, 2011, 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, 2011, and the respective changes in financial position 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.

As described in Note 1, during the year ended December 31, 2011, the City has implemented the Governmental Accounting Standards Board Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions.

In accordance with *Government Auditing Standards*, we will also issue our report dated June 22, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-1 through 3-7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 supplementary information on pages 5-2 through 5-9 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Sincerely,



BRIAN SONNTAG, CGFM
STATE AUDITOR

BASIC FINANCIAL STATEMENTS





This page intentionally left blank.

City of Burien, Washington
Statement of Net Assets
December 31, 2011

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and cash equivalents	\$ 10,978,955	\$ 266,030	\$ 11,244,985
Receivables			
Accounts	39,440	91,055	130,495
Taxes	378,378	-	378,378
Taxes delinquent	183,072	-	183,072
Special assessments	1,212,394	-	1,212,394
Due from other governments	1,849,900	17,013	1,866,913
Deferred Charges	390,508	-	390,508
Restricted cash	11,135	-	11,135
Prepaid Items	3,480	-	3,480
Investment in Joint Venture - SCORE	3,860,925	-	3,860,925
Property and equipment, net of depreciation:			
Land	25,806,770	1,076,060	26,882,830
Buildings	11,390,991	-	11,390,991
Machinery and equipment	1,481,294	3,923	1,485,217
Other improvements	6,158,998	-	6,158,998
Infrastructure	61,294,755	5,689,521	66,984,276
Construction work in progress	17,338,293	394,745	17,733,038
Total Assets	\$ 142,379,288	\$ 7,538,347	\$ 149,917,635
Liabilities			
Accounts payable	\$ 2,510,910	\$ 115,820	\$ 2,626,730
Employee benefits payable	11,135	-	11,135
Bond interest payable	93,384	-	93,384
Unearned revenue	478,690	-	478,690
Deposits payable	232,134	-	232,134
Noncurrent liabilities:			
Due within one year	1,528,172	83,031	1,611,203
Due in more than one year	31,106,120	1,162,432	32,268,552
Total Liabilities	\$ 35,960,545	\$ 1,361,283	\$ 37,321,828
Net Assets			
Invested in capital assets, net of related debt	\$ 94,556,265	\$ 5,918,785	\$ 100,475,050
Restricted for:			
Special revenue	185,776	-	185,776
Debt service	1,648,165	-	1,648,165
Capital projects	1,162,208	-	1,162,208
Unrestricted	8,866,329	258,279	9,124,608
Total Net Assets	\$ 106,418,743	\$ 6,177,064	\$ 112,595,807

See accompanying notes to the financial statements.

City of Burien, Washington
Statement of Activities
For the Year Ended December 31, 2011

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
Judicial	\$ 682,282	\$ 351,054	\$ -
General Government	5,357,042	1,152,091	1,002,345
Public Safety	10,013,892	-	1,041,255
Physical Environment	619,813	68,322	-
Transportation	6,769,161	339,954	993,262
Economic Environment	1,449,570	953,552	111,446
Mental & Physical Health	11,274	-	11,601
Culture and Recreation	3,218,432	629,822	-
Interest on Long-term Debt	885,197	-	-
Total governmental activities	<u>\$ 29,006,663</u>	<u>\$ 3,494,795</u>	<u>\$ 3,159,909</u>
Business-type activities:			
Storm water	\$ 1,787,608	\$ 2,451,319	\$ 96,294
Total business-type activities	<u>\$ 1,787,608</u>	<u>\$ 2,451,319</u>	<u>\$ 96,294</u>
Total government	<u>\$ 30,794,271</u>	<u>\$ 5,946,114</u>	<u>\$ 3,256,203</u>

General revenues:

Property taxes

Sales Taxes

B & O and Utility Taxes

Other Taxes

Unrestricted investment earnings

Transfers

Total general revenues and transfers

Change in net assets

Net Assets - beginning

Net Assets - ending

See accompanying notes to the financial statements.

Net (Expense) Revenue and Changes in Net Assets			
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ -	\$ (331,228)	\$ -	\$ (331,228)
-	(3,202,606)	-	(3,202,606)
204,869	(8,767,768)	-	(8,767,768)
-	(551,491)	-	(551,491)
1,141,264	(4,294,681)	-	(4,294,681)
-	(384,572)	-	(384,572)
-	327	-	327
272,130	(2,316,480)	-	(2,316,480)
-	(885,197)	-	(885,197)
<u>\$ 1,618,263</u>	<u>\$ (20,733,696)</u>	<u>\$ -</u>	<u>\$ (20,733,696)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 760,005</u>	<u>\$ 760,005</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 760,005</u>	<u>\$ 760,005</u>
<u>\$ 1,618,263</u>	<u>\$ (20,733,696)</u>	<u>\$ 760,005</u>	<u>\$ (19,973,691)</u>
	\$ 7,081,681	\$ -	\$ 7,081,681
	5,875,089	-	5,875,089
	3,389,936	-	3,389,936
	1,330,211	-	1,330,211
	24,482	1,256	25,738
	1,028,638	(1,028,638)	-
	<u>\$ 18,730,037</u>	<u>\$ (1,027,382)</u>	<u>\$ 17,702,655</u>
	\$ (2,003,659)	\$ (267,377)	\$ (2,271,036)
	<u>\$ 108,422,402</u>	<u>\$ 6,444,441</u>	<u>\$114,866,843</u>
	<u>\$ 106,418,743</u>	<u>\$ 6,177,064</u>	<u>\$112,595,807</u>

City of Burien, Washington
Governmental Funds
Balance Sheet
December 31, 2011

	General	Street	Debt Service
Assets			
Cash and cash equivalents	\$ 5,168,219	\$ 234,870	\$ 79,436
Accounts receivable	-	14,431	10,151
Taxes receivable:			
Current	378,378	-	-
Delinquent	183,072	-	-
Special assessments receivable	-	-	1,212,394
Due from other governments	1,414,713	-	-
Due from other funds	-	-	-
Prepaid items	3,480	-	-
Restricted cash and cash equivalents	11,135	-	-
Total Assets	\$ 7,158,997	\$ 249,301	\$ 1,301,981
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ 1,530,574	\$ 99,083	\$ -
401A Admin Fee Payable	11,135	-	-
Due to other funds	-	-	-
Deposits payable	232,134	-	-
Deferred revenue	237,208	-	1,212,394
Total Liabilities	\$ 2,011,051	\$ 99,083	\$ 1,212,394
Fund Balance:			
Nonspendable:			
Prepays	\$ 3,480	\$ -	\$ -
Restricted:			
Street projects	-	-	-
Other capital projects	-	-	-
Debt Service	-	-	-
Committed to:			
Arts projects	45,424	-	-
Capital Projects	1,202,723	-	-
Assigned to:			
Street Maintenance	-	150,218	-
Debt service	-	-	89,587
Transportation Capital Projects	-	-	-
Parks Capital Projects	-	-	-
Surface Water Capital Projects	-	-	-
Other purposes	127,907	-	-
Unassigned:	3,768,412	-	-
Total Fund Balances	\$ 5,147,946	\$ 150,218	\$ 89,587
Total Liabilities and Fund Balance	\$ 7,158,997	\$ 249,301	\$ 1,301,981

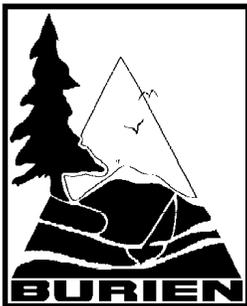
See accompanying notes to the financial statements.

Parks & General Government	Transportation Capital Projects	Other Governmental	Total
\$ 1,107,461	\$ 3,136,298	\$ 863,362	\$ 10,589,646
1,771	10,671	-	37,024
-	-	-	378,378
-	-	-	183,072
-	-	-	1,212,394
-	435,187	-	1,849,900
-	-	-	-
-	-	-	3,480
-	-	-	11,135
\$ 1,109,232	\$ 3,582,156	\$ 863,362	\$ 14,265,029
\$ 20,473	\$ 846,670	\$ 8,784	\$ 2,505,584
	-	-	11,135
	-	-	-
	-	-	232,134
459,000	-	-	1,908,602
\$ 479,473	\$ 846,670	\$ 8,784	\$ 4,657,455
\$ -	\$ -	\$ -	\$ 3,480
-	1,162,208		\$ 1,162,208
-	-	185,776	\$ 185,776
-	-	136,231	\$ 136,231
-	-	-	\$ 45,424
-	-	-	\$ 1,202,723
			\$ 150,218
			\$ 89,587
	1,573,278	28,769	\$ 1,602,047
629,759	-		\$ 629,759
-	-	503,802	\$ 503,802
-	-	-	\$ 127,907
-	-	-	\$ 3,768,412
\$ 629,759	\$ 2,735,486	\$ 854,578	\$ 9,607,574
\$ 1,109,232	\$ 3,582,156	\$ 863,362	\$ 14,265,029

City of Burien, Washington
Reconciliation of Total Governmental Fund Balances
to Net Assets of Governmental Activities
December 31, 2011

Total governmental fund balances		\$ 9,607,574
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		123,471,101
These assets consist of:		
Land	\$ 25,806,770	
Construction in Progress	17,338,293	
Buildings	12,981,581	
Improvements other than buildings	7,851,354	
Machinery and equipment - General Government	3,614,321	
Infrastructure	102,309,399	
Less: Accumulated Depreciation	<u>(46,430,617)</u>	
	\$ 123,471,101	
Investment in joint ventures are not a financial resource and, therefore are not reported in the funds.		3,860,925
Long term liabilities, including bonds payable are not due and payable in the current period and, therefore, are not reported in the funds.		(32,337,168)
These long-term liabilities consist of:		
Long term portion of long term debt	\$ 26,757,662	
Due within one year portion of long-term debt	1,528,172	
Premium on bond issues to be amortized over life of debt	629,003	
Bond Issue costs to be amortized over life of debt	(267,443)	
Deferred Charge on refunding	(123,065)	
Long term portion of Special Obligation debt - Joint Venture	3,449,400	
Compensated absences	270,055	
Accrued interest payable on long-term debt	<u>93,384</u>	
	\$ 32,337,168	
Receivables not available to pay current period expenditures and, therefore, are deferred in the funds:		1,429,912
Special Assessments	\$ 1,212,394	
Property Taxes	<u>217,518</u>	
	\$ 1,429,912	
Accrued interest on Special Assessments not available to pay current period expenditures and, therefore, not reported in the funds.		2,416
Total Assets and Liabilities of internal service fund that are reported with governmental activities, less amount reported above		<u>383,983</u>
Net Assets of Governmental Activities		<u><u>\$ 106,418,743</u></u>

See accompanying notes to the financial statements.



This page intentionally left blank.

City of Burien, Washington
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2011

	General	Street	Debt Service
Revenues			
General property taxes	\$ 6,946,360	\$ -	\$ -
Sales Tax	5,875,088	-	-
Real Estate Excise Tax	-	-	-
B & O	486,860	-	-
Utility Tax	2,903,076	-	-
Gambling & other taxes	635,700	26,770	-
Intergovernmental revenue	2,166,648	993,262	118,810
Licenses & permits	1,272,900	493,369	-
Charges for services	1,003,741	-	48,164
Fines & forfeitures	365,952	-	-
Special assessments	-	-	91,058
Investment income	13,674	1,627	60
Miscellaneous	18,987	1,209	6,687
Total revenues	<u>21,688,986</u>	<u>1,516,237</u>	<u>264,779</u>
Expenditures			
Current:			
General government	4,686,637	-	-
Public safety	10,685,772	-	-
Transportation	-	1,329,980	-
Recreation	2,653,782	-	-
Physical Environment	667,031	-	-
Mental and Physical Health	11,274	-	-
Economic development	1,445,874	-	-
Debt service			
Principal	-	-	1,262,225
Interest & fiscal charges	-	-	917,319
Capital outlay	84,931	120,682	-
Total expenditures	<u>20,235,301</u>	<u>1,450,662</u>	<u>2,179,544</u>
Excess of revenues over (under) expenditures	<u>1,453,685</u>	<u>65,575</u>	<u>(1,914,765)</u>
Other Financing			
Sources (Uses)			
Issuance of debt	-	-	2,051,620
Premium on issuance of G.O. debt	-	-	-
Payment to refunded bond escrow agent	-	-	(2,018,065)
Transfers in	155,000	-	1,957,111
Transfers (out)	(722,139)	(367,500)	-
Total other financing sources and uses	<u>(567,139)</u>	<u>(367,500)</u>	<u>1,990,666</u>
Net change in fund balances	<u>886,546</u>	<u>(301,925)</u>	<u>75,901</u>
Fund balances - beginning	<u>4,261,400</u>	<u>452,143</u>	<u>13,686</u>
Fund balances - ending	<u>\$ 5,147,946</u>	<u>\$ 150,218</u>	<u>\$ 89,587</u>

See accompanying notes to the financial statements

Parks and General Government Capital Projects	Transportation Capital Projects	Other Governmental	Total
\$ 66,585	\$ -	\$ -	\$ 7,012,945
-	-	-	5,875,088
-	-	667,741	667,741
-	-	-	486,860
-	-	-	2,903,076
-	-	-	662,470
272,130	1,017,472	-	4,568,322
-	-	-	1,766,269
-	-	274,810	1,326,715
-	-	-	365,952
-	-	-	91,058
2,261	4,528	2,035	24,185
4,397	10,349	916	42,545
<u>345,373</u>	<u>1,032,349</u>	<u>945,502</u>	<u>25,793,226</u>
-	-	32,418	4,719,055
-	-	-	10,685,772
-	516,840	-	1,846,820
114,630	-	-	2,768,412
-	-	77,760	744,791
-	-	-	11,274
-	-	-	1,445,874
-	-	-	1,262,225
-	-	-	917,319
441,064	9,405,573	-	10,052,250
<u>555,694</u>	<u>9,922,413</u>	<u>110,178</u>	<u>34,453,792</u>
<u>(210,321)</u>	<u>(8,890,064)</u>	<u>835,324</u>	<u>(8,660,566)</u>
-	6,498,380	-	8,550,000
-	420,155	-	420,155
-	-	-	(2,018,065)
100,000	1,100,000	921,139	4,233,250
-	-	(2,166,111)	(3,255,750)
<u>100,000</u>	<u>8,018,535</u>	<u>(1,244,972)</u>	<u>7,929,590</u>
<u>(110,321)</u>	<u>(871,529)</u>	<u>(409,648)</u>	<u>(730,976)</u>
<u>740,080</u>	<u>3,607,015</u>	<u>1,264,226</u>	<u>10,338,550</u>
\$ 629,759	\$ 2,735,486	\$ 854,578	\$ 9,607,574

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, 2011

Net change in fund balances - total governmental funds		\$ (730,976)
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.		3,903,548
This is comprised of:		
Capital Outlays	\$ 10,052,250	
Current year depreciation	(6,148,702)	
Contributed Capital Assets from annexation	-	
	\$ 3,903,548	
Investment in joint ventures are not considered financial resources and are, therefore not reported in the funds. Increase in equity).		204,869
Capital assets contributed to internal service fund, not reported in the governmental funds because there has been no flow of current financial resources net of related debt.		51,138
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.		(24,219)
This is comprised of:		
Property tax revenue	\$ 68,736	
Accrued interest receivable on special assessment	(192)	
Special assessment revenue	(92,763)	
	\$ (24,219)	
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.		(5,591,159)
This is comprised of:		
General Obligation Bond Sale	(8,550,000)	
Premium on Bond Sale	(420,156)	
Amortization of Bond Premium	13,834	
Principal payments on long-term debt	1,262,225	
Payment to Escrow for refunding	2,018,065	
Bond Issue Costs	84,873	
	\$ (5,591,159)	
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.		(25,737)
This is comprised of:		
Accrued interest expense	\$ (15,265)	
Amortization of bond issue costs	(11,495)	
Accrued compensated absences expense	1,023	
	\$ (25,737)	
Internal Service funds are used by management to charge costs of certain activities to individual funds. The net revenue of these activities is reported with governmental activities.		208,877
Change in Net Assets of Governmental Activities		\$ (2,003,659)

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, 2011

	Budget		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 16,742,023	\$ 17,004,820	\$ 16,847,084	\$ (157,736)
Intergovernmental revenue	1,820,304	1,861,500	2,166,648	305,148
Licenses & permits	1,043,191	1,316,574	1,272,900	(43,674)
Charges for services	997,840	979,300	1,003,741	24,441
Fines & forfeitures	240,000	462,800	365,952	(96,848)
Investment income	63,000	64,400	13,674	(50,726)
Miscellaneous	-	-	18,987	18,987
Total revenues	<u>20,906,358</u>	<u>21,689,394</u>	<u>21,688,986</u>	<u>(408)</u>
Expenditures				
Current:				
General Government	3,854,880	4,849,835	4,686,637	163,198
Public Safety	8,451,596	10,896,600	10,685,772	210,828
Health	7,379	7,500	11,274	(3,774)
Public Works	567,387	581,599	667,031	(85,432)
Recreation	2,753,450	2,784,821	2,653,782	131,039
Community Development	1,469,905	1,512,356	1,445,874	66,482
Capital Outlay	-	-	84,931	(84,931)
Total expenditures	<u>17,104,597</u>	<u>20,632,711</u>	<u>20,235,301</u>	<u>397,410</u>
Excess of revenues over (under) expenditures	<u>3,801,761</u>	<u>1,056,683</u>	<u>1,453,685</u>	<u>397,002</u>
Other Financing				
Sources (Uses)				
Transfers in	159,000	160,000	155,000	(5,000)
Transfers (out)	(357,000)	(911,120)	(722,139)	188,981
Total other financing sources (uses)	<u>(198,000)</u>	<u>(751,120)</u>	<u>(567,139)</u>	<u>183,981</u>
Excess of revenues and other sources over (under) expenditures and other uses	3,603,761	305,563	886,546	580,983
Fund balances - beginning	2,811,282	4,261,400	4,261,400	-
Fund balances - ending	<u>\$ 6,415,043</u>	<u>\$ 4,566,963</u>	<u>\$ 5,147,946</u>	<u>\$ 580,983</u>

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, 2011

	Budget		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Gambling & Other taxes	-	-	26,770	26,770
Intergovernmental revenue	1,000,000	1,000,000	993,262	(6,738)
Licenses & permits	275,000	275,000	493,369	218,369
Investment income	-	-	1,627	1,627
Miscellaneous	250,000	205,000	1,209	(203,791)
Total revenues	<u>1,525,000</u>	<u>1,480,000</u>	<u>1,516,237</u>	<u>36,237</u>
Expenditures				
Current:				
Transportation	1,701,467	1,455,467	1,329,980	125,487
Capital outlay	1,000	54,000	120,682	(66,682)
Total expenditures	<u>1,702,467</u>	<u>1,509,467</u>	<u>1,450,662</u>	<u>58,805</u>
Excess of revenues over (under) expenditures	<u>(177,467)</u>	<u>(29,467)</u>	<u>65,575</u>	<u>95,042</u>
Other Financing				
Sources (Uses)				
Transfers (out)	<u>(467,500)</u>	<u>(367,500)</u>	<u>(367,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>(467,500)</u>	<u>(367,500)</u>	<u>(367,500)</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	(644,967)	(396,967)	(301,925)	95,042
Fund balances - beginning	<u>1,323,583</u>	<u>452,143</u>	<u>452,143</u>	<u>-</u>
Fund balances - ending	<u>\$ 678,616</u>	<u>\$ 55,176</u>	<u>\$ 150,218</u>	<u>\$ 95,042</u>

See accompanying notes to the financial statements.

City of Burien, Washington
Proprietary Funds
Statement of Net Assets
December 31, 2011

	Business Type Activities <u>Enterprise Fund</u> Surface Water <u>Management</u>	Governmental Activities Internal Service <u>Fund</u> Equipment <u>Replacement</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 266,030	\$ 389,309
Utility receivables, net	91,055	-
Due from other governments	17,013	-
Total current assets	<u>374,098</u>	<u>389,309</u>
Non-current assets:		
Capital assets, net of depreciation	<u>7,164,249</u>	<u>806,329</u>
Total non-current assets	<u>7,164,249</u>	<u>806,329</u>
Total Assets	<u>\$ 7,538,347</u>	<u>1,195,638</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 115,820	\$ 5,326
Due within one year	<u>83,031</u>	<u>-</u>
	\$ 198,851	\$ 5,326
Noncurrent Liabilities:		
Due in more than one year	<u>1,162,432</u>	<u>\$ -</u>
Total Liabilities	<u>\$ 1,361,283</u>	<u>\$ 5,326</u>
Net Assets		
Invested in capital assets, net of related debt	\$ 5,918,786	\$ 806,329
Unrestricted	<u>258,278</u>	<u>383,983</u>
Total Net Assets	<u>\$ 6,177,064</u>	<u>\$ 1,190,312</u>

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, 2011

	<u>Enterprise Fund</u>	Governmental Activities Internal Service Fund
	Surface Water Management	Equipment Replacement
Operating Revenues:		
Charges for services	\$ 2,547,613	\$ 220,000
Total operating revenues	<u>2,547,613</u>	<u>220,000</u>
Operating Expenses:		
Personal services	691,653	-
Support services	264,070	11,612
Repairs & maintenance	530,095	-
Depreciation	295,148	162,261
Total operating expenses	<u>1,780,966</u>	<u>173,873</u>
Operating income (loss)	766,647	46,127
Non-operating revenues (expenses):		
Investment income	1,256	489
Interest Expense	(6,642)	-
Total nonoperating revenues (expenses)	<u>(5,386)</u>	<u>489</u>
Income before capital contributions and transfers	761,261	46,616
Capital Contribution	-	794,707
Transfers In		51,138
Transfers to other funds	(1,028,638)	-
	<u>(1,028,638)</u>	<u>845,845</u>
Changes in net assets	(267,377)	892,461
Total net assets - beginning	<u>6,444,441</u>	<u>297,851</u>
Total net assets - ending	<u>\$ 6,177,064</u>	<u>\$ 1,190,312</u>

See accompanying notes to the financial statements.

City of Burien, Washington
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2011

	Enterprise Fund Surface Water Management	Governmental Activities Internal Service Fund Equipment Replacement
Cash Flows from Operating Activities		
Receipts from customers	\$ 2,537,953	\$ 220,000
Payments to suppliers	(920,526)	(10,650)
Payments to employees	(665,585)	-
Net cash provided (used) by operating activities	951,842	209,350
Cash Flows from Non-capital Financing Activities		
Operating subsidies and transfers to other funds	(977,500)	-
Net cash provided (used) by non-capital financing activities	(977,500)	-
Cash Flows from Capital and Related Financing Activities		
Purchase and construction of capital assets	(3,981)	(118,381)
Principal payments on Capital Debt	(83,031)	-
Interest paid on debt service	(6,642)	-
Net cash provided (used) by capital and related financing activities	(93,654)	(118,381)
Cash Flows from Investing Activities		
Interest received on investments	1,256	489
Net cash provided by investing activities	1,256	489
Net increase (decrease) in cash and cash equivalents	(118,056)	91,458
Cash and cash equivalents, beginning	384,086	297,851
Cash and cash equivalents, ending	\$ 266,030	\$ 389,309
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ 766,647	46,127
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	295,148	162,261
Changes in assets and liabilities:		
Accounts receivable	(16,886)	-
Accounts payable	(93,067)	5,326
(Increase) in account payable related to equipment purchases	-	(4,364)
Total adjustments	185,195	163,223
Net Cash Provided by Operating Activities	\$ 951,842	\$ 209,350

Noncash capital activities of \$51,138 are comprised of contributed capital assets from the Surface Water Management Fund.

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

TABLE OF CONTENTS

<u>Note</u>	<u>Page</u>
1. Summary of Significant Accounting Policies	4-19
Reporting Entity	4-19
Basic Financial Statements	4-19
Measurement Focus and Basis of Accounting.....	4-20
Financial Statement Presentation	4-20
Assets, Liabilities and Net Assets or Equities.....	4-21
Cash and cash equivalents	4-21
Receivables	4-22
Interfund Transactions.....	4-22
Capital assets	4-22
Compensated absences	4-23
Deferred Revenue	4-23
Short-term Debt	4-23
Long-term Obligations.....	4-23
Fund Equity	4-23
Operating and Non-operating Revenues and Expenses	4-23
2. Reconciliation of Government-wide and Fund Financial Statements	4-24
3. Stewardship, Compliance and Accountability	4-24
4. Cash and Investments	4-26
5. Receivables	4-26
6. Interfund Balances and Transfers	4-27
7. Capital Assets	4-28
8. Construction Commitments.....	4-29
9. Long-term Obligations	4-30
10. Pension Plans	4-32
11. Other Post Employment benefits	4-37
12. New, Closed and Combined funds	4-37
13. Joint Venture	4-38
14. Blended Component Unit	4-39
15. Risk Management.....	4-39
16. Contingencies and Litigation	4-40



NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011

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.

The City's Comprehensive Annual Financial Report (CAFR) includes the financial statements for the City of Burien and its component units, entities for which the City is considered to be financially accountable. The City has one blended component unit, the Burien Transportation Benefit District. Although legally separate entities, blended component units are, in substance, part of the City's operations (see Note 14).

B. Basic Financial Statements

The government-wide financial statements consist of the statement of net assets and the statement of activities, reporting information on the City as a whole. The fund financial statements provide a more detailed level of financial information at the fund level. For the most part, interfund activity has been eliminated 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 primarily rely 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 separately 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 taxes, 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 *Parks & General Government Capital Projects Fund* accounts for financial resources designated for numerous parks and general government related capital improvement projects.

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 types:

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

Internal Service Fund which accounts for rental and replacement of numerous pieces of city equipment.

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.

In February 2009, the GASB issued Statement of Governmental Accounting Standards No. 54, "Fund Balance Reporting and governmental Fund Type Disclosures." This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The Statement also modified definitions of governmental fund types for clarity and consistency. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010.

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, 2011, 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 Statement 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 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, as reported in the statement of net assets, include all uncollected assessments regardless of the due date. Special assessments receivable, reported in the governmental fund statements, consist of current assessments that are due within 60 days, delinquent assessments remaining unpaid after the due date and deferred, uncollected assessments that 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 or 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. There were no interfund balances to eliminate at year-end.

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 life of the asset 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 in the government-wide financial statements is accrued when incurred. 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 termination of employment.

6. **Deferred Revenue**

In governmental funds, deferred revenues include amounts collected but not yet earned, and include receivables that 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 debt at the beginning, or end of the year. In July 2011, in anticipation of a bond sale later in the year, a letter of credit for \$1,750,000 was obtained for the purpose of paying a settlement agreement on the 1st Avenue South, Phase 1 project. In September, this letter of credit was repaid with proceeds from the 2011 G.O. Bond Issue.

8. **Long-term Obligations**

Long-term obligations are recorded in the government-wide statement of net assets. These liabilities include four 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 13.

9. **Fund Equity**

Reserves represent portions of fund balance legally restricted for a specific future purpose or not available for appropriation. The City's policy is to maintain an ending fund balance in the General Fund of at least 10% of budgeted General Fund recurring revenues. For the Street and Surface Water Management Funds, the policy is to maintain an ending fund balance of at least 5% of recurring revenues in these funds.

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 is 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, Transportation Benefit District 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 provided 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. This is the first year of the City's second biennial budget. 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 and estimates for the basic government operating costs are presented to the Council in the preliminary budget document, in addition to revenue estimates.
- b. The City Council conducts at least two 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 is accomplished 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 next year's budget appropriation.

The Authorized Staffing Level Compliance

The 2011 budget authorized 67.73 full-time equivalent staff positions. At December 31, 2011, 1.6 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, 2011, the carrying amount of the City's demand deposits with Key Bank was \$427,629. Petty cash, totaling \$1,275, is allocated to various City departments, and \$99,556 was held by King County for property taxes collected at year-end with the cash transferring soon after.

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, 2011 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	\$10,727,660	\$10,727,660
Total Investments	<u>\$10,727,660</u>	<u>\$10,727,660</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 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. 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, 2011, 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 2011 was \$1.55513 per \$1,000 of the assessed valuation of \$4,626,813,371 for a total regular levy of \$7,113,821.

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. The City had one small interfund receivable/payable to begin the year, that was paid off before year-end.

Transfers are transactions between funds that support the operations of the 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.

2011 Transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 155,000	\$ -
Street Fund	-	367,500
Debt Service Fund	1,957,111	-
Parks and General Government Capital Projects Fund	100,000	-
Transportation Capital Projects Fund	1,100,000	-
Other Governmental Funds:		
Public Works Reserve Fund	-	909,000
Capital Projects Reserve Fund	-	722,139
Transportation Benefit District Fund	-	257,111
Town Square Capital Projects Fund	21,139	-
Surface Water Management Capital Projects Fund	900,000	1,000,000
Subtotal Other Governmental Funds	921,139	2,888,250
Business-type Activities - Surface Water Management Fund	-	977,500
	<u>\$ 4,233,250</u>	<u>\$ 4,233,250</u>

Interfund Transfer of Capital Assets:

	<u>Transfers In</u>	<u>Transfers Out</u>
Business-type activities		
Surface Water Management Fund	\$ -	\$ 51,138
Equipment Replacement Reserve Fund	51,138	-
	<u>\$ 51,138</u>	<u>\$ 51,138</u>

NOTE 7. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011 is presented below:

Governmental Activities	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, not being depreciated				
Land	\$ 25,806,770	\$ -	\$ -	\$ 25,806,770
Construction in Progress	37,056,135	9,846,637	29,564,479	17,338,293
Total capital assets, not being depreciated	<u>62,862,905</u>	<u>9,846,637</u>	<u>29,564,479</u>	<u>43,145,063</u>
Capital Assets, being depreciated				
Buildings	\$ 12,981,581	\$ -	\$ -	\$ 12,981,581
Improvements other than buildings	7,851,354	-	-	7,851,354
Machinery and equipment	3,234,824	379,497	-	3,614,321
Infrastructure	72,744,920	29,564,479	-	102,309,399
Total Capital Assets, being depreciated	<u>96,812,679</u>	<u>29,943,976</u>	<u>-</u>	<u>126,756,655</u>
Less accumulated depreciation for:				
Buildings	\$ 1,028,430	\$ 562,160	\$ -	\$ 1,590,590
Improvements	1,290,994	401,362	-	1,692,356
Machinery and Equipment	1,839,968	293,059	-	2,133,027
Infrastructure	36,122,523	4,892,121	-	41,014,644
Total Accumulated Depreciation	<u>40,281,915</u>	<u>6,148,702</u>	<u>-</u>	<u>46,430,617</u>
Total capital assets, being depreciated, net	<u>56,530,764</u>	<u>23,795,274</u>	<u>-</u>	<u>80,326,038</u>
Governmental activities capital assets, net	<u>\$ 119,393,669</u>	<u>\$ 33,641,911</u>	<u>\$ 29,564,479</u>	<u>\$ 123,471,101</u>

Business type Activities	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, not being depreciated				
Land	\$ 1,076,060	\$ -	\$ -	\$ 1,076,060
Construction in Progress	394,745	-	-	394,745
Total capital assets, not being depreciated	1,470,805	-	-	1,470,805
Capital Assets, being depreciated				
Buildings	\$ -	\$ -	\$ -	\$ -
Improvements other than buildings	-	-	-	-
Machinery and equipment	156,565	3,981	62,042	98,504
Infrastructure	7,347,114	-	-	7,347,114
Total Capital Assets, being depreciated	7,503,679	3,981	62,042	7,445,618
Less accumulated depreciation for:				
Buildings	\$ -	\$ -	\$ -	\$ -
Improvements	-	-	-	-
Machinery and Equipment	103,062	2,423	10,904	94,581
Infrastructure	1,364,868	292,725	-	1,657,593
Total Accumulated Depreciation	1,467,930	295,148	10,904	1,752,174
Total capital assets, being depreciated, net	6,035,749	(291,167)	51,138	5,693,444
Business-type activities capital assets, net	<u>\$ 7,506,554</u>	<u>\$ (291,167)</u>	<u>\$ 51,138</u>	<u>\$ 7,164,249</u>

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

Governmental Activities:

General Government	\$ 688,257
Public Safety	10,402
Transportation, including infrastructure	4,970,125
Culture & Recreation	467,127
Economic Development	<u>12,791</u>
Total Increase in Accumulated Depreciation Governmental Activities	<u>\$6,148,702</u>

Business- type Activities:

Surface Water Management	<u>\$ 295,148</u>
--------------------------	-------------------

NOTE 8. CONSTRUCTION COMMITMENTS

The City has several small active construction projects as of December 31, 2011. With the completion of the 2010 Street Overlay Project in 2011, the only project of significance is the 1st Ave So, Phase 2 Project. At year-end 2011, this project just entered the construction phase and has a remaining commitment in excess of \$5.7 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 several 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 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 to continue development of the Town Square Project. In 2009, the South Correctional Entity, (SCORE) Public Development Authority (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 13. In 2010, Limited Tax General Obligation Bonds were issued for \$8.615 million to provide funds for a major street overlay project. In 2011, an \$8.55 million bond was issued to refund the majority of the 2002 bonds and to provide funding to complete the first phase of the 1st Avenue South capital project.

Refunded Debt - As part of the September 1, 2011 bond issue, the city advance refunded \$1,895,000 of 2002 outstanding Limited Tax General Obligation Bonds. The net proceeds were used to purchase U.S. government securities that were deposited with an escrow agent to provide for all future debt service payments on the refunded bonds. The advance refunding resulted in a reduction in the aggregate debt service payments of \$152,450 and a present value gain of \$126,730.

Changes in General Long Term Debt
For the Year Ended December 31, 2011

	Balance <u>1/1/011</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>12/31/11</u>
2002 Limited Tax G.O. 2.5 to 4.70%	\$ 2,185,000	-	\$(2,040,000)	\$ 145,000
2006 Limited Tax G.O. 3.75 to 5.00%	8,440,000	-	(380,000)	8,060,000
2009 Special G.O./SCORE, PDA 2.0% to 5.346 %	3,449,400	-	-	3,449,400
2010 Limited Tax G.O. 2.00 to 6.13%	8,530,000	-	(350,000)	8,180,000
2011 Limited Tax G.O. 2.00 to 4.00%	-	8,550,000	(85,000)	8,465,000
Total General Obligation Bonds	<u>\$ 22,604,400</u>	<u>\$8,550,000</u>	<u>\$(2,855,000)</u>	<u>\$ 28,299,400</u>

Debt Service Requirement to Maturity
 Long Term Debt Summary
 December 31, 2011

Year	General Obligation Bonds		Total Long Term Debt incl. SCORE
	Principal	Interest	
2012	1,145,000	1,156,756	2,301,756
2013	1,256,600	1,121,907	2,378,507
2014	1,293,000	1,086,670	2,379,670
2015	1,334,600	1,049,923	2,384,523
2016	1,387,600	1,000,045	2,387,645
2017 - 2021	7,681,800	4,154,628	11,836,428
2022 - 2026	8,242,800	2,488,447	10,731,247
2027 - 2031	4,525,400	849,968	5,375,368
2032 - 2036	838,200	211,254	1,049,454
2037 - 2039	594,400	32,182	626,582
	<u>\$28,299,400</u>	<u>\$13,151,781</u>	<u>\$41,451,181</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 \$1,291,773 and is being repaid with Real Estate Excise Taxes received in the Public Works Reserve Fund. The second loan is for \$580,555 and is being repaid with revenues from a special assessment (LID #1) against the benefiting property owners on the 152nd Street Enhancement Project, completed in 2003. The third loan is associated with the 1st Avenue South capital project and has an outstanding balance of \$1,563,505. The fourth loan is the responsibility of the Surface Water Management Fund for the Ambaum Pond Project associated with the 1st Avenue South project. The outstanding balance at year end is \$1,245,462.

Governmental Funds Debt Service:			Business Type Activities Debt Service:		
Year	Public Works Trust Fund Loans		Year	Public Works Trust Fund Loans	
	Principal	Interest		Principal	Interest
2012	302,225	17,179	2012	83,031	5,886
2013	302,225	15,668	2013	83,031	5,494
2014	302,225	14,157	2014	83,031	5,397
2015	302,225	12,646	2015	83,031	5,494
2016	302,225	11,135	2016	83,031	4,982
2017 - 2021	1,511,123	31,495	2017 - 2021	415,154	18,682
2022 - 2026	413,587	1,804	2022 - 2026	415,154	6,227
	<u>\$3,435,833</u>	<u>\$ 104,084</u>		<u>\$ 1,245,462</u>	<u>\$ 52,162</u>

Special Assessment Debt with Government Commitment

Special Assessment debt is a direct responsibility of the City, but is 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 LID Guaranty Fund was established with a transfer from the Street Fund to maintain a balance of approximately 10% of the outstanding debt owed by the special assessment.

Changes in Long-term Liabilities

			Beginning			Ending	Due Within
			Balance	Additions	Reductions	Balance	One Year
Governmental Activities:							
Bonds Payable							
General obligation bonds			\$ 19,155,000	\$ 8,550,000	\$(2,855,000)	\$24,850,000	\$ 1,145,000
SCORE PDA, bonds payable			3,449,400	-	-	3,449,400	-
Special assessment debt with							
government commitment (PWTF)		LID No. 1 SW 152nd St.	633,333	-	(52,778)	580,555	52,778
		LID No. 2 1st Ave S.	841,888	-	(60,135)	781,753	60,135
Public Works Trust Fund Loans:							
		SW 152nd St Project	1,420,950	-	(129,177)	1,291,773	129,177
		1st Ave S. Project	841,887	-	(60,135)	781,752	60,135
Plus Deferred amount for issuance							
premium			222,681	420,156	(13,834)	629,003	35,947
Bonds and Loans Payable			\$ 26,565,140	\$ 8,970,156	\$(3,171,059)	\$32,364,237	\$ 1,483,172
Compensated Absences			271,078	335,437	(336,460)	270,055	45,000
Governmental activity Long-term liabilities			\$ 26,836,218	\$ 9,305,593	\$(3,507,519)	\$32,634,292	\$ 1,528,172
Business type activities:							
Public Works Trust Funds Loans:		Ambaum Pond Project	1,328,494	-	(83,031)	1,245,463	83,031
Business Type activity Long-term liabilities			\$ 1,328,494	\$ -	\$(83,031)	\$ 1,245,463	\$ 83,031
Total Governmental and Business-Type Long-term Liabilities			\$ 28,164,712	\$ 9,305,593	\$(3,590,550)	\$33,879,755	\$ 1,611,203

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 \$270,055, a decrease of \$1,023 from the previous year, so governmental expenses for 2011 are decreased 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

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 and defined contribution retirement plans.

Historical trend and other information regarding each plan is presented in the State Department of Retirement Systems comprehensive annual financial report. A copy of this report may be obtained at: Department of Retirement Systems, Communications Unit, PO Box 48380, Olympia, WA 98504-8380; or it may be downloaded from the DRS website at www.drs.wa.gov. The following disclosures are made pursuant to GASB 27, Accounting for Pensions by State and Local Government Employers and No. 50 Pension disclosure, an amendment to GASB Statements No. 25 and No.27.

Public Employees' Retirement System (PERS) Plans 1, 2 and 3

Plan Description: PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component.

Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges currently in a judicial retirement system); employees of legislative committees; community and technical colleges; college and university employees not participating in national higher education retirement programs; judges of district and municipal courts; and employees of local governments.

PERS members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercise an option to transfer their membership to Plan 3. PERS members joining the system on or after March 1, 2002 for state and higher education employees or September 1, 2002 for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within the 90 days default to PERS Plan 3. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

PERS Plan 1 and Plan 2 defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PERS retirement benefit provisions are established in Chapters 41.34 and 41.40 RCW and may be amended only by the State Legislature.

PERS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with 5 years of service, or at age 55 with 25 years of service. The monthly benefit is 2 percent of the average final compensation (AFC) per year of service. (AFC is the monthly average of the 24 consecutive highest-paid service credit months). The retirement benefit may not exceed 60 percent of AFC. The monthly benefit is subject to a minimum for PERS Plan 1 retirees who have 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired 25 years. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits. If a survivor option is chosen, the benefit is further reduced. A cost-of living allowance (COLA) is granted at age 66 based upon years of service times the COLA amount, which is increased 3 percent annually. Plan 1 members may also elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity payable to the age of 60. The allowance amount is \$350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any workers' compensation benefit and is payable as long as the member remains disable or until the member attains the age of 60. A member with five years of covered employment is eligible for non-duty disability retirement. Prior to age 55, the allowance amount is 2 percent of the AFC for each year of service reduced by 2 percent for each year that the member age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. A cost-of living allowance is granted at age 66 based upon years of service times the COLA amount (based on the consumer Price Index), capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 members can receive credit for military service while actively serving in the military, or such credit makes them eligible to retire. Members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. (AFC is the monthly average of the 60 consecutive highest paid service months.)

Plan 2 who have at least 20 years of service and are 55 years of age or older are eligible for early retirement with a reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before the age 65.

Plan 2 members who have 30 years or more years of service and are at least 55 years old can retire under one of two provisions:

With a benefit that is reduced by 3 percent for each year before the age of 65.

With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2 retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. There is no cap on years of service; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

The surviving spouse or eligible child or children of a PERS Plan 2 member who dies after leaving eligible employment having earned ten years of service credit may request a refund of the member's accumulated contributions. Effective July 22, 2007, said refund (adjusted as needed for specified legal reductions) is increased from 100 percent to 200 percent of the accumulated contributions if the member's death occurs in the uniformed service to the United States while participating in Operation Enduring Freedom or Persian Gulf, Operation Iraqi Freedom.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component and member contributions finance a defined contribution component. The defined benefit portion provides a monthly benefit that is 1 percent of the AFC per year of service. (AFC is the monthly average of the 60 consecutive highest-paid service months.)

Effective June 7, 2006 PERS Plan 3 members are vested in the defined benefit portion of their plan after 10 years of service; or after 5 years of service, if twelve months of that service are earned after the age of 44; or after 5 years service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Vested Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits:

If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65.

If they have 30 years service credit years and are at least 55 years old, they have the choice of a benefit that is reduced by 3 percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.

PERS Plan 3 defined benefit retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. This is no cap on years of service credit and Plan 3 provides the same cost-of living allowance as Plan 2.

PERS Plan 3 defined contribution retirement benefits are solely dependent upon the results of investment activities.

The defined contribution portion can be distributed in accordance with an option selected by the member, either as a lump sum or pursuant to other options authorized by the Department of Retirement Systems.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is 2 percent of the AFC per year of service. For Plan 3, the monthly benefit amount is 1 percent of the AFC per year of service.

These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index) capped at 3 percent annually.

PERS Plan 2 and Plan 3 members may have up to ten years of interruptive military service credit, five years at no cost and five years that may be purchased by paying the required contributions. Effective July 24, 2005, a member who becomes totally incapacitated for continued employment while serving the uniformed services, or a surviving spouse or eligible children, may apply for interruptive military service credit. Additionally, PERS Plan 2 and Plan 3 members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS members may also purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's retirement benefit.

Beneficiaries of a PERS Plan 2 or Plan 3 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Department of Labor and Industries.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PERS member who dies in the line of service as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of said member's covered employment, if found eligible by the Department of Labor and Industries.

There are 1,197 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2010.

Retirees and Beneficiaries Receiving Benefits	76,899
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	28,860
Active Plan Members Vested	105,521
Active Plan members Non-vested	<u>51,005</u>
Total	262,285

Funding Policy: Each biennium the State Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies

and local government employees, and at 7.5 percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Director of the Department of Retirement Systems sets the Plan 3 employee contribution rates. Six rate options are available ranging from 5 percent to 15 percent; two of the options are graduated rates dependent on the employee's age. As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program. The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll as of December 31, 2011, are as follows:

	<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 and the employee made the required contributions. The City's required contributions for the years ended December 31 were as follows:

	<u>PERS Plan I</u>	<u>PERS Plan II</u>	<u>PERS Plan III</u>
2011	\$7,754	\$273,439	\$15,757
2010	3,445	205,597	8,929
2009	3,956	244,159	7,676

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, 2011, there were seventy five active members in the City of Burien Retirement Plan. The City's covered payroll for the year ended December 31, 2011, was \$4,614,933 out of total payroll of \$4,949,533. Employee contributions during the year totaled \$290,967. City contributions were \$274,541.

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	\$ 751.55	\$ 703.45
Non-Medicare enrolled spouse coverage	756.15	708.00
Medicare enrolled retiree coverage	410.35	375.55
Medicare enrolled spouse coverage	415.00	380.15

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. NEW, COMBINED AND RECLASSIFIED FUNDS

The City created one new fund in 2011, the Transportation Benefit District fund. This fund accounts for a \$10 per vehicle licensing fee, that is used for improving transportation within the city. (See note 14 for additional information on this fund.) In accordance with GASB Statement 54, the Art in Public Places Fund and the Capital Projects Reserve Fund were combined into the General Fund for reporting purposes. Finally, the Equipment Reserve Fund was reclassified from a special revenue fund in previous years to an internal service fund in 2011.

NOTE 13. 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 Subsidy	Total	Auburn 31%	Burien 4%	Federal Way 18%	Renton 36%	SeaTac 3%	Tukwila 8%
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	2,065,000	4,911,886	(1,632,787)	5,344,099	1,656,671	213,764	961,938	1,923,876	160,323	427,528
2017-2021	11,545,000	22,986,907	(7,869,713)	26,662,194	8,265,280	1,066,488	4,799,195	9,598,390	799,866	2,132,976
2022-2026	13,945,000	19,586,127	(6,994,733)	26,536,394	8,226,282	1,061,456	4,776,551	9,553,102	796,092	2,122,912
2027-2031	17,010,000	14,723,464	(5,346,730)	26,386,734	8,179,888	1,055,469	4,749,612	9,499,224	791,602	2,110,939
2032-2036	20,955,000	8,498,417	(3,217,063)	26,236,354	8,133,270	1,049,454	4,722,544	9,445,087	787,091	2,098,908
2037-2039	14,860,000	1,502,494	(697,922)	15,664,572	4,856,017	626,583	2,819,623	5,639,246	469,937	1,253,166
Totals	\$ 86,235,000	\$ 92,553,660	\$ (32,396,888)	\$ 146,391,772	\$ 45,381,449	\$ 5,855,671	\$ 26,350,520	\$ 52,701,038	\$ 4,391,753	\$ 11,711,343

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, 2011 related to SCORE:

South Correctional Entity (SCORE) 2011 Owner Cities Equity Allocation				
Member City	Percent of Equity	2010 Equity Balance	2011 Distribution	2011 Equity Balance
Auburn	31.00%	\$ 1,601,588	\$ 1,587,732	\$ 3,189,320
Burien	4.00%	206,656	204,869	411,525
Federal Way	18.00%	929,954	921,909	1,851,863
Renton	36.00%	1,859,910	1,843,818	3,703,728
SeaTac	3.00%	154,992	153,651	308,643
Tukwila	8.00%	413,313	409,737	823,050
Grand Totals	100.00%	\$ 5,166,413	\$ 5,121,716	\$ 10,288,129

Complete financial statements for SCORE and SCORE PDA can be obtained from the SCORE office, 20817 17th Avenue South, Des Moines, WA 98198.

NOTE 14. BLENDED COMPONENT UNIT

There is one blended component unit in the City's reporting entity. Beginning in 2011, the City Council created the Burien Transportation Benefit District. RCW 36.73.020 grants cities the authority to establish a Transportation Benefit District. The transportation benefit districts purpose is to acquire, construct, improve, provide, and fund transportation improvements within the district consistent with any existing state, regional, and local transportation plan. RCW 36.73.065 gives the District the authority to impose taxes, fees, charges and tolls. The District approved a \$10 registration fee effective January 1, 2011. It is imposed on vehicles registered within the district's boundaries.

The Transportation Benefit District is accounted for in fund 118, a Special Revenue Fund of the City of Burien. Financial reporting for this fund can be found in the Combining Statements located in the Fund Financial Statements and Schedules Section of this report.

NOTE 15. 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 150 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.

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 16. 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, 2011, 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.

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.

Transportation Benefit District Fund - This fund was created in 2011 to account for the activity of the Transportation Benefit District as a blended component unit of the city.

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 Projects 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.

Surface Water Management Capital Projects 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, 2011

	Special Revenue	Transportation Benefit District	Debt Service LID Guaranty
Assets			
Cash and cash equivalents	\$ 185,776	\$ -	\$ 165,000
Total Assets	\$ 185,776	\$ -	\$ 165,000
 Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -
 Fund Balance:			
Restricted:			
Other capital projects	\$ 185,776	\$ -	\$ -
Debt Service	-	-	136,231
Assigned to:			
Debt service	-	-	28,769
Surface Water Capital Projects	-	-	-
Total Fund Balance/Net Assets	185,776	-	165,000
Total Liabilities and Fund Balance	\$ 185,776	\$ -	\$ 165,000

Capital Projects		Total Nonmajor Governmental Funds	
Town Square	Surface Water Management		
\$ -	\$ 512,586	\$ 863,362	
\$ -	\$ 512,586	\$ 863,362	
\$ -	\$ 8,784	\$ 8,784	
\$ -	\$ 8,784	\$ 8,784	
\$ -	\$ -	\$ 185,776	
-	-	136,231	
-	-	28,769	
-	503,802	503,802	
-	503,802	854,578	
\$ -	\$ 512,586	\$ 863,362	

City of Burien, Washington
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2011

	Special Revenue		Debt Service
	Public Works Reserve	Transportation Benefit District	LID Guaranty
Revenues			
Real Estate Excise Tax	\$ 667,741		\$ -
Charges for services	17,812	256,998	-
Investment income	603	113	-
Total revenues	\$ 686,156	\$ 257,111	\$ -
Expenditures			
Current:			
General government	\$ -	\$ -	\$ -
Physical environment	-	-	-
Total expenditures	\$ -	\$ -	\$ -
Excess of revenues over (under) expenditures	\$ 686,156	\$ 257,111	\$ -
Other Financing			
Sources (Uses)			
Transfers in	\$ -	\$ -	\$ -
Transfers (out)	(909,000)	(257,111)	-
Total other financing sources and uses	\$ (909,000)	\$ (257,111)	\$ -
Net change in fund balances	\$ (222,844)	\$ -	\$ -
Fund balances - beginning	\$ 408,620	\$ -	\$ 165,000
Fund balances - ending	\$ 185,776	\$ -	\$ 165,000

Capital Projects		Total Nonmajor Governmental Funds
Town Square	Surface Water Management	
\$ -	\$ -	\$ 667,741
-	-	274,810
981	1,254	2,951
<u>\$ 981</u>	<u>\$ 1,254</u>	<u>\$ 945,502</u>
\$ 32,418	\$ -	\$ 32,418
-	77,760	77,760
<u>\$ 32,418</u>	<u>\$ 77,760</u>	<u>\$ 110,178</u>
<u>\$ (31,437)</u>	<u>\$ (76,506)</u>	<u>\$ 835,324</u>
\$ 21,139	\$ 900,000	\$ 921,139
-	(1,000,000)	(2,166,111)
<u>\$ 21,139</u>	<u>\$ (100,000)</u>	<u>\$ (1,244,972)</u>
<u>\$ (10,298)</u>	<u>\$ (176,506)</u>	<u>\$ (409,648)</u>
<u>\$ 10,298</u>	<u>\$ 680,308</u>	<u>\$ 1,264,226</u>
<u>\$ -</u>	<u>\$ 503,802</u>	<u>\$ 854,578</u>

City of Burien, Washington
Public Works Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances-Budget and Actual
For the Year Ended December 31, 2011

	Budget		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Real Estate Excise Tax	\$ 700,000	\$ 600,000	\$ 667,741	\$ 67,741
Charges for services	15,000	15,000	17,812	2,812
Investment income	2,000	2,000	603	(1,397)
Total revenues	717,000	617,000	686,156	69,156
Expenditures				
Current:				
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	717,000	617,000	686,156	69,156
Other Financing				
Sources (Uses)				
Transfers (out)	(809,000)	(909,000)	(909,000)	-
Total other financing sources (uses)	(809,000)	(909,000)	(909,000)	-
Excess of revenues and other sources over (under) expenditures and other uses	(92,000)	(292,000)	(222,844)	69,156
Fund balances - beginning	110,691	408,620	408,620	-
Fund balances - ending	\$ 18,691	\$ 116,620	\$ 185,776	\$ 69,156

City of Burien, Washington
Transportation Benefit District Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances-Budget and Actual
For the Year Ended December 31, 2011

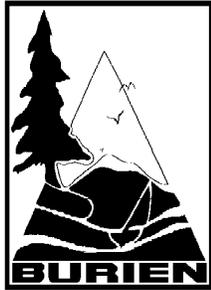
	<u>Budget</u>		Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 275,000	\$ 275,000	\$ 256,998	\$ (18,002)
Investment income	1,200	1,200	113	(1,087)
Total revenues	<u>276,200</u>	<u>276,200</u>	<u>257,111</u>	<u>(19,089)</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>276,200</u>	<u>276,200</u>	<u>257,111</u>	<u>(19,089)</u>
Other Financing				
Sources (Uses)				
Transfers In	-	-	-	-
Transfers (out)	<u>(276,200)</u>	<u>(276,200)</u>	<u>(257,111)</u>	<u>19,089</u>
Total other financing sources (uses)	<u>(276,200)</u>	<u>(276,200)</u>	<u>(257,111)</u>	<u>19,089</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Burien, Washington
LID Guaranty Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances-Budget and Actual
For the Year Ended December 31, 2011

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

City of Burien, Washington
Debt Service Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances-Budget and Actual
For the Year Ended December 31, 2011

	<u>Budget</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ -	\$ 119,000	118,810	(190)
Charges for Services	48,164	48,164	48,164	-
Special Assessment	116,000	116,000	91,058	(24,942)
Investment income	-	-	60	60
	-	-	6,687	6,687
Total revenues	<u>164,164</u>	<u>283,164</u>	<u>264,779</u>	<u>(18,385)</u>
Expenditures				
Public Works Trust Fund Loan principal	302,225	302,225	302,225	-
G.O. Bond principal	875,000	875,000	960,000	85,000
Interest & fiscal charges	742,697	1,023,197	917,319	(105,878)
Total expenditures	<u>1,919,922</u>	<u>2,200,422</u>	<u>2,179,544</u>	<u>(20,878)</u>
Excess of revenues over (under) expenditures	<u>(1,755,758)</u>	<u>(1,917,258)</u>	<u>(1,914,765)</u>	<u>2,493</u>
Other Financing				
Sources (Uses)				
Issuance of debt	-	-	2,051,620	-
Proceeds from Sale of Capital Assets	-	-	(2,018,065)	-
Transfers In	1,694,200	1,994,200	1,957,111	(37,089)
Total other financing sources (uses)	<u>1,694,200</u>	<u>1,994,200</u>	<u>1,990,666</u>	<u>(37,089)</u>
Excess of revenues and other sources over (under) expenditures and other uses	(61,558)	76,942	75,901	(34,596)
Fund balances - beginning	<u>67,120</u>	<u>13,686</u>	<u>13,686</u>	<u>-</u>
Fund balances - ending	<u>\$ 5,562</u>	<u>\$ 90,628</u>	<u>\$ 89,587</u>	<u>\$ (34,596)</u>



This page intentionally left blank.

**Statistical Section
December 31, 2011**

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.

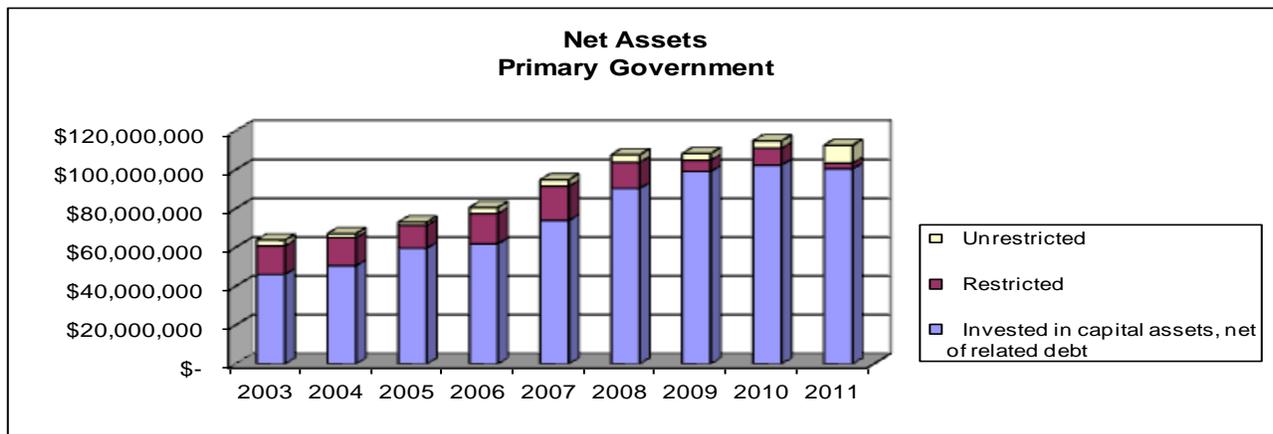
Schedule 15	Demographic and Economic Statistics	6-22
Schedule 16	Principal Employers	6-23

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.

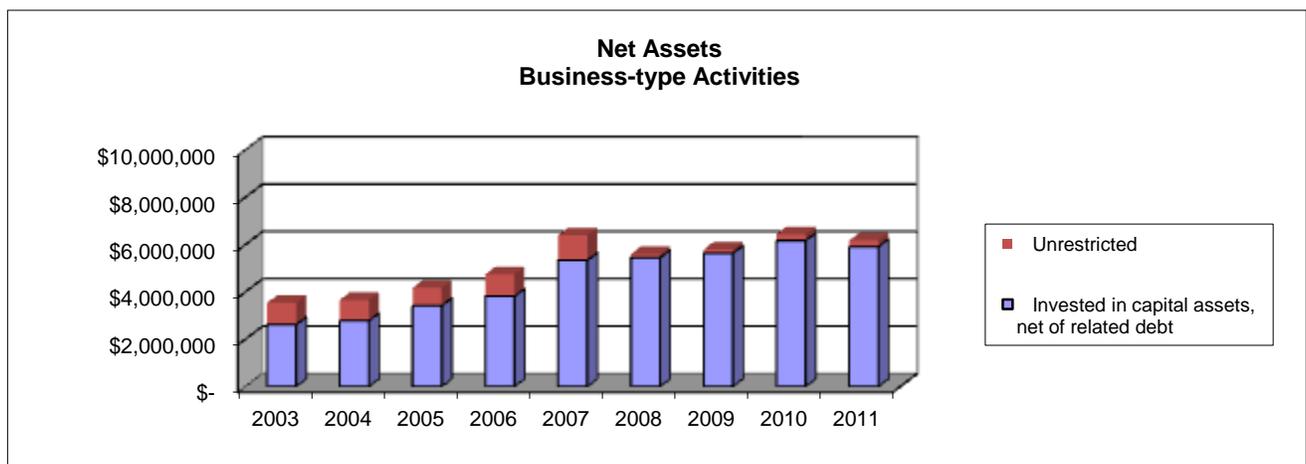
Schedule 17	Full Time Equivalent Employees by Function	6-24
Schedule 18	Operating Indicators by Department	6-25
Schedule 19	Capital Indicators by Department	6-26

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities									
Invested in capital assets, net of related debt	43,546,130	47,794,329	56,250,350	58,093,061	68,572,792	84,983,988	93,522,178	96,277,930	94,556,265
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	2,996,149
Unrestricted	2,041,689	1,160,862	845,605	2,178,828	2,259,558	3,687,935	3,237,190	3,502,537	8,866,329
Total governmental activities net assets	\$ 60,254,442	\$ 63,429,202	\$ 68,873,162	\$ 75,828,475	\$ 88,450,223	\$ 102,095,741	\$ 102,541,651	\$ 108,422,402	\$ 106,418,743



	2003	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities									
Invested in capital assets, net of related debt	2,621,101	2,789,960	3,421,756	3,819,583	5,336,187	5,455,883	5,638,102	6,178,060	5,918,785
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	917,860	873,687	753,162	928,910	1,062,208	147,692	163,911	266,381	258,279
Total business-type activities net assets	\$ 3,538,961	\$ 3,663,647	\$ 4,174,918	\$ 4,748,493	\$ 6,398,395	\$ 5,603,575	\$ 5,802,013	\$ 6,444,441	\$ 6,177,064

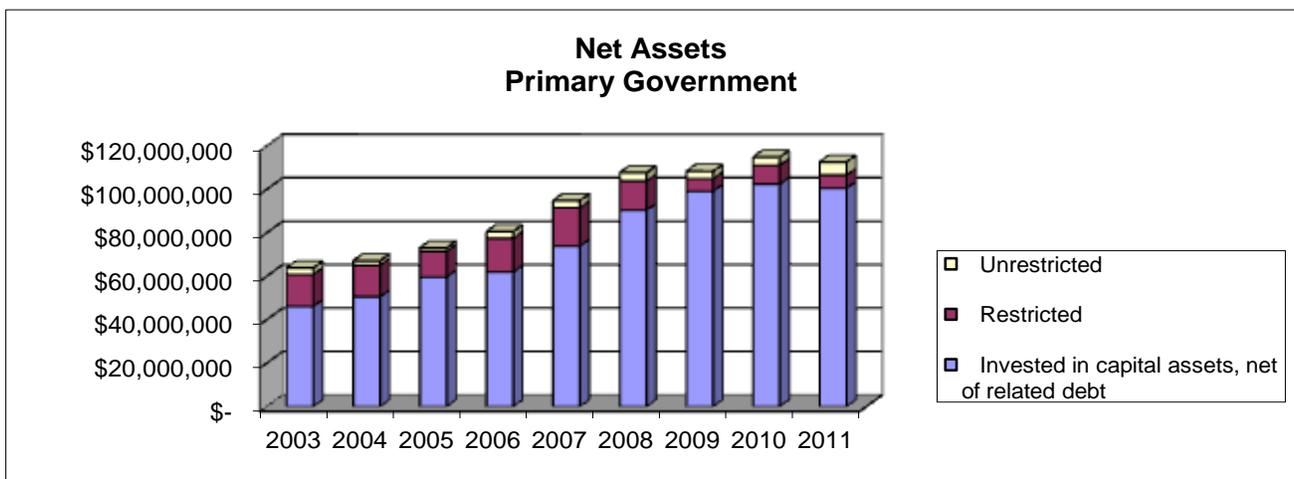


* Amounts presented from year of implementation of GASB 34 (2003) forward.

Source: City of Burien Finance Department

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Primary government									
Invested in capital assets, net of related debt	46,167,231	50,584,289	59,672,106	61,912,644	73,908,979	90,439,871	99,160,280	102,455,990	100,475,050
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	2,996,149
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	9,124,608
Total primary government net assets	\$ 63,793,403	\$ 67,092,849	\$ 73,048,080	\$ 80,576,968	\$ 94,848,618	\$ 107,699,316	\$ 108,343,664	\$ 114,866,843	\$ 112,595,807



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

Source: City of Burien Finance Department

Schedule 2
Changes in Net Assets
Last Nine 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>	<u>2011</u>
Expenses									
Governmental activities:									
General government	2,771,760	2,951,940	2,717,477	3,214,768	3,511,643	4,301,319	3,445,149	4,364,535	5,357,042
Judicial	223,500	252,951	243,846	265,336	239,385	236,123	454,344	488,330	682,282
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	10,013,892
Physical environment	182,332	188,712	169,743	201,119	292,817	405,561	644,205	580,156	619,813
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	6,769,161
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	1,449,570
Mental and physical health	52,898	55,773	52,995	6,676	7,333	7,274	8,856	10,391	11,274
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	3,218,432
Interest on long-term debt	168,023	148,232	135,118	162,993	500,609	502,459	488,960	597,646	885,197
Total governmental activities expenses	\$ 15,191,360	\$ 16,722,440	\$ 17,023,004	\$ 18,247,095	\$ 20,038,987	\$ 21,722,572	\$ 22,313,920	\$ 27,481,564	\$ 29,006,663
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	1,787,608
Total business-type activities expenses	\$ 1,017,830	\$ 952,761	\$ 997,661	\$ 968,228	\$ 1,048,450	\$ 1,100,780	\$ 1,276,992	\$ 1,534,689	\$ 1,787,608
Total primary government expenses	\$ 16,209,190	\$ 17,675,201	\$ 18,020,665	\$ 19,215,323	\$ 21,087,437	\$ 22,823,352	\$ 23,590,912	\$ 29,016,253	\$ 30,794,271
Program Revenues									
Governmental Activities:									
Charges for Services									
General government	816,684	865,467	822,824	868,005	823,749	727,145	822,322	1,376,229	1,152,091
Judicial	-	54,046	19,566	7,138	4,682	4,703	231,341	374,706	351,054
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	68,322
Transportation	105,206	128,167	594,313	231,467	116,789	915,307	185,707	246,870	339,954
Economic Environment	859,831	513,185	824,601	1,259,430	1,329,150	1,253,287	916,319	698,606	953,552
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	629,822
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	3,159,909
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	1,618,263
Total governmental activities program revenues	\$ 7,659,632	\$ 6,418,021	\$ 8,273,183	\$ 9,314,704	\$ 17,355,952	\$ 18,142,866	\$ 8,180,918	\$ 15,867,404	\$ 8,272,967
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	2,451,319
Operating Grants and Contributions	-	-	-	-	-	7,977	-	-	96,294
Capital Grants and Contributions	-	-	-	-	-	95,000	-	394,182	-
Total business-type activities program revenues	\$ 1,285,884	\$ 1,282,132	\$ 1,555,745	\$ 1,571,544	\$ 1,631,203	\$ 1,832,419	\$ 1,936,479	\$ 2,695,257	\$ 2,547,613
Total primary government program revenues	\$ 8,945,516	\$ 7,700,153	\$ 9,828,928	\$ 10,886,248	\$ 18,987,155	\$ 19,975,285	\$ 10,117,397	\$ 18,562,661	\$ 10,820,580
Net (Expense)/Revenue									
Governmental activities	\$ (7,531,728)	\$ (10,304,419)	\$ (8,749,821)	\$ (8,932,391)	\$ (2,683,035)	\$ (3,579,706)	\$ (14,133,002)	\$ (11,614,160)	\$ (20,733,696)
Business-type activities	\$ 268,054	\$ 329,371	\$ 558,084	\$ 603,316	\$ 582,753	\$ 731,639	\$ 659,487	\$ 1,160,568	\$ 760,005
Total primary government net expense	\$ (7,263,674)	\$ (9,975,048)	\$ (8,191,737)	\$ (8,329,075)	\$ (2,100,282)	\$ (2,848,067)	\$ (13,473,515)	\$ (10,453,592)	\$ (19,973,691)

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

Source: City of Burien Finance Department

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

Page 2 of 2

	Fiscal year								
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Revenues and Other Changes in Net Assets									
Governmental Activities:									
Taxes									
Property Taxes	3,837,341	4,051,825	4,256,885	5,030,230	5,127,319	5,296,290	5,438,426	7,268,281	7,081,681
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	5,875,089
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	3,389,936
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	1,330,211
Grants & Contributions not restricted to specific prog	200,117	-	-	-	-	-	-	-	-
Unrestricted investment Earnings	175,867	218,257	468,386	560,895	862,694	381,608	65,022	28,013	24,482
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	1,028,638
Total Governmental Activities	\$ 12,382,100	\$ 13,479,179	\$ 14,193,781	\$ 15,887,704	\$ 16,371,932	\$ 17,225,224	\$ 14,578,912	\$ 17,494,911	\$ 18,730,037
Business type activities:									
Grants & Contributions not restricted to specific prog	13,798	18,390	33,315	54,470	59,905	31,640	2,643	2,033	1,256
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)	(1,028,638)
Total business-type activities	\$ 89,980	\$ (204,685)	\$ (46,813)	\$ (29,741)	\$ 1,067,149	\$ (1,526,459)	\$ (461,049)	\$ (518,140)	\$ (1,027,382)
Total primary government	\$ 12,472,080	\$ 13,274,494	\$ 14,146,968	\$ 15,857,963	\$ 17,439,081	\$ 15,698,765	\$ 14,117,863	\$ 16,976,771	\$ 17,702,655
Change in Net Assets									
Governmental Activities	\$ 4,850,372	\$ 3,174,760	\$ 5,443,960	\$ 6,955,313	\$ 13,688,897	\$ 13,645,518	\$ 445,910	\$ 5,880,751	\$ (2,003,659)
Business type activities	\$ 358,034	\$ 124,686	\$ 511,271	\$ 573,575	\$ 1,649,902	\$ (794,820)	\$ 198,438	\$ 642,428	\$ (267,377)
Total primary government	\$ 5,208,406	\$ 3,299,446	\$ 5,955,231	\$ 7,528,888	\$ 15,338,799	\$ 12,850,698	\$ 644,348	\$ 6,523,179	\$ (2,271,036)

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

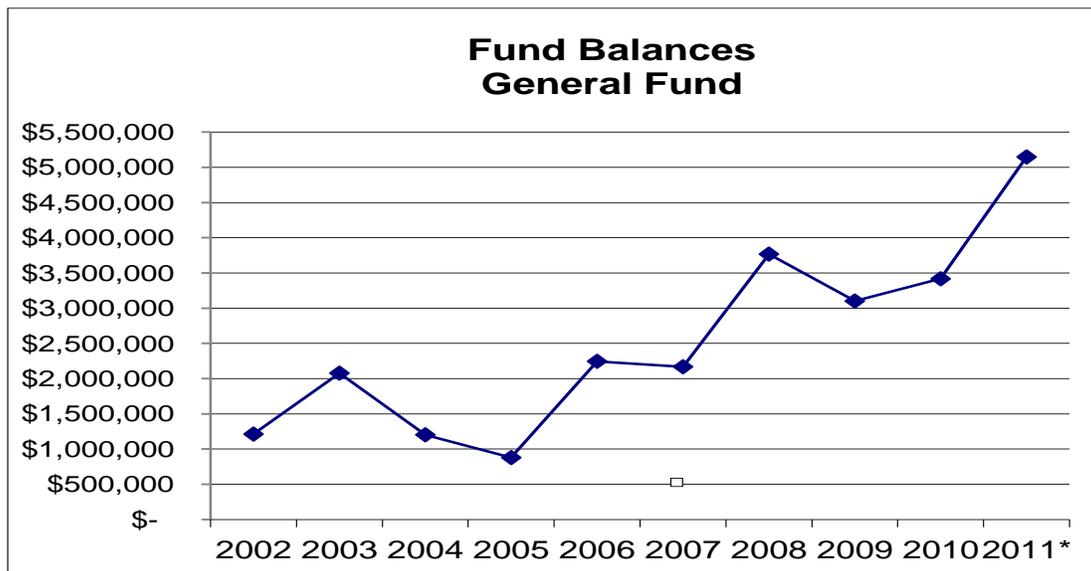
Source: City of Burien Finance Department

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Reserved	-	16,354	-	-	-
Unrestricted	1,212,794	2,061,943	1,202,844	879,363	2,246,260
Total general fund	\$ 1,212,794	\$ 2,078,297	\$ 1,202,844	\$ 879,363	\$ 2,246,260

All other governmental funds					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Reserved	738,486	-	-	-	-
Unrestricted, reported in:					
Special revenue funds	6,779,496	3,353,952	4,826,774	3,431,536	2,714,618
Debt service funds	2,801	147,757	179,983	250,835	262,140
Capital project funds	6,557,940	10,218,102	8,616,043	7,363,931	11,799,595
Total all other governmental funds	\$ 14,078,723	\$ 13,719,811	\$ 13,622,800	\$ 11,046,302	\$ 14,776,353

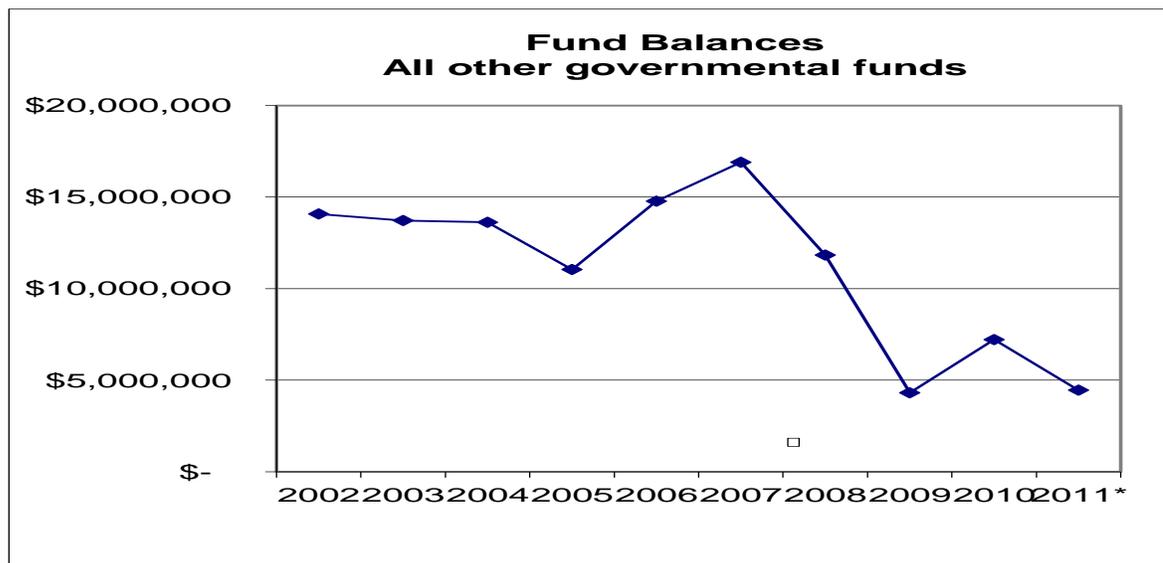
* recategorization of fund balances for 2011 to comply with GASB 54.



Source: City of Burien Finance Department

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011*</u>
General Fund					
Nonspendable	-	-	-	-	3,480
Restricted	-	-	-	-	-
Committed	-	-	-	-	1,248,147
Assigned	-	-	-	-	127,907
Unassigned	2,168,985	3,768,613	3,102,449	3,418,177	3,768,412
Total general fund	\$ 2,168,985	\$ 3,768,613	\$ 3,102,449	\$ 3,418,177	\$ 5,147,946
All other governmental funds					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	1,484,215
Committed	-	-	-	-	-
Assigned	-	-	-	-	2,975,413
Unassigned	-	-	-	-	-
Reserved	-	-	-	-	-
Unrestricted, reported in:					
Special revenue funds	2,737,367	1,151,402	1,342,006	2,001,837	-
Debt service funds	169,874	103,916	232,767	178,686	-
Capital project funds	13,993,444	10,577,804	2,740,321	7,978,056	-
Total all other governmental funds	\$ 16,900,685	\$ 11,833,122	\$ 4,315,094	\$ 10,158,579	\$ 4,459,628



Source: City of Burien Finance Department

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

Page 1 of 2

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Revenues					
Taxes	11,342,207	11,956,694	13,049,998	13,628,926	15,285,611
Licenses and permits	782,153	1,035,781	1,036,920	1,084,921	1,394,510
Intergovernmental	4,984,591	4,675,593	4,346,065	5,289,263	6,577,103
Charges for services	1,879,513	794,866	632,507	1,306,884	1,094,863
Fines	78,444	80,410	81,880	78,846	60,900
Interfund revenues	-	-	-	-	-
Special Assessments	-	52,405	80,873	120,526	58,501
Contributions	-	21,156	2,000	5,355	13,845
Interest	344,874	175,867	218,449	468,694	561,035
Miscellaneous	563,101	363,460	318,650	507,888	170,849
Total revenues	<u>\$ 19,974,883</u>	<u>\$ 19,156,232</u>	<u>\$ 19,767,342</u>	<u>\$ 22,491,303</u>	<u>\$ 25,217,217</u>
Expenditures					
General government	2,794,564	2,645,265	3,093,365	2,800,272	3,349,414
Security of persons and property	6,054,442	6,021,350	6,401,898	6,718,075	6,956,408
Physical environment	808,612	160,590	980,036	169,743	201,119
Transportation	1,037,937	1,320,292	1,753,530	1,523,327	1,530,098
Economic development	966,366	1,152,531	166,551	1,129,808	1,297,941
Mental and physical health	5,590	52,898	55,773	52,995	6,676
Culture and recreation	1,455,771	1,673,811	1,774,666	2,104,891	2,138,852
Capital outlay	11,919,624	7,271,300	6,398,202	11,003,340	14,790,490
Debt service					
Principal	160,000	402,001	472,001	301,955	306,955
Interest	30,574	148,516	150,051	135,621	132,115
Total expenditures	<u>\$ 25,233,480</u>	<u>\$ 20,848,554</u>	<u>\$ 21,246,073</u>	<u>\$ 25,940,027</u>	<u>\$ 30,710,068</u>
Excess of revenues over (under) expenditures	<u>\$ (5,258,597)</u>	<u>\$ (1,692,322)</u>	<u>\$ (1,478,731)</u>	<u>\$ (3,448,724)</u>	<u>\$ (5,492,851)</u>
Other financing sources (uses)					
Proceeds from sale of Capital Assets	-	-	-	-	-
Transfers in	5,103,902	8,980,903	5,245,827	10,047,015	6,476,451
Transfers out	(5,103,902)	(8,562,133)	(4,739,290)	(9,498,271)	(5,882,367)
Proceeds of long-term debt	3,836,544	2,440,016	-	-	9,995,715
Payment to refunded bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	<u>\$ 3,836,544</u>	<u>\$ 2,858,786</u>	<u>\$ 506,537</u>	<u>\$ 548,744</u>	<u>\$ 10,589,799</u>
Net change in fund balances	<u>\$ (1,422,053)</u>	<u>\$ 1,166,464</u>	<u>\$ (972,194)</u>	<u>\$ (2,899,980)</u>	<u>\$ 5,096,948</u>
Debt service as a percentage of noncapital expenditures					
	1.43%	4.05%	4.19%	2.93%	2.76%

Source: City of Burien Finance Department

Schedule 4

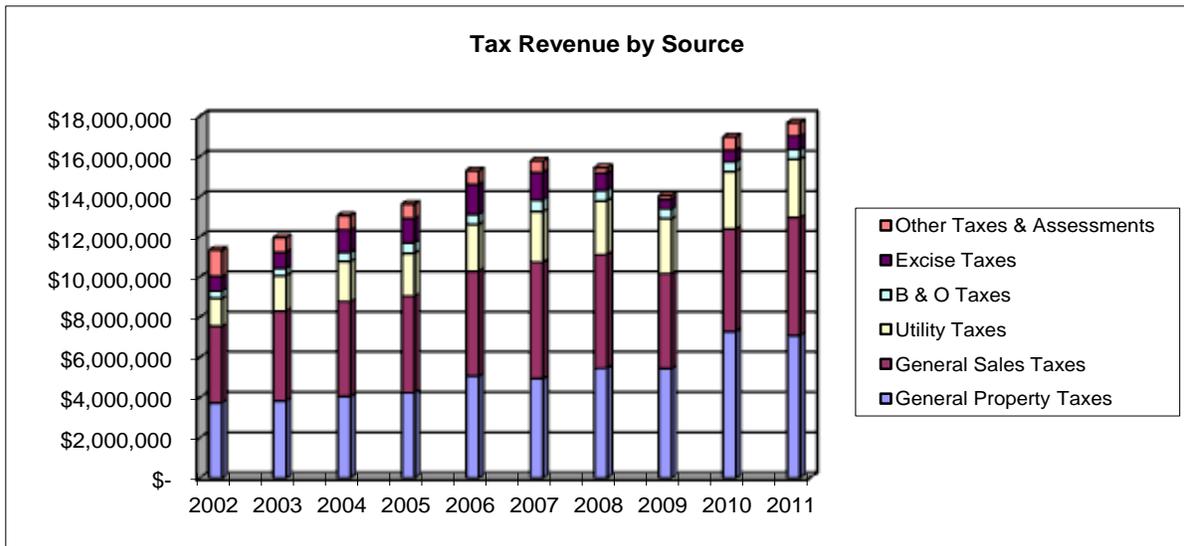
**Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years - (continued)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenues					
Taxes	15,775,296	15,446,916	14,016,723	16,964,353	17,608,180
Licenses and permits	1,431,306	1,478,569	1,122,043	1,203,414	1,766,269
Intergovernmental	14,592,405	13,544,957	5,499,962	4,199,152	4,568,322
Charges for services	1,161,931	2,034,042	1,231,027	1,003,754	1,326,715
Fines	46,308	50,841	281,586	413,523	365,952
Interfund revenues	-	-	-	-	-
Special Assessments	49,689	115,324	115,651	97,470	91,058
Contributions	-	-	-	-	-
Interest	802,921	380,207	77,449	28,200	24,185
Miscellaneous	126,610	41,000	36,631	579,929	42,545
Total revenues	\$ 33,986,466	\$ 33,091,856	\$ 22,381,072	\$ 24,489,795	\$ 25,793,226
Expenditures					
General government	3,633,946	4,454,315	3,859,719	4,156,636	4,719,055
Security of persons and property	7,261,097	7,442,974	7,575,198	9,156,830	10,685,772
Physical environment	292,817	405,561	644,205	580,156	744,791
Transportation	1,676,784	1,579,884	1,853,404	3,281,688	1,846,820
Economic development	1,242,025	1,499,453	1,796,853	1,329,356	1,445,874
Mental and physical health	7,333	7,274	8,856	10,391	11,274
Culture and recreation	2,264,176	2,359,512	2,415,119	2,708,974	2,768,412
Capital outlay	21,864,642	19,720,970	11,806,302	7,945,176	10,052,250
Debt service					
Principal	621,955	739,308	780,558	892,225	1,262,225
Interest	507,199	513,639	501,065	577,867	917,319
Total expenditures	\$ 39,371,974	\$ 38,722,890	\$ 31,241,279	\$ 30,639,299	\$ 34,453,792
Excess of revenues over (under) expenditures	\$ (5,385,508)	\$ (5,631,034)	\$ (8,860,207)	\$ (6,149,504)	\$ (8,660,566)
Other financing sources (uses)					
Proceeds from sale of Capital Assets	4,716,552	5,000	-	-	-
Transfers in	6,357,420	7,946,811	2,339,482	4,088,674	4,233,250
Transfers out	(5,737,557)	(6,388,712)	(1,663,467)	(3,407,428)	(3,255,750)
Proceeds of long-term debt	4,716,552	600,000	-	8,687,116	8,970,155
Payments to refunded bond escrow agent	-	-	-	-	(2,018,065)
Total other financing sources (uses)	\$ 10,052,967	\$ 2,163,099	\$ 676,015	\$ 9,368,362	\$ 7,929,590
Net change in fund balances	\$ 4,667,459	\$ (3,467,935)	\$ (8,184,192)	\$ 3,218,858	\$ (730,976)
Debt service as a percentage of noncapital expenditures	6.45%	6.59%	6.59%	6.48%	8.93%

Source: City of Burien Finance Department

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

Fiscal Year	General Property Taxes	General Sales Taxes ²	Utility Taxes	Business & Occupation Taxes	Excise Taxes	Other Taxes and Assessments ³	Total Taxes
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
2011	7,081,681	5,875,089	2,903,076	486,860	667,741	662,470	17,676,917
Change 2002-2011	89.3%	53.8%	109.3%	36.8%	-8.1%	-49.5%	55.9%



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

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

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

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

**Schedule 6
Principal Property Tax Payers**

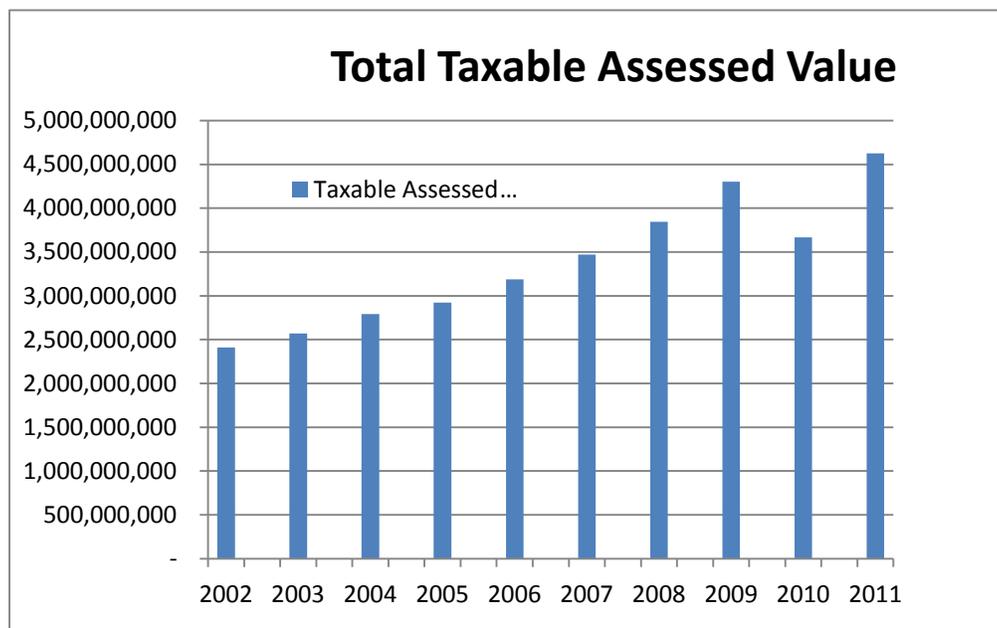
<u>TAXPAYER</u>	<u>2011</u>			<u>2002</u>		
	<u>TAXABLE ASSESSED VALUE</u>	<u>RANK</u>	<u>% OF TOTAL TAXABLE ASSESSED VALUE</u>	<u>TAXABLE ASSESSED VALUE</u>	<u>RANK</u>	<u>% OF TOTAL TAXABLE ASSESSED VALUE</u>
Vintage Park Partners	\$ 30,834,000	1	0.67%	\$ 20,955,300	3	0.94%
A T&T	25,448,836	2	0.55%	\$ 4,645,139	14	0.21%
Burien Plaza LLC	22,258,800	3	0.48%	15,068,900	4	0.68%
Qwest Corporation	19,621,604	4	0.42%	22,864,935	2	1.03%
Fred Meyer	14,210,500	7	0.31%	14,311,115	5	0.64%
Burien Town Plaza LLC	14,961,400	6	0.32%	11,507,600	6	0.52%
Powell-Five Corners Assoc.	15,670,600	5	0.34%	8,987,600	8	0.40%
MG South Hills Apts.	12,545,000	8	0.27%	9,332,000	7	0.42%
Puget Sound Energy	12,389,584	9	0.27%	6,571,605	9	0.30%
Maple Point-126 formerly Red Mortgage	8,924,000	10	0.19%	6,312,000	11	0.28%
Burien Development Group	6,541,200	11	0.14%	6,354,900	10	0.29%
Burien Toyota	5,723,400	12	0.12%	3,068,543	17	0.14%
HCH Specialty Center ¹	9,093,600	13	0.20%	4,760,500	13	0.21%
Des Moines Way Co.	4,990,400	14	0.11%	3,558,100	16	0.16%
Burien Health Care Realty	4,000,000	15	0.14%	2,819,392	18	0.13%
Albertsons	3,810,700	16	0.08%	5,371,016	12	0.24%
All Others	\$ 4,415,789,747		95.44%	\$ 2,080,554,054		93.42%
Total Assessed Valuation	\$ 4,626,813,371		100.00%	\$ 2,227,042,699		128.64%

Note¹: 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**

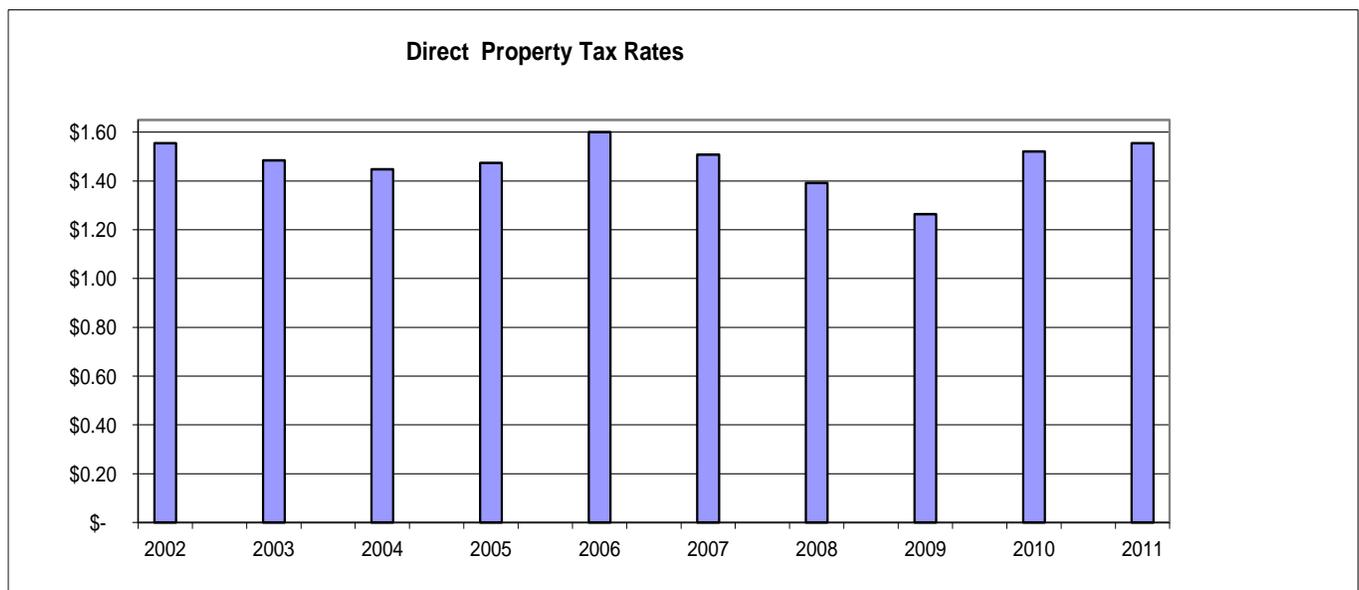
Fiscal Year	Real Property	Personal Property	Public Utilities	Total Assessed Value	Total Direct Tax Rate
2002	2,338,574,360	41,137,246	28,811,859	2,408,523,465	1.55431
2003	2,494,310,245	41,894,501	32,603,228	2,568,807,974	1.48462
2004	2,708,432,153	41,806,088	42,958,973	2,793,197,214	1.44756
2005	2,838,657,786	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
2011	4,525,470,270	57,948,096	43,395,005	4,626,813,371	1.55513



Source: King County Department of Assessments

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

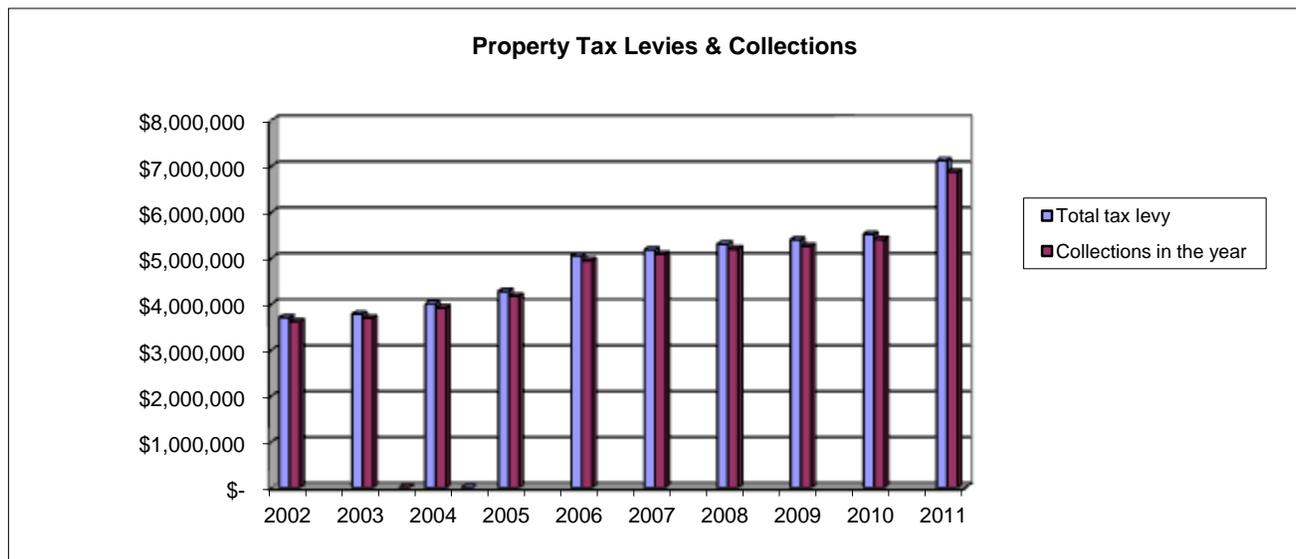
Fiscal Year	Direct Rates			Overlapping Rates							Total
	City of Burien	Fire District	Washington State	King County	Port of Seattle	Emergency Medical Service	School District #401	Library	King County Flood Zone	Ferry District	
2002	1.55431	1.34794	2.98946	1.44949	0.18956	0.25000	3.22776	0.52581	-	-	11.53433
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
2011	1.55513	1.90233	2.27990	1.33816	0.22366	0.30000	4.64323	0.56621	0.10976	0.00360	12.92198



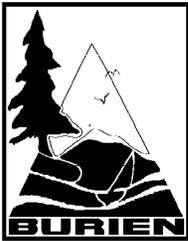
Sources: City of Burien Finance Department
King County Assessor's Office, codes and levies

**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
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%	88,441	4,005,322	99.99%
2005	4,275,394	4,168,080	97.49%	911	4,168,991	97.51%
2006	5,048,830	4,947,525	97.99%	100,235	5,047,760	99.98%
2007	5,184,678	5,085,653	98.09%	98,435	5,184,088	99.99%
2008	5,306,349	5,197,215	97.94%	107,282	5,304,497	99.97%
2009	5,397,125	5,258,160	97.43%	104,997	5,363,157	99.37%
2010	5,518,390	5,404,321	97.93%	77,414	5,481,735	99.34%
2011	7,120,424	6,873,887	96.54%	-	6,873,887	96.54%



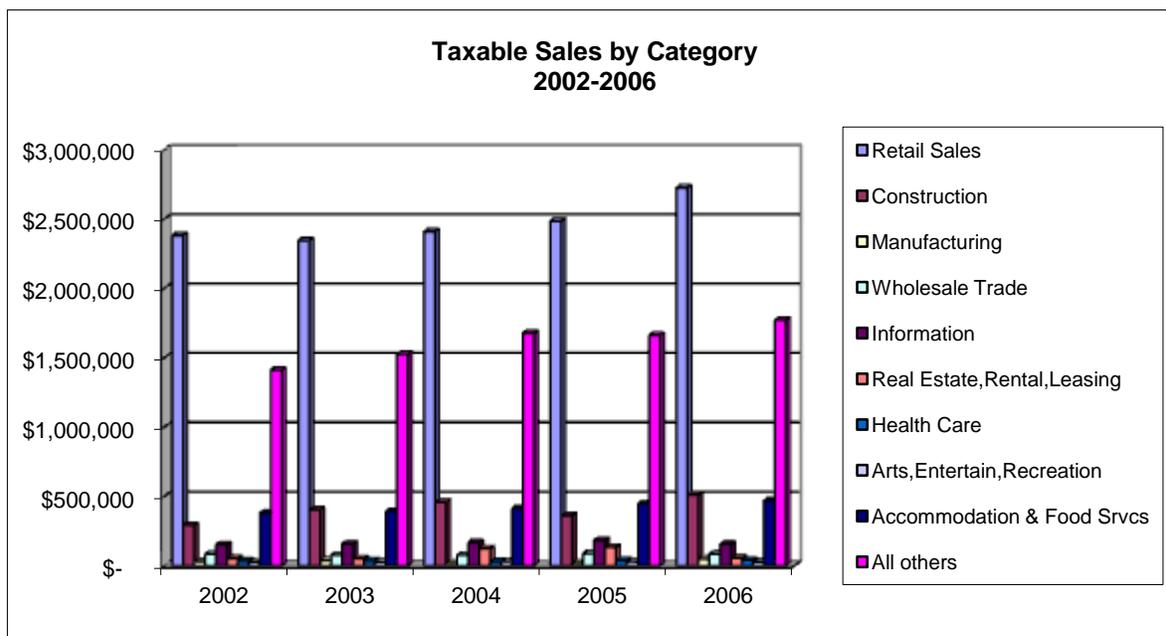
Sources: King County Department of Assessments
City of Burien Finance Department



This page intentionally left blank.

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

	2002	2003	2004	2005	2006
RETAIL TRADE					
Vehicle and Parts Dealer	1,251,675	1,253,785	1,287,156	1,319,803	1,460,690
General Merchandise Stores	327,656	289,238	305,095	304,571	313,979
Food & Beverage Stores	222,198	228,551	211,022	220,236	244,606
Misc Store Retailers	169,669	164,074	180,488	203,882	259,676
Health & Personal Care	142,720	133,908	130,901	132,085	129,032
Other Retail	268,872	275,298	296,782	305,956	317,870
Subtotal Retail	\$ 2,382,790	\$ 2,344,854	\$ 2,411,444	\$ 2,486,533	\$ 2,725,853
OTHER CATEGORIES					
Construction	292,841	406,805	459,266	364,012	511,606
Manufacturing	33,504	38,788	21,478	20,924	49,653
Wholesale Trade	84,203	77,422	77,233	90,605	84,891
Information	152,691	158,146	168,776	183,831	156,806
Real Estate, Rental, Leasing	54,775	52,281	123,687	134,814	56,215
Health Care Assistance	34,378	36,515	31,712	38,780	41,076
Arts, Entertain, Recreation	26,693	28,295	30,073	29,975	29,750
Accommod & Food Svcs	380,210	393,148	414,342	446,957	471,534
All Other Categories	352,574	335,531	352,104	352,757	371,547
Subtotal Other	1,411,869	1,526,931	1,678,671	1,662,655	1,773,078
Total Sales Tax Collected	\$ 3,794,659	\$ 3,871,785	\$ 4,090,115	\$ 4,149,188	\$ 4,498,931

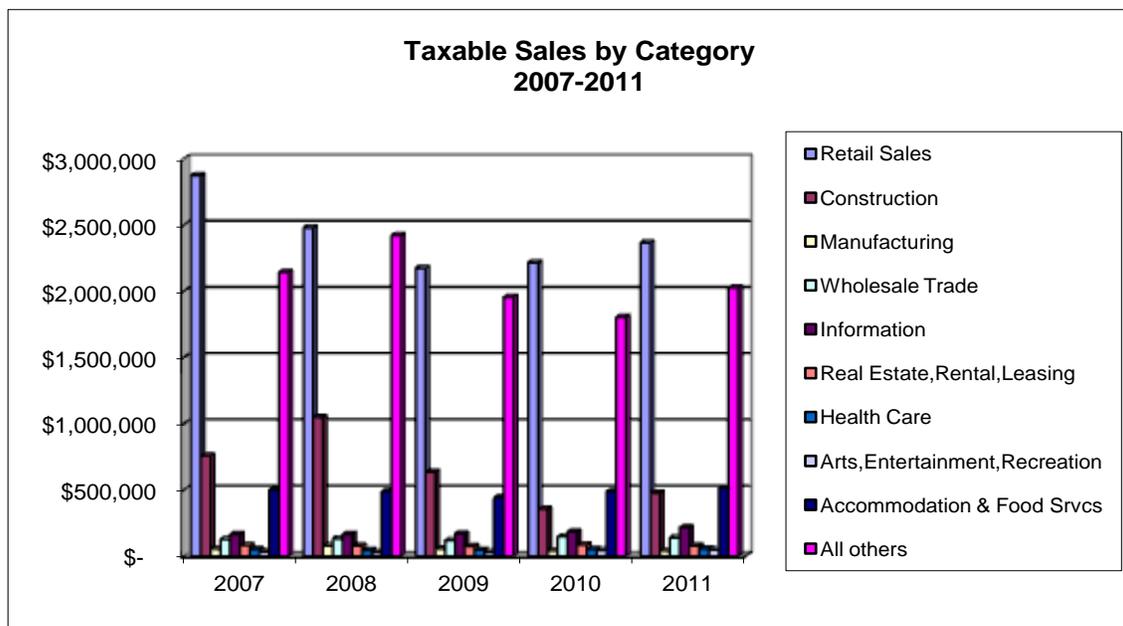


Source: City of Burien Finance Department
Microflex Software & Financial Solutions

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

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

	2007	2008	2009	2010	2011
RETAIL TRADE					
Vehicle and Parts Dealer	1,539,517	1,206,451	919,128	972,157	1,074,511
General Merchandise Stores	343,209	362,069	359,373	370,665	397,969
Food & Beverage Stores	254,986	251,873	238,002	276,239	275,101
Misc Store Retailers	286,092	273,214	272,344	374,088	364,767
Health & Personal Care	140,315	136,682	97,240	97,712	100,978
Other Retail	307,072	247,225	287,735	123,779	152,557
Subtotal Retail	\$ 2,871,191	\$ 2,477,514	\$ 2,173,822	\$ 2,214,640	\$ 2,365,883
OTHER CATEGORIES					
Construction	759,568	1,046,693	635,484	355,127	477,457
Manufacturing	54,925	76,262	53,552	39,774	37,618
Wholesale Trade	127,232	130,617	118,204	146,883	137,738
Information	163,382	164,905	167,560	181,108	215,067
Real Estate, Rental, Leasing	80,059	78,706	75,146	84,471	75,479
Health Care Assistance	49,886	44,668	45,158	51,341	54,291
Arts, Entertain, Recreation	30,399	28,516	27,507	43,137	46,507
Accommod & Food Svcs	497,836	488,362	441,924	487,716	512,757
All Other Categories	381,071	362,695	391,564	415,149	469,818
Subtotal Other	\$ 2,144,358	\$ 2,421,424	\$ 1,956,099	\$ 1,804,706	2,026,732
Total Sales Tax Collected	\$ 5,015,549	\$ 4,898,938	\$ 4,129,921	\$ 4,019,346	\$ 4,392,615



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				
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
2011	28,299,400	1,362,308	2,073,525	1,245,463	-	32,980,696	26.97%	\$ 692.00

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

Schedule 12
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Debt Limit	180,639,260	192,660,598	209,489,791	219,207,541	239,079,791
Total net debt applicable to limit	3,547,199	3,270,000	2,970,000	2,850,000	12,530,000
Legal debt margin	\$ 177,092,061	\$ 189,390,598	\$ 206,519,791	\$ 216,357,541	\$ 226,549,791
Total net debt applicable to limit as a percentage of debt limit	1.96%	1.70%	1.42%	1.30%	5.24%

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt Limit	260,283,837	285,650,497	322,748,347	343,081,657	316,904,251
Total net debt applicable to limit	12,090,000	11,615,000	14,579,400	22,604,400	28,299,400
Legal debt margin	\$ 248,193,837	\$ 274,035,497	\$ 308,168,947	\$ 320,477,257	\$ 288,604,851
Total net debt applicable to limit as a percentage of debt limit	4.64%	4.07%	4.52%	6.59%	8.93%

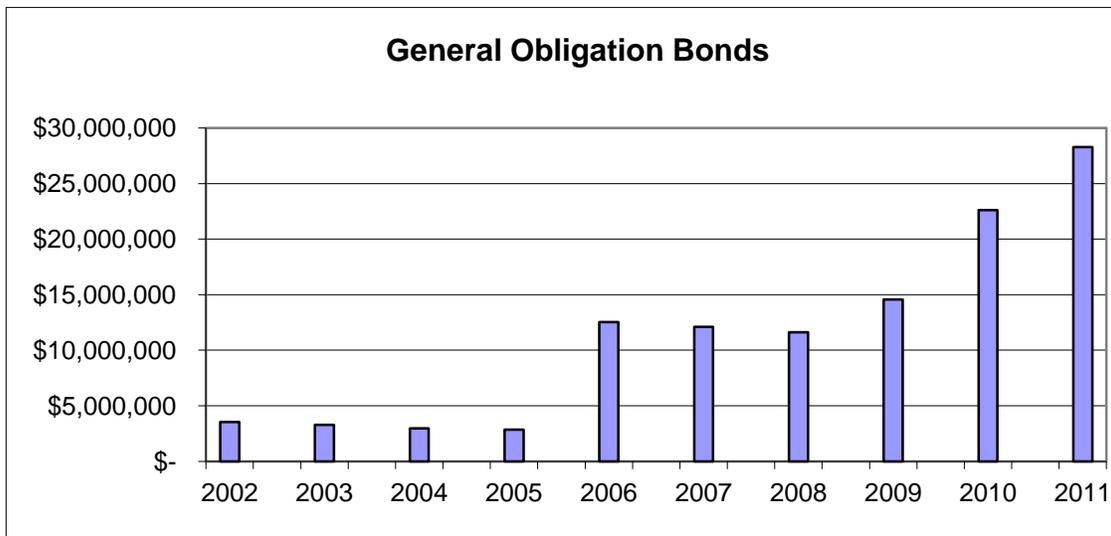
Legal Debt Margin calculation for Fiscal Year 2011

Total Assessed Value for 2012 taxes	\$ 4,225,390,016
Debt Limit:	
2.5% of general purpose limit, voted and non-voted	105,634,750
2.5% of utility purpose limit, voted	105,634,750
2.5% of open space, voted	105,634,750
Total debt limit	<u>\$ 316,904,251</u>
Debt applicable to limits:	
General Obligation Bonds	28,299,400
Legal Debt Margin	<u><u>\$ 288,604,851</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**

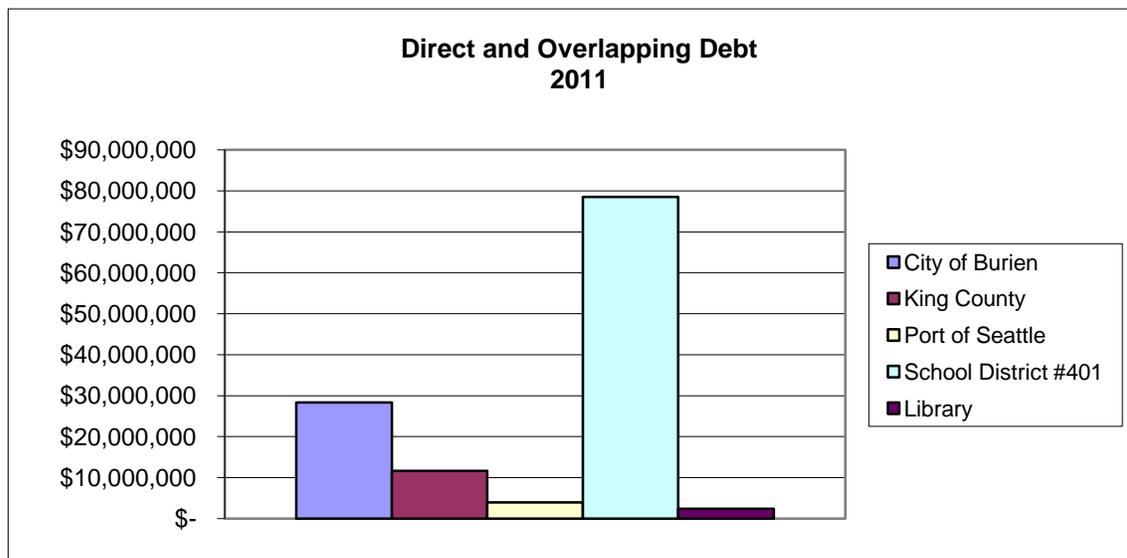
Fiscal Year	General Obligation Bonds	Assessed Value (AV)	% of General Obligation Debt to AV	Population	Per Capita
2002	3,550,000	2,408,523,465	0.15%	31,810	\$ 111.60
2003	3,270,000	2,568,807,974	0.13%	31,480	\$ 103.88
2004	2,970,000	2,793,197,214	0.11%	31,130	\$ 95.41
2005	2,850,000	2,922,767,212	0.10%	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
2011	28,299,400	4,626,813,371	0.61%	47,660	\$ 593.78



**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>
Direct:			
City of Burien	\$ 28,299,400	100.00%	\$ 28,299,400
Overlapping:			
King County	984,690,460	1.18%	11,619,347
Port of Seattle	336,120,000	1.18%	3,966,216
School District #401	292,458,391	26.85%	78,525,078
Library	123,620,000	1.92%	2,373,504
Total Overlapping Debt:	<u>1,736,888,851</u>	<u>5.55%</u>	<u>96,484,145</u>
Total Direct and Overlapping Debt:	<u>\$ 1,765,188,251</u>		<u>\$ 124,783,545</u>



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

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

Schedule 15
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population ¹	Personal Income ²	Per capita personal income ²	Unemployment Rate ³	School Enrollment
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
2011	47,660	\$ 122,305,624	59,757	7.1	17,532

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

Note² : Both personal income and per capita personal income are based on King County information, in which Burien is located.

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

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

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

<u>EMPLOYER</u>	<u>2011</u>			<u>2002</u>		
	<u>EMPLOYEES</u>	<u>Rank</u>	<u>% of Total City Employment</u>	<u>EMPLOYEES</u>	<u>Rank</u>	<u>% of Total City Employment¹</u>
Highline Public Schools	2,200	1	29.17%	2,321	1	40.18%
Highline Community Hospital	1,100	2	14.58%	1,100	2	19.04%
Fred Meyers	216	3	2.86%	262	3	4.54%
Burien Nursing & Rehab	117	4	1.55%	144		2.49%
Burien Toyota, Inc.	116	5	1.54%	103	11	1.78%
Schick Shadel	105	6	1.39%	-		0.00%
Safeway Stores	103	7	1.37%	107	10	1.85%
Wizards Restaurant	99	8	1.31%	200	4	3.46%
Rainier Golf & Country Club	80	9	1.06%	-		0.00%
Group Health Cooperative	66	10	0.87%	70	19	1.21%
Ruth Dykeman Children's Center	61	11	0.81%	103	12	1.78%
Highline West Seattle Mental Health	58	12	0.77%	90	14	1.56%
TOTAL EMPLOYMENT - MAJOR EMPLOYERS	4,321		57.28%	4,500		77.91%

Total City employment is 7543 in 2011

Note¹: Total city employment for 1998 was unavailable

Sources: City of Burien Finance Department

MicroFlex Software & Financial Solutions

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund					
City Manager	3.50	3.60	3.60	4.60	4.90
Community Relations	4.00	4.50	4.50	4.50	4.75
Finance & Admin Services	7.50	6.70	6.70	5.70	5.70
Legal Services	-	-	1.10	1.10	1.10
Public Works	1.75	1.75	1.70	1.90	2.00
Community Development	10.00	10.00	10.60	11.60	13.60
Parks & Recreation	10.725	10.475	12.025	13.60	13.60
Other					
Street	2.00	2.00	4.15	4.30	4.10
SWM	3.75	3.75	2.65	2.80	2.90
CIP	3.50	3.500	3.20	3.50	3.50
Total all other governmental funds	46.725	46.275	50.225	53.60	56.15
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Fund					
City Manager	7.30	10.20	8.20	9.60	10.15
Community Relations	5.00	-	-	-	-
Finance & Admin Services	8.25	8.30	8.80	8.55	8.55
Legal Services	0.50	0.50	-	3.00	3.00
Public Works	2.20	4.10	4.10	2.90	2.90
Community Development	10.80	13.10	13.10	12.10	13.10
Parks & Recreation	13.825	14.825	15.08	15.38	15.15
Other					
Street	3.25	1.95	1.95	4.45	4.95
SWM	2.05	3.25	3.25	6.25	6.75
CIP	3.50	5.20	5.20	5.20	3.20
Total all other governmental funds	56.675	61.425	59.675	67.425	67.750

Source: City of Burien Finance Department

Schedule 18
Operating Indicators by function
Last ten fiscal years *

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Police					
Response time for priority 1 calls	6.66 min.	6.57 min.	6.63 min.	7.38 min.	7.51 min.
Response time to critical emergencies	2.55 min.	2.81 min.	2.66 min.	3.10 min.	2.75 min.
Dispatched calls for service	13,294	12,483	12,233	12,674	12,476
Total crime index per 1,000 population	75.0	67.7	70.4	71.6	67.5
Traffic safety enforcement stops	2,582	3,603	2,789	2,617	2,595
Public Works					
Right of way use permits issued	*	325	345	386	360
Reported potholes	*	23	44	10	9
# of storm water ponds	*	12	13	14	15
% of city drainage system mapped and inventoried	*	70%	82%	93%	98%
Community Development					
Citizen action requests	100%	642	455	460	697
Land use-related permit applications	106	103	140	115	88
% of land use permit reviews completed by target	65%	68%	79%	74%	79%
Construction related permit applications	1,433	1,959	1,618	1,768	2,003
Commercial permits	75	96	89	124	121
Construction Value-commercial	\$ 5,047,344	\$ 19,805,019	\$ 20,268,161	\$ 24,386,583	\$ 52,960,694
Residential permits	194	246	191	233	275
Construction Value-residential	\$ 6,423,894	\$ 25,206,387	\$ 18,445,105	\$ 25,858,711	\$ 56,453,304
Parks & Recreation					
Acres of neighborhood parks	24	26	26	26	26
Acres of community parks	29	30	30	31	31
Acres of regional and open space parks	253	260	260	278	278
Cost to maintain all parks per acre	\$ 1,241	\$ 1,235	\$ 1,095	\$ 959	\$ 1,135
# of kids provided scholarships	65	134	116	114	87

* Prior year's data is not available

Source: Various City of Burien Departments

Schedule 18
Operating Indicators by function
Last ten fiscal years *

Page 2 of 2

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Police					
Response time for priority 1 calls	7.06 min.	8.44 min.	8.69 min.	8.54 min.	7.54 min.
Response time to critical emergencies	3.28 min.	3.28 min.	3.47 min.	2.87 min.	2.95 min.
Dispatched calls for service	11,518	10,191	10,507	13,410	15,742
Total crime index per 1,000 population	61.0	53.2	55.5	55.0	55.0
Traffic safety enforcement stops	2,264	2,157	2,060	1,508	1,672
Public Safety					
Right of way use permits issued	365	306	330	353	359
Reported potholes	15	17	27	37	103
# of storm water ponds	15	15	15	18	19
% of city drainage system mapped and inventoried	98%	98%	99%	85%	98%
Community Development					
Citizen action requests	566	438	384	604	558
Land use-related permit applications	108	59	82	57	57
% of land use permit reviews completed by target date	67%	69%	73%	89%	93%
Construction related permit applications	2,074	2,153	1,763	1,473	1,898
Commercial permits	116	235	107	120	171
Construction Value-commercial	\$ 27,568,622	\$ 63,225,037	\$ 6,917,359	\$ 17,117,248	\$ 21,820,575
Residential permits	309	283	159	105	268
Construction Value-residential	\$ 27,443,690	\$ 13,283,754	\$ 9,233,956	\$ 10,516,667	\$ 14,442,960
Parks & Recreation					
Acres of neighborhood parks	27	27	27	58	58
Acres of community parks	32	32	32	32	32
Acres of regional and open space parks	287	287	287	287	287
Cost to maintain all parks per acre	\$ 986	\$ 1,033	\$ 1,014	\$ 1,265	\$ 1,630
# of kids provided scholarships	78	60	61	134	149

* Data is not available

Source: Various City of Burien Departments

Schedule 19
Capital Asset Statistics by function
Last ten fiscal years

Page 1 of 1

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Police					
Stations	1	1	1	1	1
Patrol Units	35	35	35	35	35
Fire Stations	2	2	2	2	2
Public Works					
Streets (miles)	113	113	113	113	113
Street lights	664	664	664	664	664
Traffic Signals	52	52	52	53	53
Pump stations (city owned)	2	2	2	2	2
Storm water drainage ponds (city owned)	4	4	4	4	4
Parks & Recreation					
Skate parks	1	1	1	1	1
Playgrounds	5	6	6	6	7
Baseball/softball diamonds	5	5	5	5	5
Soccer/football fields	3	3	3	3	3
Community centers	1	1	1	1	1
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Police					
Stations	1	1	1	1	1
Patrol Units	40	40	39	41	41
Fire Stations	2	2	2	3	3
Public Works					
Streets (miles)	113	113	114	150	150
Street lights	664	664	700	930	930
Traffic Signals	53	53	55	71	71
Pump stations (city owned)	3	3	3	3	3
Storm water drainage ponds (city owned)	4	4	4	6	16
Parks & Recreation					
Skate parks	1	1	1	1	1
Playgrounds	7	8	8	11	12
Baseball/softball diamonds	5	5	5	5	5
Soccer/football fields	3	3	3	3	3
Community centers	1	1	1	2	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

Cathy Rossick
Accounting Assistant

Phyllis Dickey
Accounting Technician

Lori Fleming
Contract Management Analyst