

Washington State Auditor's Office
Financial Statements and Federal Single Audit Report

City of Burien
King County

Audit Period
January 1, 2010 through December 31, 2010

Report No. 1006179

Issue Date
August 29, 2011



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

August 29, 2011

Council
City of Burien
Burien, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on the City of Burien's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the City's financial condition.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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King County
January 1, 2010 through December 31, 2010**

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Federal Summary

City of Burien King County January 1, 2010 through December 31, 2010

The results of our audit of the City of Burien are summarized below in accordance with U.S. Office of Management and Budget Circular A-133.

FINANCIAL STATEMENTS

An unqualified opinion was issued on the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information.

Internal Control Over Financial Reporting:

- ***Significant Deficiencies:*** We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- ***Material Weaknesses:*** We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the City.

FEDERAL AWARDS

Internal Control Over Major Programs:

- ***Significant Deficiencies:*** We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- ***Material Weaknesses:*** We identified no deficiencies that we consider to be material weaknesses.

We issued an unqualified opinion on the City's compliance with requirements applicable to each of its major federal programs.

We reported no findings that are required to be disclosed under section 510(a) of OMB Circular A-133.

Identification of Major Programs:

The following were major programs during the period under audit:

<u>CFDA No.</u>	<u>Program Title</u>
16.738	Edward Byrne Memorial JAG Grant
16.803	ARRA - Edward Byrne Memorial JAG Grant (Recovery Act)
16.804	ARRA - Edward Byrne Memorial JAG Grant – Grants to Units of Local Government (Recovery Act)

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by OMB Circular A-133, was \$300,000.

The City qualified as a low-risk auditee under OMB Circular A-133.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters in Accordance with *Government Auditing Standards*

City of Burien
King County
January 1, 2010 through December 31, 2010

Council
City of Burien
Burien, Washington

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Burien, King County, Washington, as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 27, 2011.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of management, the Council, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink, appearing to read "Brian Sonntag", with a stylized, flowing script.

BRIAN SONNTAG, CGFM
STATE AUDITOR

June 27, 2011

Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

City of Burien
King County
January 1, 2010 through December 31, 2010

Council
City of Burien
Burien, Washington

COMPLIANCE

We have audited the compliance of the City of Burien, King County, Washington, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. The City's major federal programs are identified in the Federal Summary. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

INTERNAL CONTROL OVER COMPLIANCE

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of management, the Council, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



BRIAN SONNTAG, CGFM
STATE AUDITOR

June 27, 2011

Independent Auditor's Report on Financial Statements

**City of Burien
King County
January 1, 2010 through December 31, 2010**

Council
City of Burien
Burien, Washington

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Burien, King County, Washington, as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed on page 9. 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, as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof, the respective budgetary comparison for the General and Street funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 10 through 15 is not a required part of the basic financial statements but is supplementary information required by the Governmental

Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. This schedule is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

BRIAN SONNTAG, CGFM
STATE AUDITOR

June 27, 2011

Financial Section

City of Burien King County January 1, 2010 through December 31, 2010

REQUIRED SUPPLEMENTAL INFORMATION

Management's Discussion and Analysis – 2010

BASIC FINANCIAL STATEMENTS

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Statement of Activities – 2010
Balance Sheet – Governmental Funds – 2010
Reconciliation of Total Governmental Funds Balances to Net Assets of Governmental Activities – 2010
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds – 2010
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Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund – 2010
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Statement of Net Assets – Proprietary Funds – 2010
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds – 2010
Statement of Cash Flows – Proprietary Funds – 2010
Notes to Financial Statements – 2010

SUPPLEMENTAL INFORMATION

Schedule of Expenditures of Federal Awards – 2010
Notes to the Schedule of Expenditures of Federal Awards – 2010

CITY OF BURIEN MANAGEMENT'S DISCUSSION AND ANALYSIS

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

FINANCIAL HIGHLIGHTS

In each of the last eight years, since the City began reporting in accordance with the GASB 34 model, total net assets have increased by an average of more than \$6.3 million per year. The assets of the City of Burien exceeded its liabilities at the close of the most recent fiscal year by \$114.9 million. Of this amount, \$102.5 is invested in capital assets net of related long term debt and the remaining \$12.4 million is available for capital projects, debt service and to meet the government's ongoing activities and obligations.

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

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

At the end of the current fiscal year, unreserved fund balance for the general fund was \$3.4 million, or 18.6% of total current year general fund revenues. This is up from the \$3.1 million in unreserved General Fund, fund balance at the end of 2009. This ending fund balance exceeds the financial policy required amount of 10% of ongoing revenues, by approximately \$1.6 million, and is available to fund future capital programs and to ride out the current economic downturn. This relatively small increase in available fund balance is a result of the transfer of discretionary revenues previously recorded in the Street Fund to the General Fund and a budget amendment reducing expenditures in most departments of the city.

The City of Burien's total long term debt increased \$7.7 million, a net increase in governmental activities of \$7.8 million and a decrease of \$83 thousand in business-type activities. The governmental activities increase is attributed to an \$8.6 million General Obligation Debt issue, net of current year's debt service payments on prior issued debt. The decrease in the Business type activities is a result of current year debt service payments.

REPORT LAYOUT

The Government-wide financial statements are designed to provide readers with a broad overview of the City of Burien's finances in a manner similar to a private sector business. Besides the Management's Discussion and Analysis (MD&A), the report consists of government-wide statements, fund financial statements, notes to the financial statements, combining schedules of non-major funds and supplementary information. The first several statements are highly condensed and present a government-wide view of the City's finances. Within this view, all City operations are categorized and reported as either governmental or business-type activities. Governmental activities include basic services such as public safety, transportation, economic development, culture and recreation, community development and general government administration. Business-type activities consist of

a surface water management system. The government-wide statements include the Statement of Net Assets and the Statement of Activities. The report also provides for significant major funds financial statements which provide more detail than the government-wide statements. Where combined information has been presented, later statements will provide combining information. Budgetary information is provided for operating governmental funds. The notes to the financial statements are an integral part of this report. Finally, there is supplemental information provided related to the financial activity of the City.

The City's Comprehensive Annual Financial Report is prepared in accordance with Governmental Accounting Standards Board (GASB) Pronouncements.

STATEMENT OF NET ASSETS

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

STATEMENT OF ACTIVITIES

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

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

CITY AS A WHOLE GOVERNMENT-WIDE FINANCIAL STATEMENTS

An analysis of net assets over time may serve as a useful indicator of a government's financial position. In the case of the City of Burien, assets exceeded liabilities by \$114.9 million at the close of the fiscal year.

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

City of Burien's Net Assets at Year-End

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

Governmental Activities

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

Business-type Activities

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

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

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

Summary of Revenues

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

Summary of Expenses

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

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

Governmental Activities

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

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

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

Business-type Activities

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

BUDGETARY HIGHLIGHTS

The City Council approved three amendments to the 2010 adopted budget. These amendments provided for adjusting beginning fund balances to the ending 2009 actual fund balance amounts,

incorporating the annexed area into current year operations and to incorporate the bond issue proceeds and the related expenditures of those funds.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2010 the City had invested \$126.9 million in capital assets as reflected in the following table, which represents a net increase (additions, deductions and depreciation) of \$11.0 million. Additional detailed information on Capital Assets is available in the Notes to the Financial Statements (Note 7.)

CAPITAL ASSETS AT YEAR-END (NET OF DEPRECIATION)

	<u>Governmental Activities</u>		<u>Business - Type Activities</u>		<u>Total</u>	
	2010	2009	2010	2009	2010	2009
Land	\$ 25,806,770	\$ 22,771,670	\$ 1,076,060	\$ 1,076,060	\$ 26,882,830	\$ 23,847,730
Buildings	11,953,151	10,776,936	-	-	11,953,151	10,776,936
Improvements other than buildings	6,560,360	6,432,994	-	-	6,560,360	6,432,994
Machinery and equipment	1,394,856	1,124,631	53,503	33,732	1,448,359	1,158,363
Infrastructure	36,622,397	35,050,778	5,982,246	2,598,770	42,604,643	37,649,548
Construction work in progress	37,056,135	32,696,055	394,745	3,341,064	37,450,880	36,037,119
Total	\$ 119,393,669	\$ 108,853,064	\$ 7,506,554	\$ 7,049,626	\$ 126,900,223	\$ 115,902,690

The following table reconciles the change in capital assets. Included within additions are construction work in progress (CWIP) balances. For governmental activities the CWIP amount is \$37 million which is comprised of parks and street improvement, projects still under construction.

CHANGE IN CAPITAL ASSETS

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

OUTSTANDING DEBT

As of year-end 2010 the City had \$27.7 million in debt outstanding compared to \$20 million last year. This \$7.7 million increase is the result of a general obligation debt issue in 2010, less annual debt principal payments made during the year on all outstanding long-term debt.

OUTSTANDING DEBT AT YEAR END

	<u>Governmental</u> <u>Activities</u>		<u>Business - Type</u> <u>Activities</u>		<u>Total</u>	
	2010	2009	2010	2009	2010	2009
General Obligation Bonds	\$ 19,155,000	\$ 11,130,000	\$ -	\$ -	\$ 19,155,000	\$ 11,130,000
Special Obligation Bonds - SCORE PDA	3,449,400	3,449,400	-	-	3,449,400	3,449,400
Special Assessment debt with government commitment (Public Works Trust Fund Loan)	1,475,221	1,588,134	-	-	1,475,221	1,588,134
Public Works Trust Fund Loan	2,262,837	2,452,150	1,328,493	1,411,524	3,591,330	3,863,674
Total	26,342,458	18,619,684	1,328,493	1,411,524	27,670,951	20,031,208

ECONOMIC FACTORS

While property taxes are important to the City, they only represent 22.5% of total governmental resources. Sales taxes, and Business and Occupation/utility taxes, comprise approximately 15.8% and 10.3% of these resources respectively and inter-governmental revenues from state shared revenues and grants make up 35.7 of total resources. With the economy's continued negative trend, we are closely monitoring these revenue sources which, appear to be most impacted by recent conditions. The City continues to monitor all of its resources and will determine the need for program adjustment or fee increases as necessary.

NEXT YEAR'S BUDGETS AND RATES

Beginning in 2009 the City adopted a biennial budget. The second biennial budget for 2011 -2012 projects an 18% increase in resources over the previous biennium and a 19% increase in expenditures. These large increases are a result of the annexation which occurred in early 2010, which increased the population of the city by over 44%. Additionally, surface water management revenue is also expected to increase each year as a policy exists providing for an automatic annual adjustment of rates, tied to inflation.

FINANCIAL CONTACT

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

City of Burien, Washington
Statement of Net Assets
December 31, 2010

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

See accompanying notes to the financial statements.

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

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

General revenues:

Property taxes

Sales Taxes

B & 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.

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets		
	Governmental Activities	Business-type Activities	Total
\$ -	\$ (113,624)	\$ -	\$ (113,624)
-	(1,957,267)	-	(1,957,267)
-	(7,931,756)	-	(7,931,756)
100	(574,042)	-	(574,042)
5,629,491	(1,005,201)	-	(1,005,201)
-	(637,239)	-	(637,239)
-	(1,985)	-	(1,985)
3,758,784	1,204,600	-	1,204,600
-	(597,646)	-	(597,646)
<u>\$ 9,388,375</u>	<u>\$ (11,614,160)</u>	<u>\$ -</u>	<u>\$ (11,614,160)</u>

<u>\$ 394,182</u>	<u>\$ -</u>	<u>\$ 1,160,568</u>	<u>\$ 1,160,568</u>
<u>\$ 394,182</u>	<u>\$ -</u>	<u>\$ 1,160,568</u>	<u>\$ 1,160,568</u>
<u><u>\$ 9,782,557</u></u>	<u><u>\$ (11,614,160)</u></u>	<u><u>\$ 1,160,568</u></u>	<u><u>\$ (10,453,592)</u></u>

\$ 7,268,281	\$ -	\$ 7,268,281
5,101,336	-	5,101,336
3,336,895	-	3,336,895
1,240,213	-	1,240,213
28,013	2,033	30,046
520,173	(520,173)	-
<u>\$ 17,494,911</u>	<u>\$ (518,140)</u>	<u>\$ 16,976,771</u>

\$ 5,880,751	\$ 642,428	\$ 6,523,179
<u>\$ 102,541,651</u>	<u>\$ 5,802,013</u>	<u>\$108,343,664</u>
<u><u>\$ 108,422,402</u></u>	<u><u>\$ 6,444,441</u></u>	<u><u>\$114,866,843</u></u>

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

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

See accompanying notes to the financial statements.

Transportation Capital Projects	Other Governmental	Total
\$ 6,305,512	\$ 3,660,452	\$ 14,296,930
881,868	215	892,026
-	30,091	450,181
-	-	135,363
-	-	1,305,157
55,112	-	2,282,744
50,000	-	50,000
-	-	9,710
<u>\$ 7,292,492</u>	<u>\$ 3,690,758</u>	<u>\$ 19,422,111</u>

\$ 3,685,477	\$ 86,378	\$ 6,554,873
-	-	9,710
-	-	50,000
-	-	217,506
-	459,000	1,953,621
<u>\$ 3,685,477</u>	<u>\$ 545,378</u>	<u>\$ 8,785,710</u>

\$ -	\$ -	\$ 3,418,177
-	1,549,694	2,001,837
-	165,000	178,686
3,607,015	1,430,686	5,037,701
<u>\$ 3,607,015</u>	<u>\$ 3,145,380</u>	<u>\$ 10,636,401</u>
<u>\$ 7,292,492</u>	<u>\$ 3,690,758</u>	<u>\$ 19,422,111</u>

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

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

See accompanying notes to the financial statements.

City of Burien, Washington
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2010

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

See accompanying notes to the financial statements

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

City of Burien, Washington
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balance of
Governmental Funds to the Statement of Activities
For the fiscal year ended December 31, 2010

Net change in fund balances - total governmental funds		\$ 3,218,858
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful life as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		10,701,677
This is comprised of:		
Capital Outlays	\$ 7,945,176	
Current year depreciation	(5,706,495)	
Contributed Capital Assets from annexation	8,462,996	
	<u>\$ 10,701,677</u>	
Investment in joint ventures are not considered financial resources and are, therefore not reported in the funds. (Decrease in equity)		(11,727)
Capital assets contributed to proprietary fund, not reported in the governmental funds because there has been no flow of current financial resources net of related debt.		(161,073)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the fund financial statements and are added to this reconciliation, and some revenues reported in the fund financial statements are not reported in the government-wide statement of activities.		(110,651)
This is comprised of:		
Property tax revenue	\$ (17,628)	
Accrued interest receivable on special assessment	(188)	
Special assessment revenue	(92,835)	
	<u>\$ (110,651)</u>	
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		(7,698,323)
This is comprised of:		
General Obligation Bond Sale	(8,615,000)	
Premium on Bond Sale	(72,116)	
Amortization of Bond Premium	10,038	
Principal payments on long-term debt	892,225	
Bond Issue Costs	86,530	
	<u>\$ (7,698,323)</u>	
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.		(58,010)
This is comprised of:		
Accrued interest expense	\$ (29,816)	
Amortization of bond issue costs	(7,169)	
Accrued compensated absences expense	(21,025)	
	<u>\$ (58,010)</u>	
Change in Net Assets of Governmental Activities		<u><u>\$ 5,880,751</u></u>

See accompanying notes to the financial statements.

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

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

See accompanying notes to the financial statements.

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

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

See accompanying notes to the financial statements.

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

	<u>Surface Water</u>	.
	<u>Management</u>	.
Assets		
Current assets:		
Cash and cash equivalents	\$ 384,086	
Utility receivables, net	79,067	
Due from other governments	<u>12,115</u>	.
Total current assets	<u>475,268</u>	.
Non-current assets:		
Capital assets, net of depreciation	<u>7,506,554</u>	.
Total non-current assets	<u>7,506,554</u>	.
Total Assets	<u>\$ 7,981,822</u>	.
 Liabilities		
Current liabilities:		
Accounts payable	\$ 208,887	
Due within one year	<u>83,031</u>	.
	\$ 291,918	
Noncurrent Liabilities:		
Due in more than one year	<u>1,245,463</u>	.
Total Liabilities	<u>\$ 1,537,381</u>	.
 Net Assets		
Invested in capital assets, net of related debt	\$ 6,178,060	
Unrestricted	<u>266,381</u>	.
Total Net Assets	<u>\$ 6,444,441</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, 2010

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

See accompanying notes to the financial statements.

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

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

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

See accompanying notes to the financial statements.

CITY OF BURIEN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

During 2010 there were no other organizations for which the City of Burien was financially accountable.

B. Basic Financial Statements

The government-wide financial statements consist of the statement of net assets and the statement of activities report information on the City as a whole and fund financial statements which provide a more detailed level of financial information. For the most part interfund activity has been removed from the government-wide statements, with the exception of charges for surface water management activities. Elimination of these charges would distort the direct cost and program revenue of this activity. Governmental activities, which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

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

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

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

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

D. Financial Statement Presentation

The government reports the following major governmental funds:

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

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

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

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

The government reports the following proprietary fund:

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

Additionally, the government reports the following fund type:

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

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

E. Assets, Liabilities, and Net Assets or Equity

1. Cash and Cash Equivalents

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

Washington State law authorizes investments in obligations of the U.S. Treasury: U.S. government agencies and instrumentalities, bankers' acceptances, primary certificates of deposit issued by qualified public depositories, the State Treasurer's Local Government Investment Pool and repurchase agreements collateralized by the previously authorized investments. At December 31, 2010, all investments of the City's funds were obligations of the State Treasurer's Local Government Investment Pool, which is an unrated 2a7-like pool, overseen by the State Treasurer's Office in accordance with state statutes and rules established by the State Finance Committee.

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

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

2. Receivables

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

Property Taxes

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

Sales Taxes

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

Special Assessments

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

3. **Interfund Transactions:**

Activity between funds that is representative of lending/borrowing arrangements outstanding at year end are referred to as either due to/due from other funds. In the Entity-wide Statement of Net Assets due to/due from other funds is not reported, but is eliminated in internal balances. At year end there is one interfund balance of \$50,000 to the Transportation Capital Project Fund, from the Street Fund.

4. **Capital Assets**

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

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

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

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

5. **Compensated Absences**

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

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

6. **Deferred Revenue**

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

7. **Short-Term Debt**

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

8. **Long-term Obligations**

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

9. **Fund Equity**

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

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

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

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

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

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

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

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

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

There have been no material violations of finance-related legal or contractual provisions and there have been no expenditures exceeding legal appropriations in any fund of the City. Fund balance is included in authorized expenditure appropriations, but not necessarily appropriated at the program level and

identifiable in the Statements of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual.

Budgetary Data

1. Scope of Budget

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

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

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

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

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

2. Procedures for Adopting the Original Budget

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

- a. Prior to the first Monday in October, the City Manager submits a proposed budget to the City Council. This budget is based on priorities established by the Council. Estimates of the cost of these priorities together with estimated basic government operating costs are presented to the Council in the preliminary budget document, with revenue estimates.
- b. The City Council conducts at least three public hearings on the proposed budget prior to budget adoption.
- c. The Council reviews the preliminary budget document and, if necessary, makes its adjustments to the proposed budget. The Council adopts, by ordinance, the final budget for the ensuing two fiscal years no later than December 31. The final budget document is published and distributed early the following year. Copies of the adopted budget are made available to the public.

3. **Amending the Budget**

The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of a fund or that affect the number of authorized employee positions, the pay classification system, hours, or other conditions of employment must be approved by the City Council.

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

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

4. **Encumbrances**

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

The Authorized Staffing Level Compliance

The 2010 budget authorized 62.89 full-time equivalent staff positions. At December 31, 2010, 2.5 of these positions were unfilled.

NOTE 4. CASH AND INVESTMENTS

A. Cash and Investments

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

As of December 31, 2010 the carrying amount of the City's demand deposits with Key Bank was \$315,504. Petty cash totaled \$1,225 which is allocated to various City departments, and \$ 1,580 is held by King County for property taxes collected at year end with the cash transferring soon after year end.

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

As of December 31, 2010 the City had the following investments and maturity:

	<u>Fair Value</u>	<u>Less than One Year</u>
State Treasurer's Local Government Investment Pool	\$14,372,417	\$14,372,417
Total Investments	<u>\$14,372,417</u>	<u>\$14,372,417</u>

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

At December 31, 2010, all investments of the City's funds were obligations of the State Treasurer's Local Government Investment Pool, which in itself is a diversified investment pool and is highly liquid.

NOTE 5. RECEIVABLES**PROPERTY TAXES**

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

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

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

The City's regular levy for 2010 was \$1.52034 per \$1,000 of the assessed valuation of \$3,627,221,053 for a total regular levy of \$5,514,609.

NOTE 6. INTERFUND BALANCES AND TRANSFERS

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

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

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

2010 Transfers:

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

Interfund Transfer of Capital Assets:

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

NOTE 7. CAPITAL ASSETS

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

Governmental Activities	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, not being depreciated				
Land	\$ 22,771,670	\$ 3,035,100	\$ -	\$ 25,806,770
Construction in Progress	32,696,055	7,299,112	2,939,032	37,056,135
Total capital assets, not being depreciated	55,467,725	10,334,212	2,939,032	62,862,905
Capital Assets, being depreciated				
Buildings	\$ 11,243,206	\$ 1,738,375	\$ -	\$ 12,981,581
Improvements other than buildings	7,322,626	528,728	-	7,851,354
Machinery and equipment	2,749,831	484,993	-	3,234,824
Infrastructure	66,645,095	6,099,825	-	72,744,920
Total Capital Assets, being depreciated	87,960,758	8,851,921	-	96,812,679
Less accumulated depreciation for:				
Buildings	\$ 466,270	\$ 562,160	\$ -	\$ 1,028,430
Improvements	889,632	401,362	-	1,290,994
Machinery and Equipment	1,625,200	214,768	-	1,839,968
Infrastructure	31,594,317	4,528,206	-	36,122,523
Total Accumulated Depreciation	34,575,419	5,706,496	-	40,281,915
Total capital assets, being depreciated, net	53,385,339	3,145,425	-	56,530,764
Governmental activities capital assets, net	\$ 108,853,064	\$ 13,479,637	\$ 2,939,032	\$ 119,393,669

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	3,341,064	161,073	3,107,392	394,745
Total capital assets, not being depreciated	4,417,124	161,073	3,107,392	1,470,805
Capital Assets, being depreciated				
Buildings	\$ -	\$ -	\$ -	\$ -
Improvements other than buildings	-	-	-	-
Machinery and equipment	125,404	31,161	-	156,565
Infrastructure	3,845,541	3,501,573	-	7,347,114
Total Capital Assets, being depreciated	3,970,945	3,532,734	-	7,503,679
Less accumulated depreciation for:				
Buildings	\$ -	\$ -	\$ -	\$ -
Improvements	-	-	-	-
Machinery and Equipment	91,672	11,390	-	103,062
Infrastructure	1,246,771	118,097	-	1,364,868
Total Accumulated Depreciation	1,338,443	129,487	-	1,467,930
Total capital assets, being depreciated, net	2,632,502	3,403,247	-	6,035,749
Business-type activities capital assets, net	\$ 7,049,626	\$ 3,564,320	\$ 3,107,392	\$ 7,506,554

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

Governmental Activities:

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

Business- type Activities:

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

The City has several small active construction projects as of December 31, 2010. With the completion of the parks department's facility remodel of the old Library into a new community center the only project of significance is the 2010 Street Overlay project. At year end 2010 the City has spent in excess of \$1 million on this project and has a remaining commitment of an additional \$6.3 million.

NOTE 9. LONG-TERM OBLIGATIONS

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

General Obligation Bonds Outstanding at year end consist of the 2002 and the 2006 Limited Tax General Obligation Bond Issues: The 2002 Bonds were issued in the original amount of \$3.2 million, to provide funds for property acquisition for Town Square and parks, and to provide funds for numerous parks development and renovation projects. The 2006 Limited Tax General Obligation Bonds were issued in the amount of \$9,805,000, to provide funds for a future Senior and Activity Center and funds to continue development of the Town Square Project. In 2009, the South Correctional Entity, (SCORE) PDA issued \$86 million of Special Obligation Bonds. The City of Burien's 4% ownership responsibility in this long term liability is \$3,449,400. For more information about this joint venture, see Note 12. During 2010 a Limited Tax General Obligation Bonds was issued for \$8.615 million to provide funds for a major street overlay project.

Changes in General Long Term Debt

For the Year Ended December 31, 2010

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

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

General Obligation Bonds			Total Long
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Term Debt</u>
2011	875,000	1,031,505	1,906,505
2012	900,000	1,003,505	1,903,505
2013	1,001,600	973,556	1,975,156
2014	1,038,000	939,614	1,977,614
2015	1,079,600	903,979	1,983,579
2016 - 2020	6,055,800	3,805,764	9,861,564
2021 - 2025	6,486,200	2,423,217	8,909,417
2026 - 2030	3,588,000	1,061,192	4,649,192
2031 - 2035	803,800	394,253	1,198,053
2036 - 2039	776,400	105,445	881,845
	<u>\$22,604,400</u>	<u>\$12,642,030</u>	<u>\$35,246,430</u>

Public Works Trust Fund Loan – State of Washington Public Works Trust Fund Loans are a direct responsibility of the City. The City currently has four such loans. The first loan has an outstanding balance of \$1,420,950 and is being repaid with Real Estate Excise Taxes received in the Public Works Reserve Fund. The second loan is for \$633,333 and is being repaid with revenues from a special assessment (LID #1) against the benefiting property owners on the 152nd Street Enhancement Project, which was completed in 2003. The third loan is associated with the 1st Ave. South capital project, with an outstanding balance of \$1,683,775. The fourth loan is the responsibility of the Surface Water Management Fund for the Ambaum Pond Project associated with the 1st Ave South project. The outstanding balance at year end is \$1,328,493.

Governmental Funds Debt Service:

Public Works Trust Fund
Loans

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

Business Type Activities Debt Service:

Public Works Trust Fund
Loans

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2011	83,031	6,278
2012	83,031	5,886
2013	83,031	5,494
2014	83,031	5,397
2015	83,031	5,494
2016 - 2020	415,154	21,173
2021 - 2025	415,154	10,794
2026	83,031	415
	<u>\$ 1,328,493</u>	<u>\$ 60,931</u>

Special Assessment Debt with Government Commitment

Special Assessment debt are not a direct responsibility of the City, but are funded from the collection of special assessment payments. Debt service principal and interest costs are paid from the Debt Service Fund. At year end delinquent special assessments receivable are \$9,943. The government is obligated for the special assessment debt to the extent that it is required to establish a guaranty fund, for the purpose of guaranteeing the payments of local improvement debt, in the event there are insufficient funds in the Debt Service Fund from the collection of special assessments. The LID Guaranty Fund was established

with a transfer from the Street Fund to maintain an approximate balance of 10% of outstanding debt owed by the special assessment.

Changes in Long-term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable					
General obligation bonds	\$11,130,000	\$ 8,615,000	\$ (590,000)	\$19,155,000	\$ 875,000
SCORE PDA, bonds payable	3,449,400	-	-	3,449,400	-
Special assessment debt with government commitment (PWTF)					
LID No. 1 SW 152nd St.	686,111	-	(52,778)	633,333	52,778
LID No. 2 1st Ave S.	902,023	-	(60,135)	841,888	60,135
Public Works Trust Funds Loans:					
SW 152nd St Project	1,550,128	-	(129,178)	1,420,950	129,177
1st Ave S. Project	902,022	-	(60,135)	841,887	60,135
Plus Deferred amount for issuance premium	160,602	72,116	(10,037)	222,681	13,833
Bonds and Loans Payable	\$18,780,286	\$ 8,687,116	\$ (902,263)	\$26,565,139	\$ 1,191,058
Compensated Absences	250,053	272,312	(251,287)	271,078	25,000
Governmental activity Long-term liabilities	\$19,030,339	\$ 8,959,428	\$ (1,153,550)	\$26,836,217	\$ 1,216,058
Business type activities:					
Public Works Trust Funds Loans:					
Ambaum Pond Project	1,411,524	-	(83,031)	1,328,493	83,031
Business Type activity Long-term liabilities	\$ 1,411,524	\$ -	\$ (83,031)	\$ 1,328,493	\$ 83,031
Total Governmental and Business- Type Long-term Liabilities	\$20,441,863	\$ 8,959,428	\$ (1,236,581)	\$28,164,710	\$ 1,299,089

Compensated Absences Payable

This amount represents the total unpaid vacation, compensatory time and related benefits liability of the governmental funds. Compensated absences liability at year end is \$271,078, an increase of \$21,025 from the previous year, so governmental expenses for 2010 are increased by this amount. Essentially all of the compensated absences liability has historically been liquidated through charges to the departments in the General Fund.

NOTE 10. PENSION PLANS

A. Washington State Public Employees' Retirement Plan

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

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

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

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

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

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

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

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

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

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

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

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

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

	<u>PERS Plan I</u>	<u>PERS Plan II</u>	<u>PERS Plan III</u>
2010	\$3,445	\$205,597	\$ 8,929
2009	3,956	244,159	7,676
2008	8,596	234,027	13,622

B. City of Burien Retirement Plan

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

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

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

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

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

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

NOTE 11. OTHER POST EMPLOYMENT BENEFITS

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

Funding Policy. The Trust provides that contribution requirements of Participating Employers and of participating employees, retirees and other beneficiaries, if any, are established and may be amended by the Board of Trustees of the Trust. Retirees of the City receiving medical benefits from the Trust contribute the following monthly amounts:

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

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

NOTE 12. JOINT VENTURE

SOUTH CORRECTIONAL ENTITY (SCORE)

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

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

Agency shall be in writing and approved by SCORE as provided within the SCORE Formation Interlocal Agreement.

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

Summary of Debt Service Requirements										
Debt Service Schedule					Debt Service Allocation to Owner Cities					
Year	Principal	Interest	35% BABs		Auburn	Burien	Federal Way	Renton	SeaTac	Tukwila
			Subsidy	Total	31%	4%	18%	36%	3%	8%
2011	\$ -	\$ 5,155,732	\$ (1,675,089)	\$ 3,480,643	\$ 1,078,999	\$ 139,226	\$ 626,516	\$ 1,253,031	\$ 104,419	\$ 278,451
2012	-	5,155,732	(1,675,089)	3,480,643	1,078,999	139,226	626,516	1,253,031	104,419	278,451
2013	1,915,000	5,126,998	(1,675,089)	5,366,909	1,663,742	214,676	966,044	1,932,087	161,007	429,353
2014	1,950,000	5,066,566	(1,654,975)	5,361,591	1,662,093	214,464	965,086	1,930,173	160,848	428,927
2015	1,990,000	4,995,069	(1,632,787)	5,352,282	1,659,207	214,091	963,411	1,926,822	160,568	428,183
2016-2020	11,145,000	23,535,189	(8,001,883)	26,678,306	8,270,275	1,067,132	4,802,095	9,604,190	800,349	2,134,264
2021-2025	13,405,000	20,377,998	(7,211,504)	26,571,494	8,237,163	1,062,860	4,782,869	9,565,738	797,145	2,125,720
2026-2030	16,325,000	15,803,611	(5,715,798)	26,412,813	8,187,972	1,056,513	4,754,306	9,508,613	792,384	2,113,025
2031-2035	20,095,000	9,856,351	(3,682,383)	26,268,968	8,143,380	1,050,759	4,728,414	9,456,828	788,069	2,101,517
2036-2039	19,410,000	2,636,145	(1,147,380)	20,898,765	6,478,617	835,951	3,761,778	7,523,555	626,963	1,671,901
Totals	\$ 86,235,000	\$ 97,709,391	\$ (34,071,977)	\$ 149,872,414	\$ 46,460,447	\$ 5,994,898	\$ 26,977,035	\$ 53,954,068	\$ 4,496,171	\$ 11,989,792

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

The City of Burien reports its share of equity interest in the Governmental Activities column within the Government-wide financial statements under non-current assets. The following is condensed (unaudited) financial information as of December 31, 2010 related to SCORE:

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

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

NOTE 13. RISK MANAGEMENT

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

Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the

purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. WCIA has a total of 145 members. The City has been a member since its incorporation in 1993.

New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, public officials' errors or omissions, stop gap, and employee benefits liability. Limits are \$4 million per occurrence self insured layer, and \$16 million per occurrence in the re-insured excess layer. The excess layer is insured by the purchase of reinsurance and insurance and is subject to aggregate limits. Total limits are \$20 million per occurrence subject to aggregate sub-limits in the excess layers. The Board of Directors determines the limits and terms of coverage annually.

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

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

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

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

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

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

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

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

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

NOTE 14. CONTINGENCIES AND LITIGATION

The City participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors and their representatives. The audits of these programs for or including the year ended December 31, 2010, have not yet been conducted. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

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

NOTE 15. SUBSEQUENT EVENT

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

CITY OF BURIEN, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

Schedule 16
Page 1 of 1

MCAG No. 0801

Federal Agency Name / Pass- Through Agency Name	Federal Program Name	Federal CFDA Number	Local Program/Project Name	Other Identification Number	Expenditures		
					From Pass Through Awards	From Direct Awards	Total
Dept. of Homeland Security/Wa. St. Dept. of the Military	Disaster Grants - Public Assistance	97.036 97.036 97.036	09 Storm 08 Storm	1817-DR-WA 1825-DR-WA	63,023 7,938 \$ \$ \$	- - \$ - -	\$ 63,023 7,938 \$ 70,961 \$ 70,961
TOTAL Dept of Homeland Security	Total						
Dept. of Health & Human Services/Seattle King County Public Health	ARRA - Prevention and Wellness – Communities Putting Prevention to Work	93.724	CPPW Heal Grant	D40443D	8,406 \$ 8,406	- -	\$ 8,406 \$ 8,406
TOTAL Dept of Health & Human Services							
Dept. of Energy/Wa. St. Dept of Commerce	Energy Efficiency and Conservation Block Grant Program	81.128	Burien Community Center	F10-52110-019	135,000 \$ 135,000	- -	\$ 135,000 \$ 135,000
TOTAL Dept of Energy							
DOT FHWA/WSDOT	ARRA - Highway Planning and Construction	20.205	4th SW Non-motorized ped safety	ARRA CM 1301(008)	120,958 \$ 120,958	- -	120,958 \$ 120,958
TOTAL Dept of Transportation							
Dept of Justice, Office of Community Oriented Policing Services	Public Safety Partnership and Community Policing Grants	16.710	COPS Technology	2009-CKWX-0261	-	89,598	89,598
Dept of Justice, Bureau of Justice Assistance	Economic High-Tech and Cyber Crime Prevention	16.752	Force		-	5,900	5,900
Dept of Justice, Bureau of Justice Assistance/City of Seattle	Edward Byrne Memorial Justice Assistance Grant Program	16.738	CTED Gang Unit Grant	2010-IA-Comm-1	57,521	-	57,521
Dept of Justice, Bureau of Justice Assistance/City of Seattle	ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.803	Target Crime	2009-IA-Comm-2	287,229	-	287,229
Dept of Justice, Bureau of Justice Assistance/City of Seattle	ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants To Units Of Local Government	16.804	SRO	2009-DJ-BX-0336	63,712 \$ 408,462	- \$ 95,498	63,712 \$ 503,960
Total Dept of Justice							
Total Federal Awards Expended					\$ 743,787	\$ 95,498	\$ 839,285

CITY OF BURIEN, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 1 This schedule is prepared on the modified accrual basis of accounting the same basis used to prepare the city's financial statements.

Note 2 Current year expenditures represent only the federal grant portion of program costs. Entire program costs including the city's portion, may be more than shown.



ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

Our mission is to work in cooperation with our audit clients and citizens as an advocate for government accountability. As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

The State Auditor's Office employees are located around the state to deliver our services effectively and efficiently.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service. We continue to refine our reporting efforts to ensure the results of our audits are useful and understandable.

We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive quality assurance program.

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Deputy Chief of Staff
Chief Policy Advisor
Director of Audit
Director of Special Investigations
Director for Legal Affairs
Director of Quality Assurance
Local Government Liaison
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Main number
Toll-free Citizen Hotline

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Ted Rutt
Doug Cochran
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