

The City of Tukwila, Washington
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2009



Duwamish River From East Marginal Way



The City of Tukwila, Washington

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**

For the Year Ended December 31, 2009

*Prepared by the City of Tukwila, Finance Department
Shawn Hunstock, Finance Director*

JIM HAGGERTON, MAYOR

TUKWILA CITY COUNCIL

Dennis Robertson, President

Joe Duffie

Allan Ekberg

Joan Hernandez

Verna Griffin

Kathy Hougardy

De'Sean Quinn

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2009

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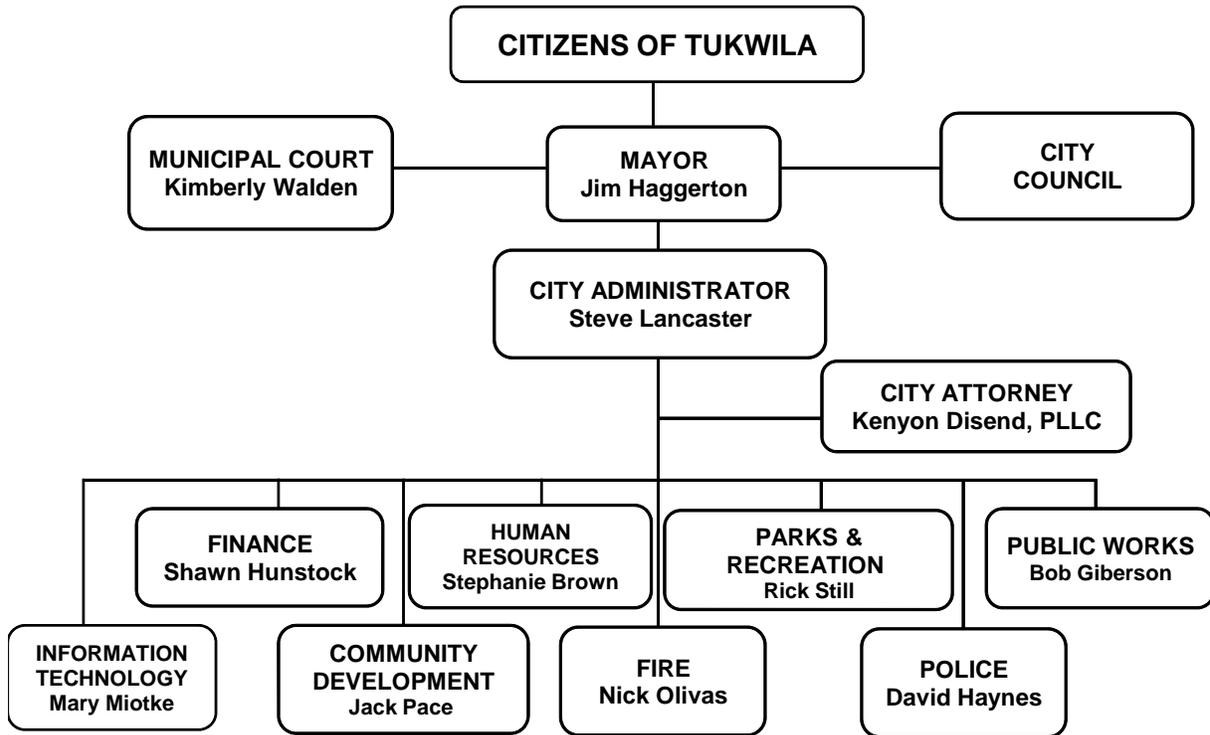
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ADMINISTRATIVE ORGANIZATIONAL STRUCTURE AND PRINCIPAL OFFICIALS



COUNCIL COMMITTEES

FINANCE AND SAFETY COMMITTEE

De'Sean Quinn, Chairperson
 Kathy Hougardy, Member
 Allan Ekberg, Member

TRANSPORTATION

Verna Seal, Chairperson
 Joan Hernandez, Member
 De'Sean Quinn, Member

COMMUNITY AFFAIRS AND PARKS

Joe Duffie, Chairperson
 Joan Hernandez, Member
 Verna Seal, Member

UTILITIES

Kathy Hougardy, Chairperson
 Joe Duffie, Member
 Allan Ekberg, Member





City of Tukwila

6200 Southcenter Blvd, Tukwila, WA 98188

Jim Haggerton, Mayor

June 30, 2010

Honorable Jim Haggerton, Mayor
Members of the Tukwila City Council
Citizens of Tukwila
City of Tukwila
6200 Southcenter Boulevard
Tukwila, Washington 98188-2599

Subject: TRANSMITTAL OF 2009 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Dear Mayor, Council Members, and Citizens:

State law requires that cities publish financial statements in conformity with Generally Accepted Accounting Principles (GAAP), which are audited in accordance with generally accepted auditing standards by the State Auditor's Office, under the Revised Code of Washington (RCW) 43.09.230.

Therefore, we issue and transmit to you the City of Tukwila's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2009. This transmittal letter provides an overview of the report and the financial condition of the City. It also provides insight into the history of the City and the economic conditions affecting it, and describes the systems and controls employed by the Finance department.

The Comprehensive Annual Financial Report has several significant uses. First, it provides a general overview of the City's finances to the general public and taxpayers. Second, it is referenced by bond buyers and rating agencies to evaluate the City's fiscal stability and creditworthiness. Finally, the CAFR is a series of financial statements that have been audited by the State Auditor's Office and provides assurances that assets are safeguarded and funds are expended as they were legally appropriated in the adopted budget.

I. INTRODUCTION

A. MANAGEMENT REPRESENTATION

The Tukwila Finance Department prepared the report and accepts responsibility for the accuracy, completeness, and fairness of presentation of the information included. The data is believed to be accurate in all material respects, and it is believed that the data is

presented in a manner that fairly sets forth the results of operations and financial position of the City as measured by the financial activity of the City's various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included. The report has been prepared in conformance with GAAP and in conformance with financial reporting standards issued by the Governmental Accounting Standards Board (GASB).

City management has developed and evaluated a comprehensive internal control structure that is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal controls should not exceed the benefits expected to be derived. As management, we attest that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

As a recipient of federal, state and county financial assistance the City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. The audit is conducted by the State Auditor's Office in conjunction with the City's annual independent audit. Information related to this single audit includes the Schedule of Expenditures of Federal Awards, findings and recommendations, if applicable, and auditor's reports on internal control and compliance with applicable laws, regulations, contracts and agreements. The results of the City's annual single audit for the fiscal year ended December 31, 2009 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws.

B. ORGANIZATION OF THE REPORT

The report is divided into three sections: the Introductory Section, the Financial Section, and the Statistical Section. The Introductory Section contains the table of contents, a list of the City's principal officials, an organizational chart, this letter of transmittal, and the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association of the United States and Canada (GFOA) for the 2008 CAFR. The Financial Section contains the Auditor's Report, completed by the Washington State Auditor, Management's Discussion and Analysis, Government-Wide Financial Statements, the Fund Financial Statements, Notes to the Financial Statements and Other Required Combining and Supplemental Information. The Statistical Section, which is unaudited, contains a range of statistical tables and charts that present various financial, economic, social, and demographic data about the City. This information depicts various trends that have affected the fiscal condition of the City over the last ten years.

C. REPORTING ENTITY

The City of Tukwila is a non-charter optional code City, operating under Section 35A of the Revised Code of Washington. It has a strong Mayor form of government with a seven-member City Council elected by the voters of the City. Councilmembers are

elected at large rather than by district, are responsible for establishing the general guidelines and policies for the City, and each serves a four-year term. The Mayor appoints the City Administrator as the City's chief administrative officer responsible for carrying out the policies and direction set by the Mayor and City Council.

The City of Tukwila provides a full range of local government services. These services include police and fire protection; emergency medical services; construction and maintenance of streets and traditional municipal infrastructure; planning and zoning; park and recreational activities; and cultural events. In addition, the City operates an equipment maintenance/rental fund and a utility. The City operates its own municipal 18-hole golf course. The City provides sewer, water, and surface water services. The City has a municipal court for traffic infractions, misdemeanors, and gross misdemeanors. Other jurisdictions provide jail services to the City. Tukwila residents receive library services from the King County Library System.

Incorporated in 1908, the City of Tukwila abuts the City of Seattle on the north, and is one mile east of Seattle-Tacoma International Airport. Tukwila has a small residential population of 18,170; however, the daytime shopper/visitor and working population can reach over 150,000 during the holiday shopping season.

II. ECONOMIC CONDITION

A. SUMMARY OF LOCAL ECONOMY

A diverse regional economy is led by The Boeing Company and other smaller manufacturing companies. The Puget Sound region is a major international trade gateway to the Far East. Also, high tech industries such as Microsoft have made their home in this region. This diversity has now become the strength of our economic well being.

Tukwila enjoys a strong position in the Puget Sound region as well as the State of Washington. Tukwila's location at the crossroads of the State's most significant freeway network (the I-5 and I-405 interchange) and planned multi-modal transit center and commuter light rail reinforces the well-established advantages of Tukwila as a business location. These major transportation systems and strategic access to Seattle, Tacoma, Sea-Tac Airport and the population base of the south Puget Sound region provide a natural setting for commercial and industrial activity.

Tukwila enjoys one of the largest sales tax bases in the State of Washington, with \$14.4 million in revenue for 2009. The total combined retail sales activity amounted to approximately \$1.7 billion in 2009. While this represents a significant decline in sales tax revenue and retail activity within Tukwila, as compared to 2008, the City has been aggressively adjusting its budget to meet the new revenue stream. The strength of the City's retail sales activity is the Westfield Southcenter Shopping Center and Parkway Plaza retail development, which combine to create one of the largest retail concentrations on the west coast. This strength has attracted new retail establishments to locate in Tukwila.

This diversified revenue base is further supported by an assessed valuation of \$4.98 billion as well as our above-mentioned sales tax base, and has allowed the City to pursue a long-term capital investment program.

B. FUTURE ECONOMIC OUTLOOK

Tukwila is in a continuous process of both short-term and long-term financial planning. Short-term financial planning is inherent in the development of the City's biennial budget. Concurrent with the biennial budget is the City's long-term capital needs and potential funding is assessed with the development of the six-year capital facility plan. The capital facility plan is a component of the Comprehensive Master Plan, which outlines how the City should look and function in twenty years and creates a vision that can be realistically implemented. An integral part of this vision is determining how to allocate the City's financial resources to achieve the desired goals.

The City annexed an area south of the urban center on December 31, 2009. The annexation included approximately 259 acres of mostly undeveloped land. The City also entered into a development agreement with the principle owner of property within the annexation area. The agreement calls for the development of approximately 512 acres, commonly known as Tukwila South, including the recently annexed 259 acres. The master plan for Tukwila South anticipates the creation of 25,000 jobs through the addition of 5 to 10 million square feet of office technology / flex-tech space, 1 to 2 million square feet of goods and services, and 700 to 1,900 units of housing. In addition, there will be significant investment in infrastructure within the development area, including the realignment and construction of Southcenter Parkway for approximately \$22.3 million in total costs. The developer has given the City a number of revenue guarantees related to Southcenter Parkway construction costs, and operations and maintenance costs within the development area. The revenue guarantees are secured by letters of credit held by an independent third party, as well as deeds of trust for certain properties within the development area. The term of the development agreement is 15 years, during which time there is expected to be a multi-million dollar investment in private and public facilities, increasing the long-term economic base of the City.

Outside of the development area, growth is predicted to continue but not at the rate experienced in the late 1990's and early 2000's. The challenge is to control costs that grow at a faster rate than revenue. Areas of concern are health care costs and public safety costs related to incarceration and labor contracts. Continuing to fund these sectors will draw valuable resources from other areas such as infrastructure replacement and capital programs. As Tukwila moves forward, economic conditions will be continually monitored and adjustments to City spending and services made to maintain the City's financial health. Long-term plans will be focused on ensuring the City continues to be an economically strong and viable City. Towards that end, the City adopted a contingency reserve policy in December 2009, which calls for the eventual establishment of two months of general fund operations in reserve. It is expected the reserve will be built up over a four to five year period beginning in 2011.

III. OTHER RELEVANT INFORMATION

A. INDEPENDENT AUDIT

State law requires an annual audit of all City books of accounts and financial records by the Office of the State Auditor, which is headed by an independently elected State official, the State Auditor. The Auditor has broad legal authority to inquire into all financial and legal compliance matters and such audits are considered equal to audits by certified public accounting firms. The 2009 financial audit of the City is complete and was conducted in conformance with Generally Accepted Auditing Standards. The financial statements of all City funds have been included in this audit. The City has been given an unqualified opinion for 2009. Please see the Auditor's Report. The State Auditor's Office also audits the City's administration of its federal grants under the single audit concept.

B. MANAGEMENT DISCUSSION AND ANALYSIS

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of *Management's Discussion and Analysis (MD&A)*. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Tukwila's MD&A can be found immediately following the independent auditor's report.

B. AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tukwila for its comprehensive annual financial report for the fiscal year ended December 31, 2008. This was the 22nd consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

C. ACKNOWLEDGMENTS

Preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the entire staff of the Finance Department and the cooperation of other City departments. Their long hours of assistance with the preparation and review of this report are greatly appreciated. The Mayor, City Administrator and City Council are to be complimented for their encouragement,

interest, and support in conducting the financial operations of the City in a sound and progressive manner. The efficient assistance of examiners from the Office of the State Auditor is also appreciated. Staff who had a direct role in preparing Tukwila's 2009 Comprehensive Annual Financial Report take great pride in their work, and the entire team who worked on this project is to be commended.

Respectfully submitted,

A handwritten signature in black ink that reads "Shawn Hunstock". The signature is written in a cursive, flowing style.

Shawn Hunstock, CPA
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Tukwila Washington

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

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



President

Executive Director





**Washington State Auditor
Brian Sonntag**

INDEPENDENT AUDITOR'S REPORT

June 29, 2010

Mayor and City Council
City of Tukwila
Tukwila, 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 Tukwila, King County, Washington, as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In accordance with *Government Auditing Standards*, we will also issue our report dated June 29, 2010, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal



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

The management's discussion and analysis on pages 13 through 28, pension trust fund information and information on postemployment benefits other than pensions on pages 86 through 87 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information listed as combining and individual fund financial statements and schedules on pages 90 through 112 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Sonntag". The signature is fluid and cursive, with the first name "Brian" and last name "Sonntag" clearly distinguishable.

BRIAN SONNTAG, CGFM
STATE AUDITOR

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2009

The discussion and analysis of the City of Tukwila's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2009. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, and the basic financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

- Total net assets, the amount by which total assets exceed total liabilities, equal \$237.7 million. A total of 82 percent or \$193.9 million of total net assets is invested in capital assets such as streets, land, buildings, equipment, and other improvements. The remaining net assets of \$43.8 million is available for debt service, capital projects, and to meet the government's ongoing activities and obligations.
- The government's net assets increased by \$12.9 million in 2009. Governmental activities provided a \$13.3 million increase and business-type activities experienced a decrease accounting for the difference.
- As of the close of the current fiscal year, the City of Tukwila's governmental funds reported combined ending fund balances of \$23,749,527 a decrease of \$4,979,810 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$7,371,530, or 16 percent of total general fund expenditures.
- The City of Tukwila's total debt increased by \$4,410,821 during the current fiscal year. The City incurred \$6.9 million in additional debt payable to the SCORE Development Authority in connection with acquisition and development of the new SCORE jail facility (see Note 7, Joint Ventures, for more information). This increase was offset by \$2.5 million in payments on existing debt.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City of Tukwila as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial conditions.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole City presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

Overview of the Financial Statements

The City's basic financial statements are presented in three parts:

- 1) Government-wide financial statements
- 2) Fund financial statements
- 3) Notes to the financial statements

Other supplementary information, in addition to the basic financial statements, is also contained in this report. This section of the management's discussion and analysis is intended to introduce and explain the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns which add to a total for the City. The focus of the *Statement of Net Assets* is designed to be similar to bottom-line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. Over time, increases or decreases in net assets may be one indicator of improvement or deterioration in the City's overall financial health.

The *Statement of Activities* is focused on both the gross and net cost of various functions, including both governmental and business-type activities, which are supported by the City's general tax and other revenues. This is intended to summarize and simplify the user's analysis of cost of various governmental services and/or subsidy to various business-type activities. The revenue generated by the specific functions (charges for services, grants, and contributions) is compared to the expenses for those functions to show how much each function either supports itself or relies on taxes and other general funding sources for support. All activity on this statement is reported on the accrual basis of accounting, requiring that revenues are reported when they are earned and expenses are reported when they are incurred, regardless of when cash is received or disbursed.

Governmental activities of the City include general government (executive, finance, legal, human resources, court), public safety, physical environment, economic environment, transportation, mental and physical health, and culture and recreation. The City's business-type activities include a water and sanitary sewer utility, surface water utility, and a municipal golf course. Governmental activities are primarily supported by taxes, charges for services, and grants while business-type activities are self-supporting through user fees and charges.

Fund Financial Statements

The Fund Financial Statements are the traditional reporting format for governments. A fund is a fiscal and accounting entity with a self-balancing set of accounts used to account for specific activities or meet certain objectives. While the government-wide statements present the City's finances based on the type of activity (general government vs. business type), the Fund Financial Statements are presented by fund type, such as the general fund, special revenue funds and proprietary funds, with the focus on major funds.

Governmental funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. The governmental major fund presentation is used, utilizing the "sources and uses of resources" basis. This is the manner in which the budget is typically developed. The basis of accounting is different between the governmental fund statements and the government-wide financial statements. The governmental fund statements focus on the near-term revenues/financial resources and expenditures while the government-wide financial statements include both near-term and long-term revenues/financial resources and expenditures. The information in the governmental fund statements can be used to evaluate the City's near-term financing requirements and immediate fiscal health. Comparing the governmental

fund statements with the government-wide statements can help the reader better understand the long-term impact of the City's current-year financing decisions.

Because the basis of accounting is different between the governmental fund statements and the government-wide financial statements, reconciliations are provided. The reconciliation between the governmental fund Balance Sheets and the government-wide Statement of Net Assets is found on the bottom of the governmental funds' Balance Sheet, while the reconciliation between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities is found directly following the governmental funds' Statement of Revenues, Expenditures, and Changes in Fund Balance.

The City maintains eighteen individual governmental funds. Of these, three are considered major (the general fund, the arterial street fund, and the land acquisition recreation & park development fund) and are presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances. The remaining governmental funds are combined into a single column labeled "Other Governmental Funds". Individual fund data for each of the other governmental funds can be found in the combining statements later in this report.

The City maintains budgetary control over its operating funds through the adoption of a biennial budget. Budgets are adopted at the fund level according to state law. Budgetary comparison statements are presented for the general and arterial street funds within the financial statements. Other budgetary comparison schedules are included following the other government funds' combining statements in this report.

Proprietary funds are used by governments to account for their business-type activities and use the same basis of accounting as utilized in private industry. Business-type activities provide specific goods or services to a group of customers that are paid for by fees charged to those customers. There is a direct relationship between the fees paid and the services rendered.

The City has two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to account for goods and services provided to citizens, while internal service funds are used to account for goods and services provided internally to various City departments.

Enterprise funds report the same functions presented as business-type activities in the government-wide statements, but in greater detail. The City's enterprise fund statements provide information on the City's three utilities (water, sanitary sewer, surface water) as well as the City-owned golf course.

Internal service funds are an essential accounting tool used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles, and its insurance premiums. Internal service funds benefit both governmental and business-type activities, and are allocated accordingly in the government-wide statement of activities.

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. Fiduciary funds are not included in the government-wide financial statements because their assets are not available to support the City's activities.

The City has two fiduciary funds: a firemen's pension trust fund and an agency fund, which are accounted for on the accrual basis. As agency funds are custodial in nature, they do not include revenues and expenses.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found at the end of the Basic Financial Statements section.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning a schedule of funding progress for the Firemen's Pension Trust Fund and other post-employment benefits. Additional pension benefit information is found in Note 8.

The combining statements referred to earlier in connection with non-major governmental funds, nonmajor enterprise funds, and internal service funds are presented in the section titled "Combining and Individual Fund Financial Statements and Schedules".

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the City of Tukwila, total assets exceeded liabilities by \$237,716,851 at December 31, 2009.

The largest portion of the City's net assets, \$193.9 million, or 82 percent, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Tukwila uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Tukwila's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities:

City of Tukwila Net Assets

	Governmental Activities		Business-type Activities		Total	
	As of 12/31/09	As of 12/31/08	As of 12/31/09	As of 12/31/08	As of 12/31/09	As of 12/31/08
Current and other assets	\$ 46,194,349	\$ 42,781,792	\$ 12,551,672	\$ 14,491,597	\$ 58,746,021	\$ 57,273,389
Capital assets, net of accumulated depreciation	172,742,658	156,538,853	54,235,914	53,906,634	226,978,572	210,445,487
Total assets	218,937,007	199,320,645	66,787,586	68,398,231	285,724,593	267,718,876
Long-term liabilities	16,895,646	19,424,007	16,157,533	16,898,070	33,053,179	36,322,077
Other liabilities	13,802,779	4,956,887	1,151,784	1,653,823	14,954,563	6,610,710
Total liabilities	30,698,425	24,380,894	17,309,317	18,551,893	48,007,742	42,932,787
Net assets						
Invested in capital assets, net of related debt	155,847,012	136,742,368	38,052,488	36,071,402	193,899,500	172,813,770
Restricted	16,360,097	19,720,546	438,619	439,100	16,798,716	20,159,646
Unrestricted	16,031,473	18,476,837	10,987,162	13,335,836	27,018,635	31,812,673
Total net assets	\$ 188,238,582	\$ 174,939,751	\$ 49,478,269	\$ 49,846,338	\$ 237,716,851	\$ 224,786,089

The governmental unrestricted net assets comprise \$16 million. The general fund unrestricted net assets are available for functions such as public safety employee salaries and supplies, park and road maintenance, and other general government services. The unrestricted net assets of business-type activities, \$10.9 million, may only be spent on activities related to one of the three City utilities (water, sewer, and surface water) or to the golf course activities. Examples of utility activities include

maintenance of water/sewer mains, pump and lift stations, storm drain flushing, and water meter reading.

Restricted governmental fund net assets are \$16.3 million and are subject to constitutional, legal or external restrictions for purposes such as capital project construction and debt service.

The \$3.4 million increase in current and other assets for governmental activities is comprised of a \$7.4 million increase in equity in joint ventures due to the City's participation in the SCORE joint venture, a \$1.4 million increase in receivables due from other governments due to a \$1.285 million receivable from King County Flood Control District for reimbursement of Howard Hanson flood prevention and mitigation costs, and a decrease in cash and investments of \$6.2 million. The decrease of \$1.9 million in current and other assets for business-type activities is comprised of a decrease in cash and investments.

Governmental capital assets increased by \$16 million due to \$3.6 million of assets acquired through an annexation, \$9 million Tukwila International Boulevard street improvements and \$3.4 million in various other street projects.

The \$8.8 million increase in other liabilities for governmental activities is due to the acquisition of \$6.8 million of additional debt payable to the SCORE Development Authority and to a \$1 million increase in the unfunded other post employment benefit liability.

The decrease of \$2.3 million in unrestricted net assets for business-type activities relates to additional expense from an interfund utility tax established in 2009 and totaling \$1.8 million for the year, a net transfer out to the general fund for indirect costs of \$1.6 million and a revenue increase from charges for services of \$1.4 million.

Changes in Net Assets

The change in net assets represents the increase or decrease in City net assets resulting from its various activities.

Following is a condensed version of the City's changes in net assets. The table shows the revenues, expenses and related changes in net assets for both governmental-type and business-type activities:

City of Tukwila's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues						
Charges for services	\$ 3,460,912	\$ 5,400,376	\$ 14,190,560	\$ 12,827,915	\$ 17,651,472	\$ 18,228,291
Operating grants and contributions	3,386,269	1,325,163	-	-	3,386,269	1,325,163
Capital grants and contributions	14,784,074	2,282,592	515,633	756,400	15,299,707	3,038,992
General revenues						
Property taxes	11,901,072	11,656,979	-	-	11,901,072	11,656,979
Sales taxes	14,588,297	18,009,296	327,999	500,000	14,916,296	18,509,296
Hotel/Motel taxes	489,806	587,216	-	-	489,806	587,216
Natural gas use tax	748,772	643,037	-	-	748,772	643,037
Utility taxes	5,577,583	5,136,444	-	-	5,577,583	5,136,444
Interfund utility taxes	1,813,277	-	-	-	1,813,277	-
Business taxes	3,196,178	2,497,705	-	-	3,196,178	2,497,705
Excise taxes	367,198	983,078	-	-	367,198	983,078
State entitlements	2,233,445	874,046	-	-	2,233,445	874,046
Investment earnings	246,287	801,847	106,032	377,954	352,319	1,179,801
Gain/(loss) on sale of capital assets	980,267	(186,663)	(264,093)	-	716,174	(186,663)
Total revenues	63,773,437	50,011,116	14,876,131	14,462,269	78,649,568	64,473,385
Expenses:						
General government	6,689,659	4,723,103	-	-	6,689,659	4,723,103
Public safety	26,959,352	24,147,992	-	-	26,959,352	24,147,992
Physical environment	2,575,405	2,862,487	-	-	2,575,405	2,862,487
Transportation	5,541,367	5,864,297	-	-	5,541,367	5,864,297
Economic environment	4,637,531	5,017,935	-	-	4,637,531	5,017,935
Mental and physical health	4,332	4,173	-	-	4,332	4,173
Culture and recreation	4,914,256	4,797,856	-	-	4,914,256	4,797,856
Interest on long-term debt	753,904	1,844,224	-	-	753,904	1,844,224
Water/sewer	-	-	9,293,434	7,293,362	9,293,434	7,293,362
Foster golf course	-	-	2,050,172	1,968,595	2,050,172	1,968,595
Surface water	-	-	2,299,394	1,762,417	2,299,394	1,762,417
Total expenses	52,075,806	49,262,067	13,643,000	11,024,374	65,718,806	60,286,441
Increase in net assets before transfers	11,697,631	749,049	1,233,131	3,437,895	12,930,762	4,186,944
Transfers	1,601,200	1,383,774	(1,601,200)	(1,383,774)	-	-
Change in net assets	13,298,831	2,132,823	(368,069)	2,054,121	12,930,762	4,186,944
Net assets-beginning of period	174,939,751	172,806,928	49,846,338	47,792,217	224,786,089	220,599,145
Net assets-end of period	<u>\$ 188,238,582</u>	<u>\$ 174,939,751</u>	<u>\$ 49,478,269</u>	<u>\$ 49,846,338</u>	<u>\$ 237,716,851</u>	<u>\$ 224,786,089</u>

Governmental activities contributed \$13.3 million to the total increase in City net assets. Revenues to fund capital assets are recorded as program or general revenues in the statement of activities. However, asset purchases are not recorded as expenses in the year purchased and construction costs are not recorded as expenses in the year incurred. Instead, the costs are recorded as long-term assets and are depreciated over their useful life.

Revenues from governmental activities increased \$13.7 million from 2008 activity. The components and explanation of this increase follows.

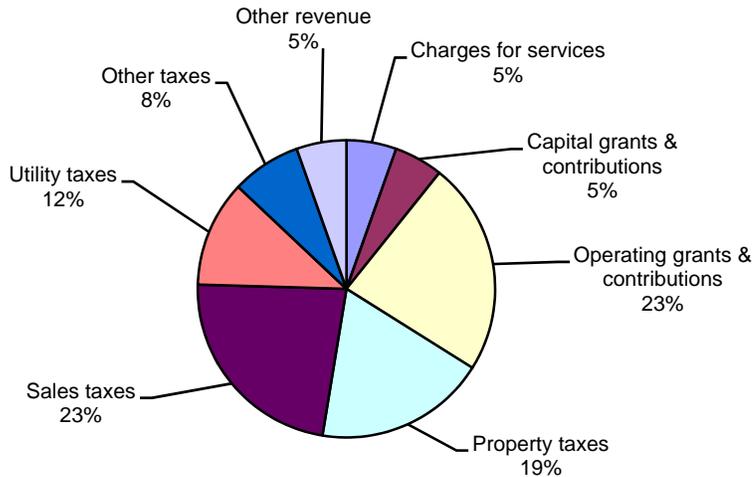
- Sales tax collections decreased by \$3,420,999, or 19%. The decrease is the result of an overall decline in retail sales, as well as the impact of moving to destination-based sales tax reporting in July 2008.
- Capital grants and contributions increased \$12.5 million due to grant revenue received on the Tukwila International Boulevard project and various other arterial street projects. Operating grant revenue increased by \$2 million due partially to a \$1.285 million King County Flood Control District grant reimbursement for flood prevention costs incurred in association with the impaired Howard Hanson Dam.

- State entitlements increased \$1.36 million and include \$1.5 million received from the state for sales tax mitigation.
- Gain on sale of capital assets increased from a loss on sale in 2008 to a gain in 2009 contributing \$1.1 million to the 2009 revenue increase.
- Charges for services decreased \$1.9 million due to a decline in construction activity in the City and a related decline in fees collected for permits and inspections.

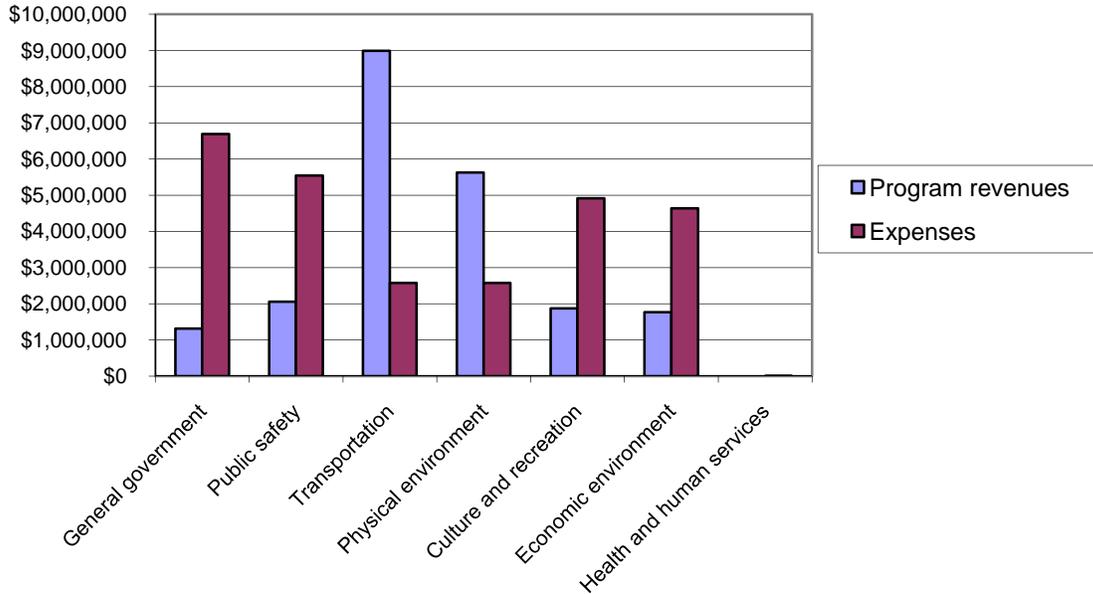
Governmental activity expenses increased by \$2.8 million, or 5.7%. Public safety expenses increased by \$2.8 million or 11.6%, general government expenses increased by \$1.9 million, or 41%, and interest expense on long-term debt declined by \$1 million, or 59%. The increase in expenses is due partially to the over \$2 million expended for flood prevention and mitigation measures resulting from the Howard Hanson dam impairment.

The next chart summarizes the government activity revenue by source, while the second one reflects the specific programs' revenues and related expenses for the various activities of the City. Gaps between specific programs' revenues and their related expenses are funded through general tax revenues.

Revenues by Source - Government Activities



Program Revenues and Expenses - Governmental Activities

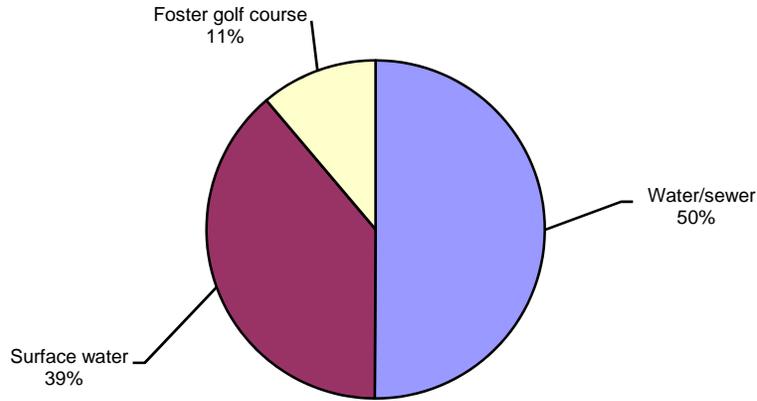


Business-type net assets decreased by \$368,069 during 2009. Key components of this decrease include:

- \$1,233,131 increase in net assets before transfers from a combination of factors.
- \$1,601,200 net transfer out from the business-type activity funds.
- Income before capital contributions and transfers amounted to:
 - Water/sewer fund: \$ 638,668
 - Foster golf course fund: (294,099)
 - Surface water fund: 372,929
 - \$ 717,498

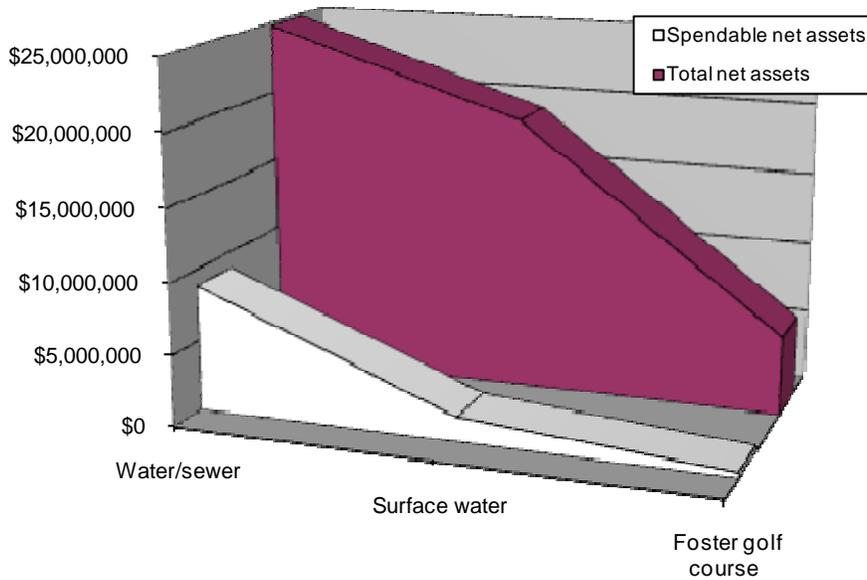
Below is a chart that shows the relative net asset balances for each business-type fund:

Business-type Net Assets - By Fund

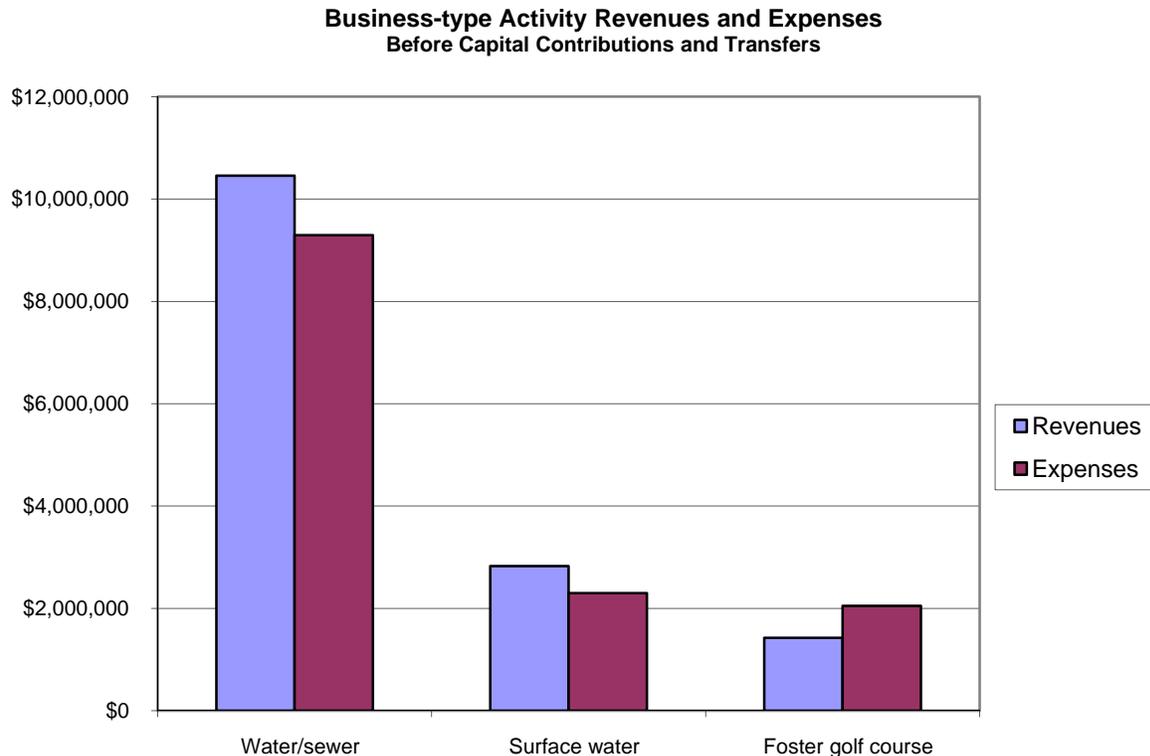


The majority of net assets in the City's enterprise funds relate to capital asset infrastructure, such as water and sewer mains, and the golf course land. As such, most of the net assets are not available to support the ongoing expenses of the funds. The following chart contrasts the total net assets to the spendable portion of net assets for each enterprise fund:

**Comparison of Total Net Assets to Spendable Net Assets
Business-Type Funds**



The following chart depicts the revenues and expenses for business-type funds:



Financial Analysis of Governmental Funds

The purpose of the City's government funds is to report on near-term revenues/financial resources and expenditures. This information helps determine the City's financial requirements in the near future. Specifically, fund balance is a good indicator of the City's financial resources.

As of December 31, 2009, the City's governmental funds had combined fund balances of \$23,749,527 a decrease of \$4,979,812 or 17%. This decrease is related to:

- General fund (\$315,885)
- Arterial street fund (\$4,585,771)
- Land Acq. Rec & Park Development 721,763
- Other governmental funds (\$799,919)

Of the government funds' total fund balances, \$23,731,627 is unreserved. Of this unreserved total, \$7,101,258 is earmarked for capital projects, \$9,123,401 is in special revenue funds and is earmarked for specific purposes, and \$135,438 is in debt service funds dedicated for debt repayment.

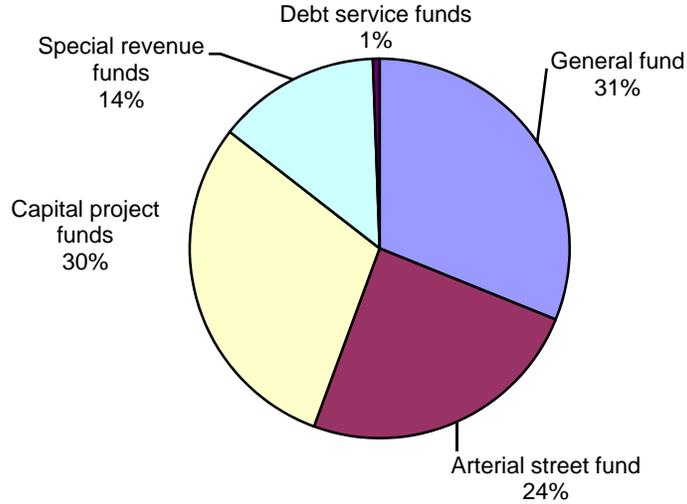
The general fund is the primary operating fund of the City. All receipts and payments of ordinary City operations are processed through it unless they are required to be accounted for in another fund. At the end of 2009, the general fund had a fund balance of \$7,389,430, of which substantially all is unreserved.

Other funds that had significant fund balances include:

- \$5,820,775 in the arterial street special revenue fund; used for various transportation improvement projects.
- \$4,668,345 in the land acquisition, recreation and park development fund; used for acquisition, development and construction of park facilities.
- \$2,073,918 in the facility replacement fund; used for the replacement of existing general government facilities.

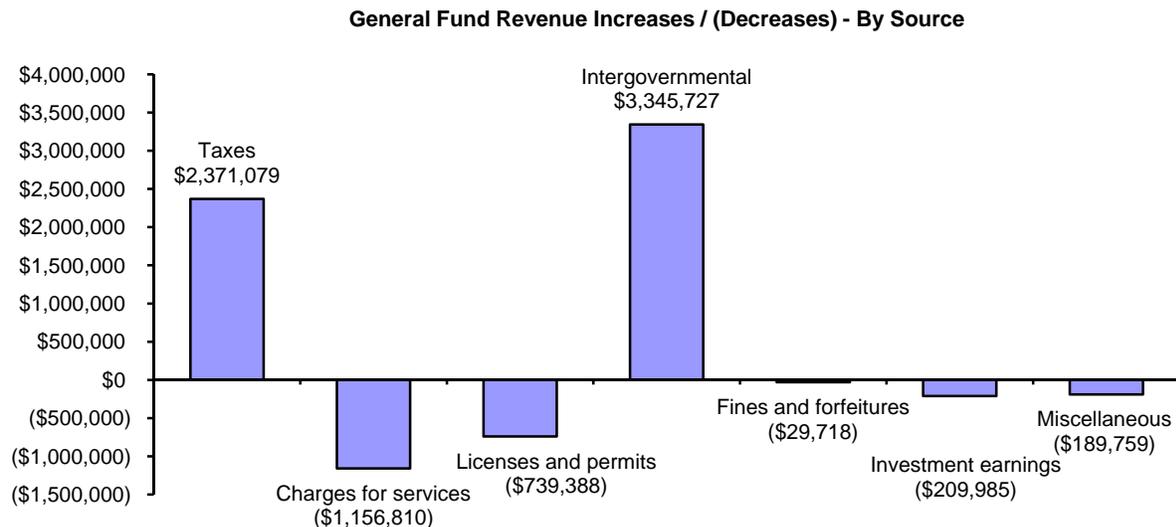
The following chart shows the relative fund balances for governmental funds:

Governmental Funds - Fund Balances



The \$315,885 decrease in the general fund balance results from revenue of \$42,293,538, expenses of \$46,045,887 and transfers into the fund of \$3,436,464. In comparison with 2008, revenue increased \$3.3 million, expenditures increased \$2.5 million and transfers-in increased \$1.4 million.

The general fund revenue increase of \$3,391,146 came from the following sources:



The decrease of \$4,585,771 in the arterial street fund is due primarily to expenditures in excess of capital grant revenue for the Tukwila International Boulevard street improvement project. Other street improvement projects such as the Tukwila Urban Center Access project and the Strander Extension project, in addition to various repair and overlay projects contributed to arterial street expenditures.

Financial Analysis of Proprietary Funds

The City's proprietary funds provide the same type of information as found in the government-wide financial statements, but in greater detail. Factors affecting the finances of the City's proprietary funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The City budgets biannually by adopting a budget at the end of the preceding biennium, and then making adjustments as necessary via budget amendments throughout the next two years. Following is a summary of such budget amendments:

- Local retail sales and use tax transfer in from Arterial Street fund \$ 500,000
- Interfund utility tax transfer in from Water fund 655,000
- Interfund utility tax transfer in from Sewer fund 707,000
- Interfund utility tax transfer in from Surface Water fund 382,000
- King County Flood Control Zone District reimbursement 1,285,000
- Net transfer in from Debt Service funds 690,500
- Additional funding for Howard Hanson Dam flood prevention (2,529,000)
- Additional funding for fuel, legal and other costs (703,003)
- Transfer out to newly established Drug Seizure Fund 109 (154,647)

Reasons for the significant variances in the general fund between the final budget and actual results include:

- Sales tax revenue was \$3,695,370 less than budgeted. This reflects the effect of the recession experienced nation-wide in 2009.
- Sales tax mitigation remittances from the state totaled \$1,588,563. These were not budgeted and provide a favorable variance between budget and actual.
- Proceeds from the sale of capital assets provided a \$942,088 favorable variance from budget due to unexpected real and other property sales during the year.
- The City spent \$902,315 more than budgeted for public safety.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for both its governmental and business-type activities as of December 31, 2009 totaled \$226.9 million (net of accumulated depreciation), an increase of \$16.5 million from 2008. This investment in capital assets includes land, buildings, improvements, machinery and equipment, construction in progress, utility transmission/distribution systems, roads, bridges, and other infrastructure.

Major capital asset changes during the year include:

- Tukwila South Annexation of various developer roadways, a bridge and street lighting totaled \$3.6 million.
- Westfield Southcenter street lighting and traffic signal turnovers totaled \$296,363.
- Tukwila International Boulevard Phase II Project amounted to \$5.033 million.
- Tukwila International Boulevard Phase III Project amounted to \$4.045 million.
- Various repair and overlay projects to the City's major arterials totaled \$1.95 million.
- Tukwila Urban Center Access Project (Klickitat/Southcenter Parkway/I-5 Access Revision) totaled \$1.76 million.

A summary of the City's net assets follows:

Summary of Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	As of 12/31/09	As of 12/31/08	As of 12/31/09	As of 12/31/08	As of 12/31/09	As of 12/31/08
Land	\$ 39,352,086	\$ 38,918,823	\$ 1,907,416	\$ 1,907,416	\$ 41,259,502	\$ 40,826,239
Buildings	15,293,399	15,018,864	8,717,717	9,007,157	24,011,116	24,026,021
Other Improvements	4,674,630	5,081,763	40,349,296	40,737,818	45,023,925	45,819,581
Machinery and Equipment	6,550,878	6,542,435	931,147	1,054,136	7,482,026	7,596,571
Infrastructure	85,548,855	82,790,025	-	-	85,548,855	82,790,025
Construction in Progress	21,322,810	8,186,944	2,267,865	1,135,477	23,590,675	9,322,421
Total	<u>\$172,742,658</u>	<u>\$156,538,854</u>	<u>\$ 54,173,441</u>	<u>\$ 53,842,004</u>	<u>\$226,916,098</u>	<u>\$210,380,858</u>

More detailed information on capital assets is provided in note 6.

Long-term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$22,515,000. Of this amount, \$17,725,000 is general obligation bonds, and \$4,790,000 is revenue bonds for the water/sewer and surface water utilities. The City currently maintains a rating of A1 with Moody's for its general obligation debt.

The following schedule summarizes the City's bonded debt:

Summary of bonded debt

	Governmental Activities		Business-type Activities		Total	
	As of 12/31/09	As of 12/31/08	As of 12/31/09	As of 12/31/08	As of 12/31/09	As of 12/31/08
General obligation bonds	\$ 14,301,203	\$ 15,442,500	\$ 3,423,797	\$ 3,642,500	\$ 17,725,000	\$ 19,085,000
Revenue bonds	-	-	4,790,000	5,165,000	4,790,000	5,165,000
	<u>\$ 14,301,203</u>	<u>\$ 15,442,500</u>	<u>\$ 8,213,797</u>	<u>\$ 8,807,500</u>	<u>\$ 22,515,000</u>	<u>\$ 24,250,000</u>

Below is a summary of additional, non-bonded long-term debt of the City:

Other Long-term Debt

Public Works Trust Fund loans	\$	8,405,397
Employee leave benefits		2,815,474
Due to other governments		8,151,800
	<u>\$</u>	<u>19,372,671</u>

More detailed information on long-term debt is provided in note 10, page 78.

Economic Factors

The outlook for 2010 is positive despite the recession that the region and nation are currently experiencing. The City of Tukwila has a small residential population, yet the City works hard to serve the regional economy and has become an economic powerhouse providing jobs and revenue for the region and State. Three major pending developments will have significant positive impacts on the future of Tukwila's economy:

- Tukwila South -- In 2009, the City executed development agreements and completed annexation of 259 acres as part of the 500 acre Tukwila South development. The annexation will add approximately \$8.6 million in assessed value to the City of Tukwila and the entire project could add up to 10 million square feet of new development valued at up to \$3 billion.
- Sound Transit Light Rail Station -- In 2009, Sound Transit opened a newly constructed light rail station in Tukwila valued at over \$30 million. As a public project, the facility is exempt from property taxes; however, it may encourage new development and redevelopment in the surrounding neighborhood.
- Bow Lake Transfer Station -- King County is constructing a new facility to replace the existing Bow Lake Waste and Recycling Transfer Station. The \$25 million project started construction in 2009 and is scheduled to be completed in 2012. This project generates development fees but as a public project it will not increase property taxes for the City of Tukwila.

- New Commercial Buildings -- In 2009, the largest new commercial developments completed were a new McDonald's restaurant, a new Fidelity Investors financial services office, and a new bank storage building. The combined projects' construction cost totaled over \$4 million and will generate additional sales tax revenue for the City.
- Major Tenant Improvements --The largest new tenant improvements were completed for the Seattle Sounders FC team facilities at the Starfire Sports Complex, Old Spaghetti Factory restaurant, and Aviation Partners totaling over \$3 million.
- Largest Renovations -- The largest renovations were completed for the BECU Financial Center, Quest building, and Costco deli totaling over \$3 million.
- Largest Equipment Installations -- The largest equipment installations completed were for generators and computer communication equipment totaling approximately \$5 million.

Requests for Information

This financial report is designed to provide a general overview of the City of Tukwila's finances for readers with an interest in the City's finances. Questions concerning this report, or requests for additional information, may be addressed to the Finance Director, City of Tukwila, 6200 Southcenter Blvd, Tukwila, WA 98188-2544.



GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City presents two government-wide financial statements:

The Statement of Net Assets provides information on all City assets and liabilities, with the difference between the two reported as net assets.

The Statement of Activities is focused on both the gross and net cost of various functions, including both governmental and business-type activities, which are supported by the City's general tax and other revenues.



CITY OF TUKWILA, WASHINGTON
STATEMENT OF NET ASSETS
 DECEMBER 31, 2009

	PRIMARY GOVERNMENT		TOTAL
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
ASSETS:			
CASH AND CASH EQUIVALENTS (Note 3)	\$ 19,975,425	\$ 8,473,059	\$ 28,448,484
INVESTMENTS (Note 3)	8,016,325	1,313,231	9,329,556
RECEIVABLES:			
TAXES (Note 4)	3,663,369	63,946	3,727,315
CUSTOMER ACCOUNTS	845,167	912,604	1,757,771
INTEREST ON INVESTMENTS	2,421	10,549	12,970
DUE FROM OTHER GOVERNMENTAL UNITS (Note 4)	2,860,614	94,677	2,955,291
INVENTORY OF MATERIALS AND SUPPLIES	565,732	534,865	1,100,597
NET PENSION ASSET	258,764	-	258,764
INVESTMENT IN JOINT VENTURE (Note 7)	9,929,639	-	9,929,639
RESTRICTED ASSETS:			
CASH AND CASH EQUIVALENTS (Note 3)	33,694	512,499	546,193
NOTES RECEIVABLE	30,000	499,314	529,314
DEFERRED CHARGES	13,199	136,928	150,127
NON-DEPRECIABLE CAPITAL ASSETS (Note 6)	60,674,896	4,175,280	64,850,176
DEPRECIABLE CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION): (Note 6)	112,067,762	49,998,159	162,065,921
PLANT ACQUISITION ADJUSTMENT (NET OF ACCUMULATED AMORTIZATION)	-	62,475	62,475
TOTAL ASSETS	218,937,007	66,787,586	285,724,593
LIABILITIES:			
ACCOUNTS PAYABLE	369,272	106,846	476,118
ACCRUED WAGES AND BENEFITS PAYABLE	1,228,314	303,448	1,531,762
DUE TO OTHER GOVERNMENTAL UNITS	8,133,151	-	8,133,151
ACCRUED INTEREST PAYABLE	124,223	94,650	218,873
REVENUES COLLECTED IN ADVANCE	75,749	-	75,749
OTHER CURRENT LIABILITIES	1,549,249	-	1,549,249
PAYABLE FROM RESTRICTED ASSETS:			
REVENUE BOND PRINCIPAL (Note 10)	-	579,972	579,972
DEPOSITS	3,000	52,317	55,317
UNEARNED REVENUE	501,001	14,551	515,552
BONDS AND OTHER DEBT PAYABLE:			
DUE WITHIN ONE YEAR (Note 10)	3,241,963	616,554	3,858,517
DUE IN MORE THAN ONE YEAR (Note 10)	13,653,683	15,540,979	29,194,662
UNFUNDED OTHER POST EMPLOYMENT BENEFITS (Note 9)	1,818,820	-	1,818,820
TOTAL LIABILITIES	30,698,425	17,309,317	48,007,742
NET ASSETS:			
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	155,847,012	38,052,488	193,899,500
RESTRICTED NET ASSETS:			
CAPITAL PROJECTS	7,101,258	8,173	7,109,431
SPECIAL REVENUE FUND PROJECTS	9,123,401	-	9,123,401
DEBT SERVICE	135,438	430,446	565,884
UNRESTRICTED NET ASSETS	16,031,473	10,987,162	27,018,635
TOTAL NET ASSETS	\$ 188,238,582	\$ 49,478,269	\$ 237,716,851

The notes to the financial statements are an integral part of this statement.

CITY OF TUKWILA, WASHINGTON
STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2009

Page 1 of 2

	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
FUNCTIONS / PROGRAMS:				
PRIMARY GOVERNMENT				
GOVERNMENTAL ACTIVITIES:				
GENERAL GOVERNMENT	\$ 6,689,659	\$ 1,136,642	\$ 176,857	\$ -
PUBLIC SAFETY	26,959,352	572,094	961,824	524,675
TRANSPORTATION	5,541,367	103,311	39,915	8,847,729
PHYSICAL ENVIRONMENT	2,575,405	-	1,395,570	4,231,132
CULTURE AND RECREATION	4,914,256	647,354	45,068	1,180,538
ECONOMIC ENVIRONMENT	4,637,531	1,001,511	767,035	-
MENTAL AND PHYSICAL HEALTH	4,332	-	-	-
INTEREST ON LONG-TERM DEBT	753,904	-	-	-
	<u>52,075,806</u>	<u>3,460,912</u>	<u>3,386,269</u>	<u>14,784,074</u>
BUSINESS-TYPE ACTIVITIES:				
WATER/SEWER	9,293,434	10,124,653	-	331,393
SURFACE WATER	2,299,394	2,641,313	-	184,240
FOSTER GOLF COURSE	2,050,172	1,424,594	-	-
	<u>13,643,000</u>	<u>14,190,560</u>	<u>-</u>	<u>515,633</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 65,718,806</u>	<u>\$ 17,651,472</u>	<u>\$ 3,386,269</u>	<u>\$ 15,299,707</u>

GENERAL REVENUES:

PROPERTY TAXES
 RETAIL SALES AND USE TAXES
 NATURAL GAS USE TAX
 HOTEL/MOTEL TAXES
 UTILITY TAXES
 INTERFUND UTILITY TAXES
 BUSINESS TAXES
 EXCISE TAXES
 STATE ENTITLEMENTS
 UNRESTRICTED INVESTMENT EARNINGS
 GAIN (LOSS) ON SALE OF CAPITAL ASSETS

TRANSFERS (Note 5)

TOTAL GENERAL REVENUES

CHANGE IN NET ASSETS

NET ASSETS - BEGINNING

NET ASSETS - ENDING

Page 2 of 2

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (5,376,160)	\$ -	\$ (5,376,160)
(24,900,759)	-	(24,900,759)
3,449,588	-	3,449,588
3,051,297	-	3,051,297
(3,041,296)	-	(3,041,296)
(2,868,985)	-	(2,868,985)
(4,332)	-	(4,332)
(753,904)	-	(753,904)
<u>(30,444,551)</u>	<u>-</u>	<u>(30,444,551)</u>
-	1,162,612	1,162,612
-	526,159	526,159
-	(625,578)	(625,578)
-	1,063,193	1,063,193
<u>\$ (30,444,551)</u>	<u>\$ 1,063,193</u>	<u>\$ (29,381,358)</u>
\$ 11,901,072	\$ -	\$ 11,901,072
14,588,297	327,999	14,916,296
748,772	-	748,772
489,806	-	489,806
5,577,583	-	5,577,583
1,813,277	-	1,813,277
3,196,178	-	3,196,178
367,198	-	367,198
2,233,445	-	2,233,445
246,287	106,032	352,319
980,267	(264,093)	716,174
1,601,200	(1,601,200)	-
<u>43,743,382</u>	<u>(1,431,262)</u>	<u>42,312,120</u>
<u>13,298,831</u>	<u>(368,069)</u>	<u>12,930,762</u>
174,939,751	49,846,338	224,786,089
<u>\$ 188,238,582</u>	<u>\$ 49,478,269</u>	<u>\$ 237,716,851</u>

MAJOR GOVERNMENTAL FUNDS

General Fund

The general fund accounts for all of the City's financial resources except those required by statute or generally accepted accounting principles to be accounted for in another fund. As is the case with most municipalities, the general fund is the largest and most important accounting entity of the City. As noted in the statements that follow, the general fund receives the bulk of its revenues from local taxes, followed by State shared revenues, service charges, and other income.

The general fund is accounted for on a modified accrual basis. Biennial budgets are adopted with appropriations lapsing at the end of each year of the biennium.

Arterial Street Fund

This fund is supported by the State's one-half cent gas tax and is used for major street construction.

Land Acquisition, Recreation and Park Development Fund

This fund is to be used for the acquisition of land, development of land, and construction of park facilities. Street, Utility, Golf Course improvements, or general government facilities improvements are not included in this fund.

CITY OF TUKWILA, WASHINGTON
BALANCE SHEET
GOVERNMENTAL FUNDS
 DECEMBER 31, 2009

	GENERAL FUND	ARTERIAL STREET	LAND ACQ. REC & PARK DEVELOPMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
CASH AND CASH EQUIVALENTS	\$ 2,584,279	\$ 989,545	\$ 3,208,981	\$ 5,018,349	\$ 11,801,154
INVESTMENTS	1,670,144	3,553,220	1,134,648	647,807	7,005,819
RECEIVABLES:					
TAXES	2,799,885	406,218	39,710	417,556	3,663,369
CUSTOMER ACCOUNTS	807,627	37,389	30,000	-	875,016
DUE FROM OTHER GOVERNMENTAL UNITS	1,504,872	850,212	476,415	29,115	2,860,614
DEFERRED CHARGES	13,199	-	-	-	13,199
TOTAL ASSETS	\$ 9,380,006	\$ 5,836,584	\$ 4,889,754	\$ 6,112,827	\$ 26,219,171
LIABILITIES AND FUND BALANCES:					
ACCOUNTS PAYABLE	\$ 184,516	\$ 13,325	\$ 134,535	\$ 33,227	\$ 365,603
ACCRUED WAGES & BENEFITS	1,193,736	2,484	572	16,003	1,212,795
RETAINAGE PAYABLE	81,815	-	3,672	29,383	114,870
REVENUES COLLECTED IN ADVANCE	99,475	-	-	-	99,475
OTHER CURRENT LIABILITIES	172,899	-	500	2,500	175,899
DEFERRED REVENUE	258,135	-	82,130	160,737	501,002
TOTAL LIABILITIES	1,990,576	15,809	221,409	241,850	2,469,644
FUND BALANCES:					
RESERVED FOR:					
IMPREST FUNDS	17,900	-	-	-	17,900
UNRESERVED, REPORTED IN:					
GENERAL FUND	7,371,530	-	-	-	7,371,530
SPECIAL REVENUE FUNDS	-	5,820,775	-	3,302,626	9,123,401
CAPITAL PROJECT FUNDS	-	-	4,668,345	2,432,913	7,101,258
DEBT SERVICE FUNDS	-	-	-	135,438	135,438
TOTAL FUND BALANCES	7,389,430	5,820,775	4,668,345	5,870,977	23,749,527
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,380,006	\$ 5,836,584	\$ 4,889,754	\$ 6,112,827	\$ 26,219,171
Total governmental fund balances as reported on this statement					\$ 23,749,527
Amounts reported for governmental activities in the statement of net assets are different because:					
The purchases method is used in Governmental Funds to account for Materials and Supplies - Inventory amount outstanding.					
					556,701
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.					
Non-Depreciable Assets				\$ 60,674,896	
Depreciable Assets (Net)				108,921,441	
					169,596,337
The net pension asset resulting from contributions in excess of the annual required contribution in 2009 are not financial resources and therefore is not reported in the funds.					
					258,764
The City has an equity interest in a joint venture. This equity interest for the provision of governmental services is not a current financial resource and therefore is not reported in the funds.					
					9,929,639
Deferred revenue reported for property taxes that are current and prior year tax levies that were not collected and available to pay current year liabilities applicable to beginning net assets and current year revenues.					
					23,731
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.					
Long Term Liabilities Due Within One Year				\$ (3,241,963)	
Long Term Liabilities Due in More Than One Year				(13,653,683)	
Due to Other Governmental Units				(8,133,151)	
Unfunded Other Post Employment Benefits				(1,818,820)	
Accrued Interest Payable				(124,223)	
					(26,971,840)
Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet maintenance, to individual funds. The assets and liabilities of these internal service funds are included in governmental activities in the statement of net assets.					
					11,095,723
Net assets of government activities as reported on the statement of net assets					\$ 188,238,582

The notes to the financial statements are an integral part of this statement.

CITY OF TUKWILA, WASHINGTON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	GENERAL FUND	ARTERIAL STREET	LAND ACQ. REC & PARK DEVELOPMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
TAXES	\$ 32,827,941	\$ 1,745,694	\$ 291,408	\$ 2,302,238	\$ 37,167,281
LICENSES AND PERMITS	1,283,463	-	-	-	1,283,463
INTERGOVERNMENTAL	5,932,815	8,973,989	1,144,221	1,545,461	17,596,486
CHARGES FOR SERVICES	1,412,571	-	17,767	13,342	1,443,680
FINES AND FORFEITURES	230,273	-	-	71,488	301,761
INVESTMENT EARNINGS	118,713	73,959	36,317	53,615	282,604
MISCELLANEOUS	487,762	127,623	42,329	44,243	701,957
TOTAL REVENUES	42,293,538	10,921,265	1,532,042	4,030,387	58,777,232
EXPENDITURES:					
CURRENT:					
GENERAL GOVERNMENT	8,574,563	-	-	-	8,574,563
SECURITY OF PERSONS AND PROPERTY	25,453,812	-	-	123,120	25,576,932
PHYSICAL ENVIRONMENT	1,881,425	-	-	177,488	2,058,913
TRANSPORTATION	2,252,639	81,659	-	-	2,334,298
ECONOMIC ENVIRONMENT	3,394,684	-	-	1,206,707	4,601,391
MENTAL AND PHYSICAL HEALTH	4,332	-	-	-	4,332
CULTURE AND RECREATION	4,357,906	-	7,117	-	4,365,023
DEBT SERVICE:					
PRINCIPAL	-	-	-	1,316,297	1,316,297
INTEREST AND OTHER COSTS	-	-	-	778,018	778,018
CAPITAL OUTLAY	126,526	14,835,027	745,012	1,153,797	16,860,362
TOTAL EXPENDITURES	46,045,887	14,916,686	752,129	4,755,427	66,470,129
EXCESS (DEFICIENCY) OF REVENUES					
OVER (UNDER) EXPENDITURES	(3,752,349)	(3,995,421)	779,913	(725,040)	(7,692,897)
OTHER FINANCING SOURCES (USES):					
SALES OF CAPITAL ASSETS	989,608	25,000	-	-	1,014,608
TRANSFERS IN (Note 5)	3,156,300	-	-	709,444	3,865,744
TRANSFERS OUT (Note 5)	(709,444)	(615,350)	(58,150)	(851,500)	(2,234,444)
GENERAL OBLIGATION BONDS ISSUED	-	-	-	6,947,574	6,947,574
PAYMENT TO FISCAL AGENT	-	-	-	(6,880,397)	(6,880,397)
TOTAL OTHER FINANCING SOURCES AND USES	3,436,464	(590,350)	(58,150)	(74,879)	2,713,085
NET CHANGE IN FUND BALANCES	(315,885)	(4,585,771)	721,763	(799,919)	(4,979,812)
FUND BALANCES - BEGINNING	7,705,315	10,406,546	3,946,582	6,670,896	28,729,339
FUND BALANCES - ENDING	\$ 7,389,430	\$ 5,820,775	\$ 4,668,345	\$ 5,870,977	\$ 23,749,527

The notes to the financial statements are an integral part of this statement.

CITY OF TUKWILA, WASHINGTON
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES OF GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES**
 FOR THE YEAR ENDED DECEMBER 31, 2009

Net change in fund balances per the Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ (4,979,812)
Amount reported as change in net assets in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, these amounts are:	
Capital Outlay	\$ 17,802,173
Developer Contributions	3,943,420
Depreciation Expense	<u>(5,507,446)</u>
Excess of Capital Outlay and Donations Over Depreciation Expense	16,238,147
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	(34,341)
The net pension asset (negative net pension obligation) amortization amount in 2009 is not a financial resource and therefore not reported in the funds.	10,343
The City has equity interests in two joint ventures. The equity interests for the provision of governmental services are not current financial resources and therefore are not reported in the funds.	524,675
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of:	
Bond Principal Retirement	1,316,297
Issuance of long-term debt is reported as revenue in governmental funds, but the issuance increases long-term liabilities in the statement of net assets.	
Proceeds from Issuance of Bonds	\$ (6,947,574)
Payment to Fiscal Agent	<u>6,880,396</u>
	(67,178)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	1,837,155
Because some revenues will not be collected for several months after the City's fiscal year ends, they are not considered "available" revenues in the government funds. Deferred revenues decreased by this amount this year.	(452,161)
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 governmental funds. These activities consist of:	
Increase in Accrued Interest	\$ (62,367)
Increase in Compensated Absences	(46,400)
Increase in Unfunded Other Post Employment Benefits	(1,009,639)
Amortization of Bond Discount and Deferred Charges	(11,872)
Amortization of Bond Premiums	<u>35,984</u>
Total Additional Expense (Increase) Decrease	(1,094,294)
Change in net assets on the Statement of Activities	<u>\$ 13,298,831</u>

The notes to the financial statements are an integral part of this statement.

CITY OF TUKWILA, WASHINGTON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
TAXES	\$ 33,159,118	\$ 35,403,118	\$ 32,827,941	\$ (2,575,177)
LICENSES AND PERMITS	2,202,000	2,202,000	1,283,463	(918,537)
INTERGOVERNMENTAL	2,703,000	4,043,124	5,932,815	1,889,691
CHARGES FOR SERVICES	2,214,000	2,214,000	1,412,571	(801,429)
FINES AND FORFEITURES	229,000	229,000	230,273	1,273
INVESTMENT EARNINGS	480,000	480,000	118,713	(361,287)
MISCELLANEOUS	485,000	285,000	487,762	202,762
TOTAL REVENUES	41,472,118	44,856,242	42,293,538	(2,562,704)
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	7,850,288	8,615,670	8,574,563	41,107
PUBLIC SAFETY	24,021,002	26,356,125	25,453,810	902,315
PHYSICAL ENVIRONMENT	2,113,764	2,053,261	1,881,425	171,836
TRANSPORTATION	2,623,041	2,529,898	2,252,639	277,259
ECONOMIC ENVIRONMENT	2,967,895	3,362,385	3,394,684	(32,299)
MENTAL & PHYSICAL HEALTH	4,000	4,000	4,332	(332)
CULTURE AND RECREATION	4,556,888	4,473,384	4,357,906	115,478
CAPITAL OUTLAY	463,571	316,821	126,527	190,294
TOTAL EXPENDITURES	44,600,449	47,711,544	46,045,887	1,665,657
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,128,331)	(2,855,302)	(3,752,349)	(897,047)
OTHER FINANCING SOURCES (USES):				
SALES OF CAPITAL ASSETS	70,000	70,000	989,608	919,608
TRANSFERS IN (Note 5)	2,305,000	3,091,500	3,156,300	64,800
TRANSFERS OUT (Note 5)	(458,797)	(709,444)	(709,444)	-
TOTAL OTHER FINANCING SOURCES AND USES	1,916,203	2,452,056	3,436,464	984,408
NET CHANGE IN FUND BALANCES	(1,212,128)	(403,246)	(315,885)	87,361
FUND BALANCES - BEGINNING	7,705,315	7,705,315	7,705,315	-
FUND BALANCES - ENDING	\$ 6,493,187	\$ 7,302,069	\$ 7,389,430	\$ 87,361

The notes to the financial statements are an integral part of this statement.

CITY OF TUKWILA, WASHINGTON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ARTERIAL STREET FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
TAXES	\$ 3,290,000	\$ 2,790,000	\$ 1,745,694	\$ (1,044,306)
INTERGOVERNMENTAL	14,907,000	14,907,000	8,973,989	(5,933,011)
INVESTMENT EARNINGS	300,000	300,000	73,959	(226,041)
MISCELLANEOUS	4,704,000	4,704,000	127,623	(4,576,377)
TOTAL REVENUES	23,201,000	22,701,000	10,921,265	(11,779,735)
EXPENDITURES:				
CURRENT:				
TRANSPORTATION	-	-	81,659	(81,659)
CAPITAL OUTLAY	26,110,264	25,494,940	14,835,027	10,659,913
TOTAL EXPENDITURES	26,110,264	25,494,940	14,916,686	10,578,254
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(2,909,264)	(2,793,940)	(3,995,421)	(1,201,481)
OTHER FINANCING SOURCES (USES):				
SALE OF CAPITAL ASSETS	-	-	25,000	25,000
TRANSFERS OUT (Note 5)	(615,324)	(615,324)	(615,350)	(26)
TOTAL OTHER FINANCING SOURCES AND USES	(615,324)	(615,324)	(590,350)	24,974
NET CHANGE IN FUND BALANCES	(3,524,588)	(3,409,264)	(4,585,771)	(1,176,507)
FUND BALANCES - BEGINNING	10,406,546	10,406,546	10,406,546	-
FUND BALANCES - ENDING	\$ 6,881,958	\$ 6,997,282	\$ 5,820,775	\$ (1,176,507)

The notes to the financial statements are an integral part of this statement.



MAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

The City's enterprise funds are used to account for operations that are financed and operated in a manner similar to private business operations. The goods and services these funds provide to the general public are primarily financed by service charges. Enterprise funds are self-supporting and use the accrual method of accounting. Tukwila has three major enterprise funds.

Water/Sewer Utility Fund

This fund accounts for all maintenance, construction, and debt service requirements associated with the water and sanitary sewer system.

Foster Golf Course Fund

Accounts for services, maintenance, and operations associated with the Foster Golf Course.

Surface Water Utility Fund

This fund accounts for the maintenance, construction and debt service requirements of Tukwila's storm drainage system.

CITY OF TUKWILA, WASHINGTON
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
 DECEMBER 31, 2009

	WATER/SEWER UTILITY	FOSTER GOLF COURSE	SURFACE WATER UTILITY	TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
ASSETS:					
CURRENT ASSETS:					
CASH AND CASH EQUIVALENTS	\$ 6,462,281	\$ 103,773	\$ 1,907,005	\$ 8,473,059	\$ 8,207,965
INVESTMENTS	1,211,868	-	101,363	1,313,231	1,010,505
RECEIVABLES:					
TAXES	-	63,946	-	63,946	-
CUSTOMER ACCOUNTS	796,621	9,099	106,884	912,604	152
INTEREST ON INVESTMENTS	4,668	1,049	4,832	10,549	2,420
DUE FROM OTHER GOVERNMENTAL UNITS	6,854	-	87,823	94,677	-
INVENTORY OF MATERIALS AND SUPPLIES	246,361	242,174	46,330	534,865	9,031
CURRENT ASSETS RESTRICTED:					
CASH AND CASH EQUIVALENTS	3,000	79,053	-	82,053	-
TOTAL CURRENT ASSETS	8,731,653	499,094	2,254,237	11,484,984	9,230,073
NONCURRENT ASSETS:					
RESTRICTED CASH, BOND RESERVES	393,549	-	36,897	430,446	-
NOTES RECEIVABLE	499,314	-	-	499,314	-
DEFERRED CHARGES	59,933	68,822	8,173	136,928	-
CAPITAL ASSETS:					
LAND	156,872	1,609,575	140,969	1,907,416	-
BUILDINGS AND EQUIPMENT	3,606,095	6,627,496	909,455	11,143,046	-
OTHER IMPROVEMENTS	31,354,846	3,453,319	28,856,897	63,665,062	-
MACHINERY AND EQUIPMENT	2,119,762	208,556	48,247	2,376,565	8,838,519
CONSTRUCTION IN PROGRESS	397,856	-	1,870,008	2,267,864	-
LESS: ACCUMULATED DEPRECIATION	(13,593,780)	(3,308,081)	(10,284,653)	(27,186,514)	(5,692,198)
TOTAL CAPITAL ASSETS (NET OF A/D)	24,041,651	8,590,865	21,540,923	54,173,439	3,146,321
PLANT ACQUISITION ADJUSTMENT (NET OF ACCUMULATED AMORTIZATION)	62,475	-	-	62,475	-
TOTAL NONCURRENT ASSETS	25,056,922	8,659,687	21,585,993	55,302,602	3,146,321
TOTAL ASSETS	33,788,575	9,158,781	23,840,230	66,787,586	12,376,394
LIABILITIES:					
CURRENT LIABILITIES:					
ACCOUNTS PAYABLE	22,544	16,526	67,776	106,846	-
ACCRUED WAGES AND BENEFITS	101,780	100,165	101,503	303,448	15,518
ACCRUED INTEREST PAYABLE	70,272	12,374	12,004	94,650	-
OTHER CURRENT LIABILITIES	287,341	-	329,213	616,554	1,265,152
UNEARNED REVENUE	14,551	-	-	14,551	-
REVENUE BOND PRINCIPAL DEPOSITS	380,600	184,972	14,400	579,972	-
DEPOSITS	3,000	49,317	-	52,317	-
TOTAL CURRENT LIABILITIES	880,088	363,354	524,896	1,768,338	1,280,670
NONCURRENT LIABILITIES:					
REVENUE BONDS PAYABLE (NET OF UNAMORTIZED PREMIUMS)	4,121,370	3,264,507	334,177	7,720,054	-
COMPENSATED ABSENCES	25,313	4,422	2,347	32,082	-
OTHER LONG-TERM LIABILITIES	3,979,405	-	3,809,438	7,788,843	-
TOTAL NONCURRENT LIABILITIES	8,126,088	3,268,929	4,145,962	15,540,979	-
TOTAL LIABILITIES	9,006,176	3,632,283	4,670,858	17,309,317	1,280,670
NET ASSETS:					
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	15,534,963	5,136,964	17,380,561	38,052,488	3,146,321
RESTRICTED FOR:					
CAPITAL PROJECTS	-	-	8,173	8,173	-
DEBT SERVICE	393,549	-	36,897	430,446	-
UNRESTRICTED	8,853,888	389,534	1,743,740	10,987,162	7,949,403
TOTAL NET ASSETS	\$ 24,782,400	\$ 5,526,498	\$ 19,169,371	\$ 49,478,269	\$ 11,095,724

CITY OF TUKWILA, WASHINGTON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	WATER/SEWER UTILITY	FOSTER GOLF COURSE	SURFACE WATER UTILITY	TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
OPERATING REVENUES:					
CHARGES FOR SERVICES	\$ 9,649,321	\$ 1,423,746	\$ 2,547,239	\$ 13,620,306	\$ 7,914,503
INTERGOVERNMENTAL	85,580	-	94,074	179,654	-
OTHER OPERATING REVENUE	389,754	847	-	390,601	1,371
TOTAL OPERATING REVENUES	10,124,655	1,424,593	2,641,313	14,190,561	7,915,874
OPERATING EXPENSES:					
OPERATIONS & MAINTENANCE	6,267,340	1,567,579	1,003,541	8,838,460	5,358,350
ADMINISTRATIVE AND GENERAL	141,377	-	251,353	392,730	2,002
TAXES	1,711,432	6,445	415,440	2,133,317	-
DEPRECIATION AND AMORTIZATION	916,900	316,363	590,888	1,824,151	736,332
TOTAL OPERATING EXPENSES	9,037,049	1,890,387	2,261,222	13,188,658	6,096,684
OPERATING INCOME (LOSS)	1,087,606	(465,794)	380,091	1,001,903	1,819,190
NON-OPERATING REVENUE (EXPENSE):					
TAXES	-	327,999	-	327,999	-
INVESTMENT EARNINGS	71,710	3,079	31,241	106,030	65,305
INTEREST EXPENSE	(257,358)	(156,684)	(38,042)	(452,084)	-
SALE OF CAPITAL ASSETS	(264,262)	400	(231)	(264,093)	93,893
AMORTIZATION OF BOND PREMIUM	10,797	1,845	353	12,996	-
AMORTIZATION OF BOND DISCOUNT	(6,093)	-	-	(6,093)	-
BOND ISSUE COSTS	(3,731)	(4,945)	(483)	(9,159)	-
TOTAL NON-OPERATING REVENUE (EXPENSE)	(448,937)	171,694	(7,162)	(284,405)	159,198
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	638,669	(294,100)	372,929	717,498	1,978,388
CAPITAL CONTRIBUTIONS	331,393	-	184,240	515,633	43,232
TRANSFERS IN (Note 5)	150,877	-	-	150,877	162,000
TRANSFERS OUT (Note 5)	(1,324,027)	(12,650)	(415,400)	(1,752,077)	(192,100)
CHANGE IN NET ASSETS	(203,088)	(306,750)	141,769	(368,069)	1,991,520
TOTAL NET ASSETS BEGINNING OF YEAR	24,985,488	5,833,248	19,027,602	49,846,338	9,104,204
TOTAL NET ASSETS END OF YEAR	\$ 24,782,400	\$ 5,526,498	\$ 19,169,371	\$ 49,478,269	\$ 11,095,724

The notes to the financial statements are an integral part of this statement.

CITY OF TUKWILA, WASHINGTON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009

Page 1 of 2

	WATER/SEWER UTILITY	FOSTER GOLF COURSE	SURFACE WATER UTILITY	TOTAL ENTERPRISE FUNDS	GOVERNMENT ACTIVITIES INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:					
CASH RECEIVED FROM USERS	\$ 9,902,567	\$ 1,438,188	\$ 2,441,569	\$ 13,782,324	\$ 7,914,503
CASH PAID TO SUPPLIERS	(5,358,703)	(390,249)	(392,754)	(6,141,706)	(4,757,785)
CASH PAID FOR TAXES	(1,711,432)	(68,195)	(415,440)	(2,195,067)	-
CASH PAID FOR INVENTORY	(15,943)	(82,050)	-	(97,993)	(77,299)
CASH PAID TO EMPLOYEES	(1,054,191)	(997,798)	(992,791)	(3,044,780)	(470,996)
OTHER CASH RECEIVED (PAID)	36,972	3,079	-	40,051	(35,141)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,799,270	(97,024)	640,584	2,342,830	2,573,280
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
SALES AND LEASEHOLD EXCISE TAXES RECEIVED	-	327,999	-	327,999	-
TRANSFERS IN	-	-	-	-	162,000
TRANSFERS OUT	(1,324,027)	(12,650)	(415,400)	(1,752,077)	(192,100)
NET CASH PROVIDED (USED) BY NON- CAPITAL FINANCING ACTIVITIES	(1,324,027)	315,349	(415,400)	(1,424,078)	(30,100)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
PROCEEDS FROM SALE OF EQUIPMENT	(264,262)	400	-	(263,862)	93,893
PURCHASE OF CAPITAL ASSETS	(366,601)	(45,274)	(1,557,547)	(1,969,422)	(847,466)
CONTRIBUTED CAPITAL	482,270	-	-	482,270	-
PROCEEDS FROM INSURANCE SETTLEMENT	-	-	-	-	(3,552)
PREMIUM & BOND ISSUANCE COSTS	10,797	1,736	-	12,533	-
PRINCIPAL PAYMENT ON DEBT	(653,243)	(232,214)	(343,367)	(1,228,824)	-
INTEREST PAYMENT ON DEBT	(270,105)	(157,288)	278,358	(149,035)	-
NET CASH PROVIDED (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(1,061,144)	(432,640)	(1,622,556)	(3,116,340)	(757,125)
CASH FLOW FROM INVESTING ACTIVITIES:					
PROCEEDS FROM SALE OF INVESTMENTS	1,880,538	382,670	1,428,833	3,692,041	1,752,933
PURCHASE OF INVESTMENTS	(1,407,639)	(130,000)	(100,000)	(1,637,639)	(1,309,545)
INTEREST RECEIVED	74,902	(382)	31,154	105,674	77,905
NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	547,801	252,288	1,359,987	2,160,076	521,293
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
CASH AND CASH EQUIVALENTS-BEGINNING OF YEAR	6,896,930	144,854	1,981,287	9,023,071	5,900,615
CASH AND CASH EQUIVALENTS-END OF YEAR	\$ 6,858,830	\$ 182,826	\$ 1,943,902	\$ 8,985,558	\$ 8,207,964
CASH AT END OF YEAR CONSISTS OF:					
CASH AND CASH EQUIVALENTS	\$ 6,462,281	\$ 103,773	\$ 1,907,005	\$ 8,473,059	\$ 8,207,964
RESTRICTED CASH-BOND PAYMENTS	393,549	79,053	36,897	509,499	-
RESTRICTED CASH-CUSTOMER DEPOSITS	3,000	-	-	3,000	-
TOTAL CASH	\$ 6,858,830	\$ 182,826	\$ 1,943,902	\$ 8,985,558	\$ 8,207,964

CITY OF TUKWILA, WASHINGTON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009

Page 2 of 2

	WATER/SEWER UTILITY	FOSTER GOLF COURSE	SURFACE WATER UTILITY	TOTAL ENTERPRISE FUNDS	GOVERNMENT ACTIVITIES INTERNAL SERVICE FUNDS
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
OPERATING INCOME (LOSS)	\$ 1,087,605	\$ (465,793)	\$ 380,091	\$ 1,001,903	\$ 1,819,190
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
DEPRECIATION	916,901	316,363	590,888	1,824,152	736,332
ASSET (INCREASES) DECREASES :					
ACCOUNTS RECEIVABLE	(118,193)	(9,099)	(23,838)	(151,130)	-
MISCELLANEOUS AR-REVENUE	4,325	15,503	(175,906)	(156,078)	27,232
INVENTORY	(15,943)	9,352	1,108	(5,483)	28,968
LIABILITY INCREASES (DECREASES) :					
ACCOUNTS & VOUCHERS PAYABLE	(11,023)	16,525	(62,223)	(56,721)	(38,440)
DEPOSITS PAYABLE	(71,248)	10,269	(23,846)	(84,825)	-
WAGES & BENEFITS PAYABLE	67,372	70,637	-	138,009	-
COMPENSATED ABSENCES PAYABLE	(60,527)	(60,781)	(45,690)	(166,998)	-
TOTAL ADJUSTMENTS	711,664	368,769	260,493	1,340,927	754,092
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 1,799,269	\$ (97,024)	\$ 640,584	\$ 2,342,830	\$ 2,573,282
SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
CAPITAL ASSETS ACQUIRED BY CONTRIBUTED CAPITAL	\$ 348,430	\$ -	\$ 184,240	\$ 532,670	\$ 43,232
INCREASE (DECREASE) IN FAIR VALUE OF INVESTMENT	4,230	-	12,833	17,063	2,148
TOTAL NON CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	\$ 352,660	\$ -	\$ 197,073	\$ 549,733	\$ 45,380

The notes to the financial statements are an integral part of this statement.



FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the City of Tukwila as a trustee or agent for various individuals, private organizations, and other governmental units. The Firemen's Pension Trust Fund is accounted for on an accrual basis.

Firemen's Pension Trust Fund

This fund accounts for the payment of administrative costs and benefits for retired firefighters (and beneficiaries) who were employed prior to March 1, 1970. Primary revenue sources are general property tax allocations, fire insurance premium tax, and investment interest, in accordance with actuarial recommendations.

Agency Fund

This fund accounts for the funds over which the City is strictly a short-term custodian.

CITY OF TUKWILA, WASHINGTON
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
 DECEMBER 31, 2009

	FIREMEN'S PENSION TRUST FUND	AGENCY FUND
ASSETS:		
CASH AND CASH EQUIVALENTS	\$ 1,336,045	\$ 104,628
INVESTMENTS	100,320	-
RECEIVABLES:		
INTEREST	807	-
DUE FROM OTHER GOVERNMENTAL UNITS	-	250
TOTAL ASSETS	1,437,172	104,878
LIABILITIES:		
CURRENT PAYABLES	-	104,878
TOTAL LIABILITIES	-	104,878
NET ASSETS:		
HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES	\$ 1,437,172	\$ -

The notes to the financial statements are an integral part of this statement.

CITY OF TUKWILA, WASHINGTON
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	FIREMEN'S PENSION TRUST FUND
ADDITIONS:	
FIRE INSURANCE PREMIUM TAXES	\$ 48,537
INVESTMENT EARNINGS	10,869
TOTAL ADDITIONS	59,406
DEDUCTIONS:	
BENEFIT PAYMENTS	48,816
ADMINISTRATIVE EXPENSES	18,424
TOTAL DEDUCTIONS	67,240
CHANGE IN NET ASSETS	(7,834)
NET ASSETS - BEGINNING	1,445,006
NET ASSETS - ENDING	\$ 1,437,172

The notes to the financial statements are an integral part of this statement.



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Tukwila was incorporated on June 29, 1908, and operates under the laws of the State of Washington applicable to a non-charter optional code city with a Mayor/Council form of government. Tukwila is served by a Mayor and seven council members, all elected at large to four-year terms. The City provides what are considered general government services including public safety, streets, parks, planning and zoning, permits and inspection, general administrative, water services, sanitary sewer collection, and storm drainage.

The accounting and reporting policies of the City of Tukwila, which conform to generally accepted accounting principles for governments, are regulated by the Washington State Auditor's Office. The City's significant accounting policies are described in this note.

For business-type activities and enterprise funds reporting, the City applies all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

A. The Reporting Entity

Based on the criteria of Statement No. 14 of the Governmental Accounting Standards Board (GASB), the City's Comprehensive Annual Financial Report (CAFR) includes all funds, agencies and boards for which the City is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either the ability to impose will by the primary government, or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

There were no component units meeting any of these criteria during 2009. See Note 7, Joint Ventures, for a discussion of Valley Communications Center, which is a joint public safety dispatching authority for five member cities and South Correctional Entity (SCORE), which is a governmental administrative agency. Also, see Note 15, Risk Management, for a discussion of the Washington Cities Insurance Authority.

B. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the government, except for fiduciary funds. The activity of the internal service funds is eliminated to avoid "doubling up" revenues and expenses.

The statements distinguish between city government activities business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program activity of the City. Direct expenses are those specifically associated with a

service, program or department and therefore clearly identifiable to a particular function. Indirect costs are included in the program expense reported for individual functions and activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program.

For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which functions the revenues are restricted.

Revenues which are not classified as program revenues are presented as general revenues of the City, and certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

C. Fund Accounting

The accounts of the City are organized on the basis of funds each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. The City's resources are allocated to and accounted for in individual funds according to the purpose for which they are spent and how they are controlled. There are three categories of funds: *governmental*, *proprietary* and *fiduciary*.

Governmental Funds

All governmental funds are accounted for on a "flow of current financial resources" measurement focus. This means only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements focus on measuring changes in financial position, rather than net income; they present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. The following are the City's major governmental funds:

- 1) The General Fund is the general operating fund of the City. It accounts for all financial resources and transactions except those required to be accounted for in another fund.
- 2) The Arterial Street Fund, a major special revenue fund, is established in accordance with RCW 82.36.020 for the administration of the State-levied motor vehicle half-cent gasoline tax distributed to

Tukwila. The City provides a portion of its sales tax revenues as well as several smaller tax resources for construction of large arterial street projects.

3) The Land Acquisition, Recreation and Park Development Fund is used to account for financial resources to be used for the acquisition of land, development of land, and construction of park facilities.

The other governmental funds of the City, which are Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted for expenditures for specified purposes.

Proprietary Funds

Proprietary Funds are accounted for on a "flow of economic resources" measurement focus. This means all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund operating statements present increases (revenues and gains) and decreases (expenses and losses) in net total assets. Proprietary funds measurement focus is based upon determination of net income, financial position, and cash flows.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges to the City's customers for sales and services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. As described below, there are two generic fund types in this category.

Restricted assets shown in the government-wide financial statements and the proprietary funds balance sheet include monies reserved for payment of revenue bond debt, and deposits held for utility and golf course customer accounts. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

The City's Enterprise Funds account for utility and recreation operations which are self-supported through user charges. The utilities are financed and operated like a private business enterprise which requires periodic determination of revenues earned, expenses incurred, and net income for capital maintenance, public policy, management control and accountability. The City's major enterprise funds are as follows:

- 1) The Water/Sewer Utility Fund accounts for operations and capital improvements to provide water and sanitary sewer services to the City.
- 2) The Foster Golf Course Fund is used to account for the operation, maintenance, debt service, and improvements of the municipal facility.
- 3) The Surface Water Utility Fund accounts for the operations and capital improvements for the City's storm drainage and surface water management function.

The City has three Internal Service Funds. The Equipment Rental Fund is used to account for the costs of maintaining and replacing all City vehicles and auxiliary equipment except for major fire apparatus. All equipment costs, including depreciation, are factors in calculating the rates charged to each user department. The Insurance and Insurance – LEOFF I Funds are used to account for the costs of the City's self-insured medical plan. Medical and dental costs for covered employees are charged to the respective user departments. All premiums, medical and dental costs and ancillary charges are included.

Fiduciary Funds

Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. The City has two Fiduciary Funds, Firemen's Pension Trust Fund and Agency Fund. The Firemen's Pension Trust Fund is accounted for in essentially the same manner as Proprietary Funds. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve a measurement of results of operations.

D. Measurement Focus

Government-wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the City are included on the Statement of Net Assets.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the government activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

E. Basis of Accounting

Basis of accounting refers to the recognition of revenues and expenditures or expenses in the accounts and reporting them in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds use the accrual basis of accounting.

Revenues – Exchange and Non-exchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. The modified accrual basis of accounting is followed in all governmental funds of the City. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay current liabilities. For the City, available means expected to be received within sixty (60) days of year-end. The primary accrued revenues that meet this criteria are property and sales taxes.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, sales and use taxes, admission taxes, gambling taxes, utility taxes,

hotel/motel taxes, grants, entitlements, and donations. These revenues are on an accrual basis. On the accrual basis, the revenue is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 4 on receivables).

Other Revenue Sources

Revenue sources which are not considered to meet the measurable and available criteria for revenue recognition include licenses and permits, fines and forfeitures, and other miscellaneous revenues since they are generally not measurable until received.

Under the modified accrual basis, expenditures are recorded when the fund liability is incurred, except for principal and interest on general long-term debt and vacation and sick pay which are recorded when paid.

As a general rule the effect of interfund activity has been eliminated via the process of consolidation from the government-wide financial statements. Internal service fund and similar internal activity has been eliminated from the government-wide statement of activities so expenses are not reported twice. Exceptions to this general rule are payments for interfund services provided and used, such as between the City's water, sewer, and surface water functions and various other functions of the City, which are not eliminated in the process of consolidation. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Amounts reported on the government-wide statements as program revenues include, charges to customers or applicants for goods, operating grants and contributions, and capital grants and contributions. General revenues include all taxes. The accrual basis of accounting is followed in all proprietary funds. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when incurred. All assets and liabilities are recorded in the fund.

F. Budgets and Budgetary Accounting

The City of Tukwila budgets its funds in accordance with the Revised Code of Washington 35A.33. In compliance with the code, biennial budgets are adopted for the general fund and special revenue funds. For governmental funds, there are no substantial differences between the budgetary basis and generally accepted accounting principles. Budgetary accounts are integrated in fund ledgers for all budgeted funds, but the financial statements include budgetary comparisons for biennially budgeted governmental funds only. Budgets established for proprietary and fiduciary funds are "management budgets" and are not legally required to be reported and, as such, are not reported in the CAFR.

The biennial appropriated budgets are adopted at the level of the fund and the budgets constitute the legal authority for expenditures at that level. Subsidiary revenue and expenditure records are used to compare the budgeted amounts with actual revenues and expenditures. As a management control device, the subsidiary ledgers monitor expenditures for individual functions and activities by object class. Any unexpended appropriation balances lapse at the end of the year.

The City of Tukwila's budget procedures are mandated by RCW 35A.33. The steps in the budget process are as follows:

- 1) Prior to November 1 on even numbered years, the Mayor submits a proposed budget to the City Council. This budget is based on priorities established by the Council and estimates provided by the City departments during the preceding months, and balanced with revenue estimates made by the Mayor.
- 2) The City Council conducts public hearings on the proposed budget in November and December.

- 3) The Council makes its adjustments to the proposed budget and adopts by ordinance a final balanced budget no later than December 31.
- 4) The final operating budget as adopted is published and distributed within the first month of the following year. Copies of the budget are made available to the public.

The Mayor may authorize transfers within funds; however, the City Council must approve by ordinance any amendments that increase the total for the fund. Budget amounts presented in the basic financial statements include both the original amounts and the final amended budget as approved by the City Council.

Expenditure Categories

<i>General Government:</i>	includes administration, finance, municipal court, attorney, and city clerk activities.
<i>Public Safety:</i>	includes all police and fire activities.
<i>Physical Environment:</i>	includes expenditures for the public works activities not chargeable to the enterprise funds.
<i>Transportation:</i>	includes all street and arterial street maintenance and construction.
<i>Economic Environment:</i>	reflects the planning and building inspection activities.
<i>Culture and Recreation:</i>	includes the parks and recreation activities.

G. Assets, Liabilities and Fund Equity

Cash and Cash Equivalents

All cash and cash equivalents, restricted and unrestricted, consists of cash balances in the checking account, imprest funds, and the State Treasurer's Local Government Investment Pool. All funds in the care of other institutions are considered investments. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, or are near their maturity date.

Investments

Investments are held separately by each of the funds with interest earned directly for the benefit of each fund. Investments are reported on the financial statements at fair value, cost or amortized cost, depending on the type and maturity length of each investment as required by GASB Statement 31. Washington State statutes provide for the City to hold investments consisting of obligations of the Federal Government, repurchase agreements, prime banker's acceptances, and time certificates of deposit. Additional deposit and investment information is presented in Note 3.

Notes Receivable

Notes receivable in the enterprise funds consists of sewer connection fees due from customers to the utility.

Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund loans receivable/payable" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Interfund loans and advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources. See also Note 5 on interfund transactions.

Inventories

Inventories carried in proprietary funds are valued at average cost using the consumption method. A physical count is taken at year-end. Governmental funds use the purchase method whereby inventory items are considered expenditures when purchased.

Deferred Charges

Unamortized debt issuance costs are those costs incurred for the issuance of long-term debt, such as legal fees, printing costs and other costs. These costs are deferred and amortized over the lives of the related issues.

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets acquired in governmental funds are accounted for as expenditures in the fund when the asset is purchased. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated assets are valued at estimated fair market value at time of acquisition. Where historical cost is not known, assets are recorded at estimated historical costs. The City maintains a capitalization threshold of five thousand dollars. The City’s infrastructure consists of roads, bridges, storm sewers, water and sewer distribution and collection systems. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

Depreciation is computed using the straight line method over estimated service lives, as follows:

<u>Asset</u>	<u>Estimated Service Life</u>
Buildings	25 to 50 years
Non-Building Improvements	25 to 50 years
Utility Plant	10 to 50 years
Machinery and Equipment	2 to 50 years
Infrastructure.....	25 to 50 years

See Note 6 for additional information on capital assets.

Plant Acquisition Adjustments

The State Auditor’s Office promulgates a chart of accounts which defines Plant Acquisition Adjustments as an intangible asset account used only in proprietary fund utilities. This account includes the difference between the cost to the current governmental owner and the cost incurred by the person or company that first devoted the property to utility service. These costs are being amortized using the straight-line method over the estimated service lives of the related capital assets.

Compensated Absences

Labor contracts with City of Tukwila employees call for the accumulation of vacation and sick leave. At termination of employment, employees with the required length of service may receive cash payments for all accumulated vacation leave to a maximum of 384 hours. Sick leave termination benefits are based on a percentage of accumulated sick leave up to a maximum of 180 hours. The payment is based on current wages at termination.

The entire compensated absence liability is reported on the government-wide financial statements. In the enterprise funds, the entire amount of compensated absences is reported as a fund liability. This reporting format is in compliance with GASB Statement No. 16.

The internal service funds do not report benefit accruals because they are immaterial.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Long-term debt outstanding at year-end is outlined in Note 10.

Fund Equity - Reserves and Designations

The City recognizes in its reporting that assets are sometimes not "available spendable resources" or not at times legally available for appropriation, because they are contractually or legally restricted for some specific future use. When this is the case, as for example with imprest funds, fund equity is "reserved".

Fund balance represents the difference between the current assets and current liabilities. The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for general appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Designations are management's intent to set aside these resources for specific services.

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has not spent) for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes of which both restricted and unrestricted net assets are available.

Risk Management and Risk Retention

It is the City of Tukwila's policy to self-insure for unemployment benefits because of the insignificant liability. Medical and dental self-insurance coverage is also provided for employees. All buildings, City equipment, and City vehicles are insured by carriers for property coverage at replacement value.

The City of Tukwila is a member of the Washington Cities Insurance Authority (WCIA) as of January 1, 1984. The WCIA is an organization of Washington municipal entities numbering 136 as of December 31, 2009. WCIA provides pooled self-insurance coverage for general liability, vehicle liability, false arrest, and errors and omissions. See Note 15 for additional information on risk management.

Operating Revenues and Expenses

Operating revenues are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for the use of the golf course, for the rental of the administration center and solid waste program, and the internal use of vehicles, computers and facilities. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund. All other revenues and expenses are classified as non-operating including investment earnings, interest expense and the gain or loss on the disposition of capital assets.

Contributions of Capital

Contributions of capital in proprietary fund financial statement arise from outside contributions of capital assets, for example, developers, and grants or outside contributions of resources restricted to capital acquisition and construction.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. On the government-wide statement of activities, the exchange transactions between the internal service funds and the user funds are eliminated. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on financial statements.

Transfers between governmental and business-type activities on the government-wide statement of activities are reported separately after general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated.

Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

H. Changes in Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, Statement No. 37 *Basic Financial Statements – and Management's Discussion and Analysis – for State*

and Local Governments: Omnibus – an amendment of GASB Statements No. 21, and No. 34, and Statement No. 38 Certain Financial Statement Note Disclosures. These accounting and reporting standards impacted the City's revenue and expenditure recognition and assets, liabilities, and fund equity reporting. The standards also required reformatting of the financial statements and restating beginning balances. These GASB standards were implemented in 2003 except for the full reporting of infrastructure assets, which was implemented in 2004.

In 2008, the City implemented the following Government Accounting Standards Board (GASB) statements:

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB Statement No. 45 establishes standards of accounting and reporting for other postemployment benefits (OPEB) expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of state and local governmental employers.

GASB Statement No. 50, *Pension Disclosures—an amendment of GASB Statements No. 25 and No. 27*. GASB Statement No. 50 more closely aligns the financial reporting requirements for pension with those for other postemployment benefits (OPEB).

NOTE 2 – 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 of the funds of the City of Tukwila.

NOTE 3 – EQUITY IN POOLED CASH AND INVESTMENTS, CASH, DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool available for use by all funds. Interest earned on pooled investments is recorded in the participating funds. Investments are also held separately by several of the funds, with interest earned directly for the benefit of each fund.

Cash and Cash Equivalents

At year-end, the carrying amount of the City's bank balance was \$4,866,371. Of the bank balance, \$250,000 was covered by Federal depository insurance and the Washington State Public Depository Protection Commission insured the remainder. The City also maintains imprest funds totaling \$17,900. The City participates in the State Treasurer's Investment Pool, which is a 2a7-like unrated pool, overseen by the State Treasurer's Office. The fair value of the City's position in the pool is the same as the value of the pool shares. Because of its highly liquid nature, the Pool funds are considered cash equivalents.

In 2009, excess cash in Debt Service Funds were transferred to the General Fund. Negative cash balances in the Debt Service Funds are offset by current taxes receivable.

Deposits and Investments

The City's investment portfolio includes Federal Home Loan Bank (FHLB) bonds, Federal National Mortgage Association (FNMA) notes, Federal Farm Credit Bureau (FFCB) notes and Federal Home Loan Mortgage Corporation (FHLMC) notes. These investments are reported at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a

current transaction between willing parties, other than in a forced or liquidation sale. Also, the Firemen's Pension Fund is authorized to invest in stocks, bonds, and mutual funds.

At December 31, 2009, the City had the following deposits and investments:

SCHEDULE OF INVESTMENTS BY MATURITY

	Call Date	Date	Credit Rating	Total
U.S. Agency Note:				
Federal Home Loan Bank	02/25/2010	08/24/2012	AAA/Aaa	\$ 902,180
Certificates of Deposit:				
US Bank	*	01/31/2010	*	2,350,754
Sound Community Bank	*	06/15/2010	*	1,008,452
Sound Community Bank	*	04/20/2011	*	1,519,633
First Savings Bank Northwest	*	05/01/2011	*	2,030,860
Charter Bank	*	05/26/2011	*	1,517,678
Total Investments				\$ 9,329,556

N/A, no call date or credit rating with certificate of deposit accounts.

	Unrestricted	Restricted	Total
Cash and Cash Equivalents:			
Cash on hand	\$ 14,200	\$ -	\$ 14,200
Depository accounts	1,769,580	121,499	1,891,079
Moneymarket account	535,862	-	535,862
Local Government Investment Pool	26,128,842	424,694	26,553,536
Total cash and cash equivalents	28,448,484	546,193	28,994,677
Investments:			
Federal agency note	902,179	-	902,179
Certificates of deposit	8,427,378	-	8,427,378
Total investments	9,329,556	-	9,329,556
Total Cash, Cash Equivalents, and Investments	\$37,778,040	\$ 546,193	\$ 38,324,233

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits at least half of the City's cash and investment portfolio to maturities of less than one year. Investment maturities are limited as follows:

- 1) At the time of investment, a minimum of fifty percent (50%) of the cash and investment portfolio will be comprised of investments maturing or available within one year.
- 2) At the time of investment, no securities or investment instruments shall have a maturity exceeding four years, except when compatible with a specific fund's investment needs.
- 3) The average maturity of the portfolio shall not exceed two (2) years.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes and the City's investment policy limit the types of securities authorized for investment by the City. The principal governing statutes are RCW 39.59 and RCW 39.60. The Finance Director may further restrict eligible investments by this policy at his/her discretion. Authorized investments include (but are not limited to):

- 1) U.S. Treasury Securities.
- 2) U.S. Agency Securities (i.e., obligations of any government-sponsored corporation eligible for collateral purposes at the Federal Reserve).
- 3) Certificates of Deposit, Money Market Deposit Accounts and savings deposits with qualified depositories within statutory limits as promulgated by the PDPC at the time of investment.
- 4) Bankers Acceptances (BA's) purchased on the secondary market with a rating of A-1, P-1, its equivalent or better.
- 5) General Obligation Bonds of a state or local government which have at the time of the investment one of the three highest credit ratings of a nationally-recognized rating agency.
- 6) The Washington State Local Government Investment Pool (LGIP).

As of December 31, 2009, the City's Federal Home Loan Bank bond investments, Federal National Mortgage Association note investments, and Federal Home Loan Mortgage Corporation note investments were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The City of Tukwila diversifies its investments by security type and Institution as described below:

- 1) No more than fifty percent (50%) of the City's cash and investment portfolio, at the time of purchase, shall be in any single financial institution.
- 2) Except, that no more than seventy-five percent (75%) of the City's portfolio, at the time of purchase, shall be invested in the Washington State Local Government Investment Pool, and
- 3) No more than seventy-five percent (75%) of the City's portfolio, at the time of purchase, shall be invested in U.S. Treasury or Agency securities.

NOTE 4 – RECEIVABLES

Property Taxes Receivable

The County Finance Director acts as an agent to collect property taxes levied in the County for all taxing authorities. Taxes are levied annually on January 1 on property value listed as of the prior August 31.

Assessed values are established by the County Assessor at 100% of fair market value. A revaluation of all property is required every two years. On May 31 of each year the assessed value of property is established for the next year's property tax levy.

Property taxes levied by the County Assessor and collected by the County Finance Director become a lien on the first day of the levy year and may be paid in two equal installments if the total amount exceeds \$50. The first half of real property taxes is due on April 30 and the balance is due October 31. Delinquent taxes bear interest at the rate of 12% and are subject to additional penalties if not paid as scheduled.

During the year, property tax revenues are recognized when cash is received. At year-end, unpaid property taxes are recorded as a receivable. Property tax receivables at year-end normally are not expected to be collected within 60 days after the current period and are, therefore, reported as deferred revenue in the governmental funds financial statements. The tax rate for general City operations is limited to \$3.60 per \$1,000 of assessed value. Of this amount, up to \$0.45 per thousand may be designated for contribution to the Firemen's Pension Fund, if a report by a qualified actuary indicates that additional funds are required.

The payment of principal and interest on limited tax (non-voted) bonds issued by the City is made from the general levy. Accordingly, the issuance of limited tax general obligation bonds has the effect of reducing property taxes available for the general operations of City government. State law also provides that the City's operating levy may not exceed 101% of the largest single levy of the past three years. The State Constitution provides that the total of all taxes upon real and personal property by the State and all taxing entities, including the City, shall not in any year exceed 1% (\$10 per \$1,000) of the true and fair monetary value of such property. This limitation may be exceeded upon the approval of 60% of the City voters at an election in which the total vote exceeds 40% of the votes cast at the last general election.

For 2009, the City's general tax levy was \$2.66345 per each \$1,000 of assessed valuation. Total assessed valuation for 2008 was \$5,175,709,975 and was the basis for the 2009 assessments. Actual 2009 general levy property taxes collected were \$12,190,219.

Intergovernmental Grants and Entitlements

All receivables from other governments are recorded at year-end as amounts Due from Other Governmental Units. These amounts represent Federal, State, and local reimbursement-type grants, and are reported as receivables and intergovernmental revenues in the year when the related expenditures are incurred.

NOTE 5 – INTERFUND TRANSACTIONS

Interfund transactions are classified as follows:

- 1) **Services Provided** – Transactions that would be treated as revenues, expenditures or expenses if they involve external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the City of Tukwila.
- 2) **Transfers** – Transactions to support the operations of other funds are recorded as "Transfers" and classified with "Other Financing Sources or Uses" in the fund statements. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the Government-wide financial statements.
- 3) **Contributions** – Contributions to the capital of enterprise or internal service funds, transfers of capital assets between proprietary and governmental funds, transfers to establish or reduce working capital in other funds, and transfers of remaining balances when funds are closed are classified non-operating revenue.
- 4) **Interfund Loans/Advances** – Loans between funds are classified as interfund loans receivable and payable or as advances to and from other funds in the fund statements. Interfund loans are offset by a reservation of fund equity. Interfund loans are subject to elimination upon consolidation.

There were no interfund loans outstanding at December 31, 2009. Interfund transfers were as follows:

Government and Internal Service Funds:	General Fund	Other Government Funds	Internal Service Funds	Total
Transfers In	\$ 3,156,300	\$ 709,444	\$ 162,000	\$ 4,027,744
Transfers (Out)	(709,444)	(1,525,000)	(192,100)	(2,426,544)
Net Transfers In (Out)	<u>\$ 2,446,856</u>	<u>\$ (815,556)</u>	<u>\$ (30,100)</u>	<u>\$ 1,601,200</u>

Proprietary Funds:	Water/Sewer Utility	Surface Water Utility	Foster Golf Course	Total
Transfers In	\$ 150,877	\$ -	\$ -	\$ 150,877
Transfers (Out)	(1,324,027)	(415,400)	(12,650)	(1,752,077)
Net Transfers In (Out)	<u>\$ (1,173,150)</u>	<u>\$ (415,400)</u>	<u>\$ (12,650)</u>	<u>\$ (1,601,200)</u>

The principal purposes for interfund transfers include interfund subsidies and transfers into debt service and capital projects funds.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 38,918,823	\$ 433,356	\$ (93)	\$ 39,352,086
Construction in Progress	8,186,944	13,888,802	(752,936)	21,322,810
Total capital assets, not being depreciated	47,105,767	14,322,159	(753,029)	60,674,896
Capital assets, being depreciated:				
Buildings	23,178,885	834,233	-	24,013,118
Other Improvements	12,413,021	121,777	-	12,534,798
Machinery and Equipment	15,291,994	1,218,477	(525,842)	15,984,629
Infrastructure	113,570,916	6,001,882	(471,088)	119,101,710
Total capital assets being depreciated	164,454,816	8,176,369	(996,930)	171,634,255
Less accumulated depreciation for:				
Buildings	(8,160,021)	(559,698)	-	(8,719,719)
Other Improvements	(7,331,258)	(528,910)	-	(7,860,168)
Machinery and Equipment	(8,749,559)	(1,197,453)	513,261	(9,433,751)
Infrastructure	(30,780,891)	(3,221,385)	449,421	(33,552,855)
Total accumulated depreciation	(55,021,729)	(5,507,446)	962,682	(59,566,493)
Total capital assets, being depreciated, net	109,433,087	2,668,923	(34,248)	112,067,762
Governmental activity capital assets, net	\$ 156,538,854	\$ 16,991,082	\$ (787,277)	\$ 172,742,658
Business-type Activities				
Capital assets, not being depreciated:				
Land	\$ 1,907,416	\$ -	\$ -	\$ 1,907,416
Construction in Progress	1,135,478	1,959,767	(827,379)	2,267,865
Total capital assets, not being depreciated	3,042,894	1,959,767	(827,379)	4,175,280
Capital assets, being depreciated:				
Buildings	11,133,224	9,822	-	11,143,046
Other Improvements	62,811,519	1,259,710	(406,167)	63,665,063
Machinery and Equipment	2,389,557	16,008	(29,000)	2,376,565
Total capital assets being depreciated	76,334,300	1,285,540	(435,167)	77,184,674
Less accumulated depreciation for:				
Buildings	(2,126,067)	(299,262)	-	(2,425,329)
Other Improvements	(22,073,701)	(1,383,739)	141,673	(23,315,767)
Machinery and Equipment	(1,335,421)	(138,997)	29,000	(1,445,418)
Total accumulated depreciation	(25,535,189)	(1,821,998)	170,673	(27,186,514)
Total capital assets, being depreciated, net	50,799,111	(536,458)	(264,494)	49,998,159
Business-type activity capital assets, net	\$ 53,842,005	\$ 1,423,309	\$ (1,091,873)	\$ 54,173,441

All reported capital assets of the City are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement.

Capital Asset Increases	
Governmental Activities:	
Capital Outlays	\$ 16,945,507
Developer Turnovers	3,896,807
Developer Contributions	-
Construction in Progress to Capital (Infrastructure)	752,936
Internal Service Funds (Equipment Rental)	903,279
Governmental Activities - Total Increases	\$ 22,498,529

Depreciation Expense	
Governmental Activities:	
General Government	\$ 65,814
Public Safety	324,820
Physical Environment	584,787
Transportation	3,236,224
Economic Environment	12,045
Culture and Recreation	547,424
Capital assets held by the government's internal service funds charged to the various functions based on usage of assets	736,332
Total depreciation expense - governmental activities	\$ 5,507,446
Business-type Activities:	
Water/Sewer Utility	\$ 914,747
Foster Golf Course	316,363
Surface Water Utility	590,888
Total depreciation expense - business-type activities	\$ 1,821,998

NOTE 7 – JOINT VENTURES

Valley Communications Center

The "Valley Communications Center" was established August 20, 1976, when an Interlocal Agreement was entered into by the four original participating municipal corporations, including the cities of Renton, Kent, Auburn, and Tukwila, with Federal Way formally admitted during 2000. The agreement is sanctioned by the provisions and terms of the Interlocal Cooperation Act pursuant to RCW 39.34. The initial duration of the agreement was five years, and thereafter is automatically extended for consecutive five-year periods.

The purpose of the joint operation, hereafter referred to as Valley Com, is to provide improved consolidated emergency communications (dispatch) services for police, fire, and medical aid, to the five participating cities and to several subscribing agencies, which include King County Fire District Nos. 2, 20, 26, 40, 43, 44, and 47; City of Pacific Police and Fire Departments; City of Black Diamond Police and

Fire Departments; City of Algona and Des Moines Police Departments; SeaTac Fire Department; North Highline Fire Department; Vashon Island Fire Department; and King County EMS Units. Separate agreements between Valley Com and the subscribing agencies have been executed, which set forth conditions of services and rates charged. The allocation of prorated financial participation among the five participating cities is the percentage of estimated dispatched calls attributed to each jurisdiction compared to the total estimated dispatched calls for the current 12-month period ending December 31.

The 2009 cost distribution for the five participating cities is as follows:

City	Dispatchable Calls	Percent of Total
Renton	80,007	18.03%
Kent	102,460	27.23%
Auburn	69,753	21.40%
Tukwila	36,374	10.47%
Federal Way	85,620	22.87%
Total	374,213	100.00%

Valley Com is governed by an Administration Board composed of the Mayors from the five participating cities of Renton, Kent, Auburn, Tukwila, and Federal Way. The Board is responsible for the following functions: (1) Adopting an annual budget after review by participating legislative bodies; (2) Appointment and/or discharge of the Director; (3) Approves personnel policy and makes final decisions on all major policy changes; (4) Reviews and approves all contracts.

In addition, an Operating Board was established and consists of two members of each participating City's Public Safety Departments, including the heads of such departments or their designees. The Operating Board performs the following functions: (1) Oversees the operation of Valley Com and advises and makes recommendations to the Administration Board; (2) Makes recommendation on Director selection; (3) Presents proposed policies and budgets to the Administration Board; (4) Approves disbursement of funds by the Director.

The Director presents a proposed budget to the Operating Board on or before August 15 of each year. The proposed budget is then presented to the Administration Board by September 1 of each year. The Administration Board can make changes to the proposed Valley Com budget as it finds necessary, but final approval falls to the legislative body of each participating city, in accordance with the provisions of the Interlocal Agreement.

The share of equity belonging to the five participating cities is as follows:

ITEM	RENTON	KENT	AUBURN	TUKWILA	FEDERAL WAY	TOTAL
Equity January 1, 2009	\$ 4,459,234	\$ 6,379,999	\$ 4,240,612	\$ 2,573,342	\$ 2,696,072	\$ 20,349,259
Current Year Increase/(Decrease)	194,689	248,172	168,164	87,908	207,404	906,337
Equity December 31, 2009	\$ 4,653,923	\$ 6,628,171	\$ 4,408,776	\$ 2,661,250	\$ 2,903,476	\$ 21,255,596
Percent of Equity	21.90%	31.18%	20.74%	12.52%	13.66%	100.00%

Liabilities are the responsibility of the five participating cities in direct proportion to their equity position. In August 1993, Valley Com entered into an interlocal cooperation agreement, pursuant to Chapter 39.34 RCW, with the subregions of King County, Seattle, and the Eastside Public Safety Communications Agency. This agreement governs the development, acquisition and installation of the 800 MHz

emergency radio communications system funded by a \$57 million King County levy approved in November 1992.

This agreement provides that upon voluntary termination of any subregion's participation in the system, it surrenders its radio frequencies, relinquishes its equipment and transfers any unexpended levy proceeds and associated equipment replacement reserves to another subregion or consortium of subregions.

Thus, in accordance with this agreement, the participating cities of Valley Com have no equity interest in Valley Com's 800-MHz communications system.

During 2000, the Valley Communications Center Development Authority was created to issue \$12,758,000 in General Obligation Bonds to finance construction, equipment, and land for a new facility completed in 2002. Each of the five participating cities is responsible for one-fifth of the debt obligation, which originally was \$2,551,600 per City. The basic agreement shall not be terminated until all bonds issued by Valley Communications Center Development Authority have been paid and retired.

A complete set of financial statements are available from Valley Communications Center, 27519 108th Ave SE, Kent, WA 98030, or telephone 253-372-1300.

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, an 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		Federal Way					
			Subsidy	Total	Auburn 31%	Burien 4%	18%	Renton 36%	SeaTac 3%	Tukwila 8%
2010	\$ -	\$ 3,394,191	\$ (265,223)	\$ 3,128,968	\$ 969,980	\$ 125,159	\$ 563,214	\$ 1,126,428	\$ 93,869	\$ 250,317
2011	-	5,155,732	(1,675,089)	3,480,643	1,078,999	139,226	626,516	1,253,031	104,419	278,451
2012	-	5,155,732	(1,675,089)	3,480,643	1,078,999	139,226	626,516	1,253,031	104,419	278,451
2013	1,915,000	5,126,998	(1,675,089)	5,366,909	1,663,742	214,676	966,044	1,932,087	161,007	429,353
2014	1,950,000	5,066,566	(1,654,975)	5,361,591	1,662,093	214,464	965,086	1,930,173	160,848	428,927
2015-2019	10,750,000	24,045,404	(8,092,315)	26,703,089	8,277,958	1,068,124	4,806,556	9,613,112	801,093	2,136,247
2020-2024	12,905,000	21,102,168	(7,405,227)	26,601,941	8,246,602	1,064,078	4,788,349	9,576,699	798,058	2,128,155
2025-2029	15,675,000	16,833,706	(6,067,796)	26,440,910	8,196,682	1,057,636	4,759,364	9,518,728	793,227	2,115,273
2030-2034	19,265,000	11,158,380	(4,128,483)	26,294,897	8,151,418	1,051,796	4,733,081	9,466,163	788,847	2,103,592
2035-2039	23,775,000	4,064,705	(1,697,914)	26,141,791	8,103,955	1,045,672	4,705,522	9,411,045	784,254	2,091,343
Totals	\$86,235,000	\$ 101,103,582	\$(34,337,200)	\$ 153,001,382	\$47,430,428	\$6,120,057	\$27,540,248	\$55,080,498	\$4,590,041	\$12,240,109

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

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

Item	Federal Way						Total
	Auburn	Burien	Way	Renton	SeaTac	Tukwila	
Equity January 1, 2009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current Year Increase/(Decrease)	1,692,471	218,383	982,725	1,965,450	163,787	436,767	5,459,583
Equity December 31, 2009	<u>\$1,692,471</u>	<u>\$218,383</u>	<u>\$982,725</u>	<u>\$1,965,450</u>	<u>\$163,787</u>	<u>\$436,767</u>	<u>\$5,459,583</u>
Percent of Equity	31.00%	4.00%	18.00%	36.00%	3.00%	8.00%	100.00%

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 8 – PENSION PLANS

The City implemented GASB Statements 25 and 27 for reporting of pension plans in 1996. For all plans the pension liability (asset) was determined in accordance with GASB Statement 27 to be zero both before and at the effective date of the transition.

Washington State Department of Retirement Systems

Substantially all of the City’s full-time and qualifying part-time employees participate in one of the following statewide cost-sharing, multiple-employer, defined benefit public employee retirement plans administered by the State Department of Retirement Systems (DRS). Historical trend and other information regarding each plan are presented in the State Department of Retirement Systems 2009 Comprehensive Annual Financial Report. A copy of this report may be downloaded from the DRS website at www.drs.wa.gov/administration/annual-report/cafr/ or obtained by writing to:

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

The following disclosures are made pursuant to GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, and GASB Statement No. 50, *Pension Disclosures—an amendment of GASB Statements No. 25 and No. 27*.

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

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

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

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

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

- PERS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The annual benefit is two percent of the average final compensation (AFC) per year of service, capped at 60 percent. (The AFC is based on the greatest compensation during any 24 eligible consecutive compensation months.) This annual benefit is subject to a minimum for PERS Plan 1 retirees who have 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired 25 years. Plan 1 members who retire from inactive status prior to the age of 65 may receive actuarially reduced benefits. If a survivor option is chosen, the benefit is further reduced. A cost-of living allowance (COLA) is granted at age 66 based upon years of service times the COLA amount, which is increased three percent annually. Plan 1 members may also elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at three percent annually. To offset the cost of this annual adjustment, the benefit is reduced.
- PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at the age of 65 with five years of service with an allowance of two percent of the AFC per year of service. (The AFC is based on the greatest compensation during any eligible consecutive 60-month period.) Plan 2 members who retire 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 three percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced to reflect the choice of a survivor option. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.
- PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. The defined benefit portion provides a benefit calculated at one percent of the AFC per year of service. (The

AFC is based on the greatest compensation during any eligible consecutive 60-month period.) Effective June 7, 2006, PERS Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service, if twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan. Vested Plan 3 members are eligible to retire with full benefits at age 65, or they may retire at age 55 with ten years of service. PERS Plan 3 members who retire 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 three percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced to reflect the choice of a survivor option. There is no cap on years of service credit, and Plan 3 provides the same cost-of-living allowance as Plan 2.

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

There are 1,192 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2008:

Retirees and Beneficiaries Receiving Benefits	73,122
Terminated Plan Members Entitled to but not yet Receiving Benefits	27,267
Active Plan Members Vested	105,212
Active Plan Members Non-vested	56,456
Total	262,057

Funding Policy. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at six percent for state agencies and local government unit employees, and at 7.5 percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan, and member contributions finance the defined contribution portion. The Employee Retirement Benefits Board sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the employee’s age. The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.40 and 41.45 RCW.

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

	PERS Plan I	PERS Plan II	PERS Plan III
Employer*	5.31%	5.31%	5.31%**
Employee	6.00%	3.90%	<i>minimum 5.0% to maximum 15.0%</i>

* The employer rates include the employer administrative expense fee currently set at 0.16%.

** Plan 3 defined benefit portion only.

Both the City and the employees made the required contributions. The City’s contributions to PERS for the years ending December 31 were as follows:

	PERS Plan I	PERS Plan II	PERS Plan III
2009	\$ 4,080	\$ 800,885	\$ 136,877
2008	4,048	789,623	135,429
2007	5,134	591,075	106,108

The increase in annual contributions is primarily due to an increase in the employer contribution rate.

Law Enforcement Officers’ and Fire Fighters’ Retirement System (LEOFF)

Plan Description. LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF participants who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 are Plan 2 members. Membership in the system includes all full-time, fully compensated, local law enforcement officers, firefighters and, as of July 24, 2005, those emergency medical technicians who were given the option and chose LEOFF Plan 2 membership. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers, who were first included prospectively effective July 27, 2003, being an exception.

Effective July 1, 2003, the LEOFF Plan 2 Retirement Board was established by Initiative 790 to provide governance of LEOFF Plan 2. The Board’s duties include adopting contribution rates and recommending policy changes to the Legislature for the LEOFF Plan 2 retirement plan.

LEOFF defined benefit retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays through state legislative appropriations. LEOFF retirement benefit provisions are established in state statute and may be amended by the State Legislature.

LEOFF Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement with five years of service at the age of 50. The benefit per year of service calculated as a percent of final average salary (FAS) is as follows:

<u>Term of Service</u>	<u>Percent of Final Average</u>
20 or more years	2.0%
10 but less than 20 years	1.5%
5 but less than 10 years	1.0%

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months’ salary within the last ten years of service. A cost-of-living allowance is granted (based on the Consumer Price Index).

LEOFF Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at the age of 50 with 20 years of service, or at the age of 53 with five years of service, with an allowance of two percent of the FAS per year of service. The FAS is based on the highest consecutive 60 months. Plan 2 members who retire prior to the age of 53 receive reduced benefits. Benefits are actuarially reduced for each year that the benefit commences prior to age 53 and to reflect the choice of a survivor option. If the member has at least 20 years of service and is age 50, the reduction is three percent for each year prior to age 53. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

There are 375 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2008:

Retirees and Beneficiaries Receiving Benefits	9,268
Terminated Plan Members Entitled to but not yet Receiving Benefits	650
Active Plan Members Vested	13,120
Active Plan Members Non-vested	3,927
Total	26,965

Funding Policy. Starting on July 1, 2000, LEOFF Plan 1 employers and employees contribute zero percent as long as the plan remains fully funded. Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plan. LEOFF Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. All employers are required to contribute at the level required by state law. The Legislature, by means of a special funding arrangement, appropriated money from the state General Fund to supplement the current service liability and fund the prior service costs of LEOFF Plan 2 in accordance with the requirements of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. However, this special funding situation is not mandated by the state constitution and this funding requirement could be returned to the employers by a change of statute.

The required contribution rates to the LEOFF system expressed as a percentage of covered payroll as of December 31, 2009 follow:

	LEOFF Plan I	LEOFF Plan II
Employer	0.16%	5.24%
Employee	0.00%	8.46%

Both the City and the employees made the required contributions. The City’s contributions to the LEOFF system for the years ended December 31 were as follows:

	LEOFF Plan I	LEOFF Plan II
2009	\$ 643	\$ 630,453
2008	724	615,728
2007	782	548,066

Firemen’s Pension System

Plan Description. The City is the administrator of the Firemen’s Pension Plan which is a closed, single-employer, defined benefit pension plan that was established in conformance with RCW Chapter 41.18. This plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Membership is limited to fire fighters employed prior to March 1, 1970 when the LEOFF retirement system was established. The City’s obligation under the Firemen’s Pension Plan consists of paying all benefits, including payments to beneficiaries, for fire fighters who retired prior to March 1, 1970 and excess benefits over LEOFF for covered fire fighters who retired after March 1, 1970. Benefits and refunds of the defined benefit pension plan are recognized when due and payable in accordance with the Plan. The Plan does not issue a separate financial report.

Funding Policy. Under State law, the Firemen’s Pension Plan is provided an allocation of all monies received by the State from taxes on fire insurance premiums; interest earnings; member contributions made prior to the inception of LEOFF; and City contributions required to meet projected future pension obligations. An actuarial valuation was completed as of December 31, 2009 and it was determined that current assets of the fund, along with future revenues from state fire insurance taxes and interest earnings, will be sufficient to pay all future Firemen’s Pension Plan pension benefits. In 2009 \$48,537 was received from the state from taxes on fire insurance premiums. On-behalf payments of fringe benefits and salaries for the City’s employees were recognized as revenues and expenditures/expenses during the period. Costs to administer the plan are paid for through investment earnings and General Fund resources.

The system does not issue a stand-alone financial report and is not included in another Public Employee Retirement System or another entity. Biennially a complete actuarial valuation financial report, including an accounting update for intervening years, is prepared by Milliman USA, Incorporated. This report is available from the City of Tukwila.

Basis of Accounting. The financial statements are prepared using the accrual basis of accounting. Benefits are recognized when due and payable in accordance with the plan.

Membership of the Firemen's Pension Plan consisted of the following at December 31, 2009.

Retirees and beneficiaries receiving benefits	11
Retirees currently receiving full retirement benefits through the Law Enforcement Officers and Fire Fighters Retirement Plan (LEOFF)	<u>1</u>
Total	<u>12</u>

ANNUAL PENSION COST AND NET PENSION OBLIGATION

		2007	2008	2009
1.	Annual normal cost (BOY)	\$ -	\$ -	\$ -
2.	Amortization of UAAL (BOY)	(1,903)	(1,903)	11,185
3.	Interest to EOY (1 + 2 x i*)	(95)	(95)	391
4.	ARC at EOY (1 + 2 + 3)	(1,998)	(1,998)	11,576
5.	Interest on NPO	(8,008)	(10,028)	(8,695)
6.	Adjustment to ARC	(11,588)	(14,898)	(16,888)
7.	Annual Pension cost (4 + 5 - 6)	1,582	2,872	19,769
8.	Employer contributions**	41,980	50,730	30,112
9.	Change in NPO (7 - 8)	(40,398)	(47,858)	(10,343)
10.	NPO at BOY (11 prior yr)	(160,165)	(200,563)	(248,421)
11.	NPO at EOY (9 + 10)	\$ (200,563)	\$ (248,421)	\$ (258,764)

* (i) is the assumed interest rate that year: 5% in 2007, 5% in 2008, 3.5% in 2009

** Employer contributions for pensions are total contributions to the Fund net of disbursements from the Fund for medical expenses under RCW 41.26.150 and administrative expenses.

The Annual Required Contribution (ARC) was computed using the Entry Age Normal Cost Method. Under this method, the projected benefits are allocated on a level basis as a percentage of salary over the earnings of each individual between entry age and exit age. The amount allocated to each year is called the Normal Cost and the portion of the Actuarial Present Value of all benefits not provided for by future Normal Cost payments is called the Actuarial Accrued Liability. Since all members have already retired, the amount of the Normal Cost is zero. The Unfunded Actuarial Accrued Liability (UAAL) is the Actuarial Accrued Liability minus the actuarial value of the Fund's assets.

ANNUAL DEVELOPMENT OF PENSION COST

Fiscal Year Ended	Annual Retirement Cost	Interest on Net Pension Obligation	Annual Pension Cost	Total Employer Contributions	Change in Net Pension Obligation	Net Pension Obligation Balance	(Gain) / Loss	--- Amortization Factor ---	(Gain) / Loss	Ending Balance
2007	\$ (1,998)	\$ (8,008)	\$ 1,582	\$ 41,980	\$(40,398)	\$ (200,563)	\$(43,978)	13.8212	\$(11,588)	\$ (200,563)
2008	\$ (1,998)	\$(10,028)	\$ 2,872	\$ 50,730	\$(47,858)	\$ (248,421)	\$(52,728)	13.4622	\$(14,898)	\$ (248,421)
2009	\$ 11,576	\$ (8,695)	\$ 19,769	\$ 30,112	\$(10,343)	\$ (258,764)	\$(18,536)	14.7098	\$(16,888)	\$ (258,764)

PERCENTAGE OF ANNUAL PENSION COST CONTRIBUTED

Fiscal Year Ending	Annual Pension Cost (APC)	Contribution as a * Percentage of APC	Net Pension Obligation (Asset)
December 31, 2007	\$ (1,582)	N/A	\$ (200,563)
December 31, 2008	\$ 2,872	1,766 %	\$ (248,421)
December 31, 2009	\$ 19,769	152 %	\$ (258,764)

* In years with a negative APC, this percentage is not applicable.

The information presented in the preceding required schedules were determined as part of the actuarial valuations at the dates indicated.

The key actuarial assumptions used for the January 1, 2009 valuation were:

Actuarial valuation date	January 1, 2009
Actuarial cost method	Entry Age Normal
Remaining amortization period	Closed, 30 year as of January 1 ,2009
Asset valuation method	Fair market value
Assumptions:	
Investment rate of return	3.50%
Projected salary increases	4.00%
Price inflation	2.50%
Growth in fire insurance premiums	Based upon salary increase assumption for FPF benefits, inflation assumption for LEOFF benefits.

The Schedule of Funding progress, presented as required supplementary information following the notes of the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The Schedule of Employer Contributions is also included as required supplementary information following the notes to the financial statements.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN

Plan Description

The City is the administrator of the Retiree Medical and Long-Term Care Benefits for LEOFF 1 Employees Plan which is a closed, single-employer, defined benefit, other post employment benefit plan

(OPEB). The benefits are authorized under state statute, RCW Chapters 41.16 and 41.18 and 41.26 and may be amended by the state legislature. This plan provides medical, dental and long-term care benefits to eligible retirees. Membership is limited to eligible law enforcement officers and fire fighters hired prior to the March 1, 1970 establishment of LEOFF, as well as eligible members of LEOFF hired prior to October 1, 1977. Financial reporting for the LEOFF retiree healthcare plan is included in the City's Comprehensive Annual Financial Report. Triennially, a complete actuarial valuation financial report is prepared by Milliman USA, Incorporated. This report is available from the City.

Membership

As of December 31, 2009, there were 5 active employees and 38 retirees meeting the eligibility requirements of a LEOFF 1 member. This is considered a closed group with no new members.

Funding Policy

Funding for LEOFF 1 retiree healthcare costs is provided entirely by the City as required by RCW. The City's funding policy is based upon pay-as-you-go financing requirements. The employee or retiree is not required to contribute to the cost of the plan. The annual contribution represents the cost of employer-paid benefits.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period 21 years as of January 1, 2008. The following tables show the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.

ANNUAL OPEB COST AND NET OPEB OBLIGATION

		2008	2009
1.	Annual normal cost (BOY)	\$ 105,058	\$ 105,058
2.	Amortization of UAAL (BOY)	1,196,165	1,196,165
3.	Interest to EOY (1 + 2 x i*)	65,061	65,061
4.	ARC at EOY (1 + 2 + 3)	1,366,284	1,366,284
5.	Interest on Net OPEB Obligation	-	40,459
6.	Adjustment to ARC	-	61,839
7.	Annual OPEB cost (4 + 5 - 6)	1,366,284	1,344,904
8.	Employer contributions	557,103	335,265
9.	Change in Net OPEB Obligation (7- 8)	809,181	1,009,639
10.	Net OPEB Obligation at BOY (11 prior yr)	-	809,181
11.	Net OPEB Obligation at EOY (9 + 10)	\$ 809,181	\$ 1,818,820

* (i) is the assumed interest rate that year: 5% in 2008, 5% in 2009

The net OPEB obligation of \$1,818,820 is included as a non-current liability on the Statement of Net Assets.

ANNUAL DEVELOPMENT OF OPEB COST

Fiscal Year Ended	Annual OPEB Cost	Interest on Net OPEB Obligation	Annual OPEB Cost	Total Employer Contributions	Change in Net OPEB Obligation	Net OPEB Obligation Balance	(Gain) / Loss	--- Amortization Factor ---	--- (Gain) / Loss ---	Ending Balance
2008	\$ 1,366,284	\$ -	\$ -	\$ 557,103	\$ 809,181	\$ 809,181	\$ 809,181	13.4622	\$ -	\$ 809,181
2009	\$ 1,344,904	\$ 40,459	\$ (61,839)	\$ 335,265	\$ 1,009,639	\$ 1,818,820	\$ 1,031,019	13.0853	\$ 61,839	\$ 1,818,820

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 was as follows:

PERCENTAGE OF ANNUAL OPEB COST CONTRIBUTED

Fiscal Year Ending	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2008	\$ 1,366,284	\$ 557,103	41.0 %	\$ 809,181
December 31, 2009	\$ 1,344,904	\$ 335,265	25.0 %	\$ 1,818,820

Funded Status and Funding Progress

As of January 1, 2008, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$16.1 million, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$16.1 million.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Significant methods and assumptions were as follows:

Actuarial valuation date	January 1, 2008			
Actuarial cost method	Entry Age Normal			
Amortization Method	Closed, 21 year as of January 1, 2008			
Asset valuation method	Fair market value			
Assumptions:				
Investment rate of return	5.00%			
Medical inflation	Year	Rate	Year	Rate
	2008	9.50%	2013	7.00%
	2009	9.00%	2014	6.50%
	2011	8.50%	2015	6.00%
	2010	8.00%	2016	5.50%
	2012	7.50%	2017+	5.00%
Dental inflation	5.00%			
Long-term care inflation	5.00%			

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents the results of the valuation of other post employment benefits for the fiscal year ended December 31, 2009. In future years, the schedule of funding progress will provide multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actual.

NOTE 10 – LONG-TERM DEBT

The City of Tukwila’s long-term debt consists of Governmental Activities Long-Term Debt and Business-Type Activities Long-Term Debt. The City is in compliance with all Washington State debt limitation statutes and bond indenture agreements. The City’s long-term debt is accounted for in two areas:

1. Governmental Activities Long-Term Debt - Debt in this classification is paid from property and sales tax revenues and is a general obligation of the City. The City has an A1 and an Aaa bond rating from Moody’s Investor Service for its 1999, 2000, 2003 General Obligation Bonds, and 2003 and 2008 General Obligation Refunding Bonds, respectively. The 2009 South Correctional Entity Facility (SCORE) Public Development Authority Bonds Series 2009A and Series 2009B with an A1 rating from Moody’s Investor Service, were issued in the amount of \$90.6 million to finance the construction of a jail and approximately \$5.8 million in capitalized interest. Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the totals for governmental activities.
2. Business-Type Activities Long-Term Debt - Operating revenues of the individual proprietary fund are used to satisfy this debt. The City’s bond rating from Moody’s Investors Service is Aaa for the 1995 Revenue Bonds. The City has an A1 and Aaa bond rating from Moody’s Investor Service for its 2003 General Obligation Bonds and an A2 and Aaa rating on the 2006 Water/Sewer Revenue Bonds. Bond ratings to be updated. Public Works Trust Fund loans are low interest rate loans available from the Washington State Department of Community Development for qualifying projects.

The schedules that follow summarize the long-term debt transactions of the City for the year ended December 31, 2009.

CHANGES IN LONG-TERM DEBT SUMMARY

	GENERAL OBLIGATION	REVENUE BONDS UTILITIES	PUBLIC WORKS TRUST FUND LOANS	CAPITAL LEASES	COMPENSATED ABSENCES	DUE TO OTHER GOVERNMENTS	TOTAL
Outstanding 01/01/2009	\$ 19,085,000	\$ 5,165,000	\$ 9,021,951	\$ 11,666	\$ 2,734,217	\$ 1,428,000	\$ 37,445,834
Added	-	-	-	-	2,642,519	6,898,800	9,541,319
Retired	(1,360,000)	(375,000)	(616,554)	(11,666)	(2,561,262)	(175,000)	(5,099,482)
Outstanding 12/31/2009	<u>\$ 17,725,000</u>	<u>\$ 4,790,000</u>	<u>\$ 8,405,397</u>	<u>\$ -</u>	<u>\$ 2,815,474</u>	<u>\$ 8,151,800</u>	41,887,671
Add: Premium net of deferred charges							80,486
Total Long-Term Liabilities							<u>\$ 41,968,157</u>

Debt Service to Maturity

Following is a schedule showing the debt service requirements to maturity for the City's long-term debt, excluding compensated absences.

DEBT SERVICE REQUIREMENT TO MATURITY -- Government Activities

Year Ended December 31	Government Activities					TOTAL
	General	Obligation	Bonds	Due to Other Governments		
	Principal	Interest	Principal	Interest		
2010	\$ 1,235,028	\$ 656,621	\$ 184,000	\$ 317,197		\$ 2,392,846
2011	1,282,774	606,407	193,000	336,131		2,418,313
2012	1,328,707	437,876	202,000	326,481		2,295,064
2013	1,311,453	507,736	373,200	314,083		2,506,471
2014	1,442,386	450,640	377,000	299,032		2,569,058
2015 - 2019	5,610,480	1,413,000	1,093,000	1,289,645		9,406,124
2020 - 2024	2,090,376	305,141	1,032,400	1,095,755		4,523,672
2025 - 2029	-	-	1,254,000	861,273		2,115,273
2030 - 2034	-	-	1,541,200	562,392		2,103,592
2035 - 2039	-	-	1,902,000	189,343		2,091,343
Totals	\$ 14,301,203	\$ 4,377,421	\$ 8,151,800	\$ 5,591,333		\$ 32,421,757

DEBT SERVICE REQUIREMENT TO MATURITY -- Business-Type Activities

Year Ended December 31	Business-Type Activities							TOTAL
	General	Obligation	Bonds	Revenue Bonds		Public Works Trust Fund Loans		
	Principal	Interest	Principal	Interest	Principal	Interest		
2010	\$ 184,972	\$ 148,489	\$ 395,000	\$ 237,598	\$ 616,554	\$ 42,867		\$ 1,625,480
2011	192,226	140,628	415,000	217,543	609,186	39,199		1,613,781
2012	201,293	132,458	440,000	194,444	558,293	35,898		1,562,386
2013	208,547	123,903	465,000	168,044	558,293	33,107		1,556,893
2014	217,614	115,561	495,000	139,953	558,293	30,315		1,556,737
2015 - 2019	1,229,520	437,002	1,160,000	438,597	2,791,465	109,705		6,166,290
2020 - 2024	1,189,624	140,417	970,000	235,575	2,713,313	40,309		5,289,238
2025 - 2029	-	-	450,000	20,250	-	-		470,250
Totals	\$ 3,423,797	\$ 1,238,459	\$ 4,790,000	\$ 1,652,002	\$ 8,405,397	\$ 331,400		\$ 19,841,056

CHANGES IN LONG-TERM DEBT

ITEM	Interest		OUTSTANDING				OUTSTANDING 12/31/09	Due Within One Year
	Rates	Maturity	Authorized	12/31/08	ISSUED	REDEEMED		
GOVERNMENTAL ACTIVITIES:								
<u>Limited General Obligation (GO) Bonds Payable:</u>								
1999 Streets/Facilities	5.15	12/01/09	\$ 10,000,000	\$ 465,000	\$ -	\$ 465,000	\$ -	\$ -
2004 Refunding Facilities	4.00-5.00	12/01/14	4,195,000	2,520,000	-	380,000	2,140,000	395,000
2003 Streets	4.25-4.65	12/01/23	6,277,500	6,277,500	-	261,297	6,016,203	325,028
2008 Refunding Streets/Facilities	4.00-6.00	12/01/19	6,180,000	6,180,000	-	35,000	6,145,000	515,000
Total Bonds Payable			26,652,500	15,442,500	-	1,141,297	14,301,203	1,235,028
<u>Unamortized Deferred Credits (Charges):</u>								
Issuance premiums			-	661,510	-	69,685	591,825	-
Issuance and refunding costs			-	(643,139)	-	(64,220)	(578,919)	-
Net Bonds Payable			26,652,500	15,460,871	-	1,146,761	14,314,110	1,235,028
Compensated Absences:			-	2,535,136	2,405,808	2,359,408	2,581,536	2,006,935
Total Governmental Funds			\$ 26,652,500	\$ 17,996,007	\$ 2,405,808	\$ 3,506,169	\$ 16,895,646	\$ 3,241,963
BUSINESS-TYPE ACTIVITIES:								
<u>Bonds Payable:</u>								
1995 Water/Sewer Revenue	4.15-6.63	02/01/15	\$ 4,500,000	\$ 2,195,000	\$ -	\$ 260,000	\$ 1,935,000	\$ 275,000
2003 Limited G.O. Golf Course	3.21-4.65	12/01/23	5,772,500	3,642,500	-	218,703	3,423,797	184,972
2006 Water/Sewer/SWM Revenue	4.00-4.50	12/01/26	3,180,000	2,970,000	-	115,000	2,855,000	120,000
Total Bonds Payable			13,452,500	8,807,500	-	593,703	8,213,797	579,972
<u>Unamortized Deferred Credits (Charges):</u>								
Issuance Premiums			-	130,199	-	12,996	117,203	-
Issuance Discounts			-	(37,068)	-	(6,093)	(30,975)	-
Net Bonds Payable			13,452,500	8,900,631	-	600,606	8,300,025	579,972
<u>Public Works Trust Fund Loans:</u>								
1990 Loan-Surface Water	5.00	07/01/10	140,000	14,737	-	7,369	7,368	7,368
1991 Loan-Surface Water	1.00	07/01/11	1,313,000	152,678	-	50,892	101,786	50,893
2003 Loan-Water/Sewer	0.50	07/01/21	273,870	187,906	-	14,455	173,451	14,454
2003 Loan-Surface Water	0.50	07/01/21	219,725	150,755	-	11,596	139,159	11,597
2004 Loan-Water/Sewer	0.50-2.00	07/01/24	5,016,000	4,366,181	-	272,887	4,093,294	272,886
2004 Loan-Surface Water	0.50-2.00	07/01/24	684,000	595,388	-	37,212	558,176	37,212
2004 Loan-Surface Water	1.00	07/01/24	4,196,056	3,554,306	-	222,144	3,332,162	222,144
Total Public Works Trust Fund Loans			11,842,651	9,021,951	-	616,554	8,405,397	616,554
Capital Lease:			128,605	11,666	-	11,666	-	-
Compensated Absences:			-	199,081	236,711	201,854	233,938	201,854
Total Business-Type Activities			\$ 25,423,756	\$ 18,133,329	\$ 236,711	\$ 1,430,680	\$ 16,939,360	\$ 1,398,380
TOTAL ALL FUNDS			\$ 52,076,256	\$ 36,129,336	\$ 2,642,519	\$ 4,936,849	\$ 33,835,006	\$ 4,640,343

Due to Other Governments

Valley Communication Center Public Development Authority issued General Obligation bonds in 2000 for a new dispatch facility. The City is contracted to pay 20% of the debt service of these 15-year bonds that mature in 2015. This debt is paid from the General fund. These bonds were refunded in April 2010. See Note 16, Subsequent Events, for more information.

SCORE Public Development Authority issued General Obligation bonds in 2009 to acquire, construct, improve, and equip a consolidated correctional facility to be located in Des Moines, Washington. The City is contracted to pay 8% of the debt service of these 30 year bonds that mature in 2039. This debt is to be paid from the General fund.

CHANGES IN LONG-TERM DEBT DUE OTHER GOVERNMENTS

ITEM	Interest		Authorized	OUTSTANDING			OUTSTANDING		Due Within One Year
	Rates	Maturity		12/31/08	ISSUED	REDEEMED	12/31/09		
GOVERNMENTAL ACTIVITIES:									
<u>Limited General Obligation (GO) Bonds Payable:</u>									
2000 Facilities	4.30-5.75	12/01/15	\$ 2,551,600	\$ 1,428,000	\$ -	\$ 175,000	\$ 1,253,000	\$ 184,000	
2009 Facility	4.00-5.00	01/01/22	656,400	-	656,400	-	656,400	-	
2009 Facility, Build America Bond	3.00-6.62	01/01/39	6,242,400	-	6,242,400	-	6,242,400	-	
Total General Obligation Bonds									
Due Other Governments			\$ 9,450,400	\$ 1,428,000	\$ 6,898,800	\$ 175,000	\$ 8,151,800	\$ 184,000	
<u>Unamortized Deferred Credits (Charges):</u>									
Issuance Premiums			-	-	48,774	668	48,105	-	
Issuance Discounts/Costs			-	-	(67,177)	(423)	(66,755)	-	
Net General Obligation Bonds									
Due Other Governments			\$ 9,450,400	\$ 1,428,000	\$ 6,880,396	\$ 175,246	\$ 8,133,151	\$ 184,000	

LONG-TERM DEBT RECONCILIATION

	Government Funds	Enterprise Funds	Balance 12-31-09
General obligation bonds	\$ 14,301,203	\$ 3,423,797	\$ 17,725,000
Revenue bonds	-	4,790,000	4,790,000
Public Works Trust Fund loans	-	8,405,397	8,405,397
Due to Other Governments	8,151,800	-	8,151,800
Employee leave benefits	2,581,536	233,938	2,815,474
Deferred charges	(5,742)	86,228	80,486
Total long-term debt	\$ 25,028,797	\$ 16,939,360	\$ 41,968,157

Debt Limit Capacities

State law provides that debt cannot be incurred in excess of the following percentages of the value of the taxable property of the City: 1.5% without a vote of the people; 2.5% with a vote of the people; 5.0% with a vote of the people, provided the indebtedness in excess of 2.5% is for utilities; 7.5% with a vote of the people, provided the indebtedness in excess of 5.0% is for parks or open space development.

At December 31, 2009, the debt limits for the City were as follows:

Item	Without a Vote	-----With a Vote of the People-----		
	1.5%	2.5%	5.0%	7.5%
Legal Limit	\$ 74,609,762	\$ 124,349,603	\$ 248,699,206	\$ 373,048,810
Outstanding Net Indebtedness	28,291,920	28,291,920	28,291,920	28,291,920
Margin Available	\$ 46,317,842	\$ 96,057,683	\$ 220,407,286	\$ 344,756,890

NOTE 11 - RESERVATION OF FUND EQUITY

Following is an analysis of fund equity reservation by type for each of the City's fund groups.

	General	Fiduciary	Totals
Imprest funds	\$ 17,900	\$ -	\$ 17,900
Employees' Pension Benefit	-	1,437,172	1,437,172
Totals	\$ 17,900	\$ 1,437,172	\$ 1,455,072

NOTE 12 – CONSTRUCTION COMMITMENTS

As of December 31, 2009 the City had \$4,675,992 contractual obligations on construction projects.

NOTE 13 - LITIGATION

There are several lawsuits in which the City is involved. The City Attorney estimates that the potential claims against the City are either covered by insurance or are not material enough to affect the financial statements of the City. See also Note 15.

NOTE 14 – RESTRICTED ASSETS

The balances of the restricted asset accounts in the enterprise funds are as follows:

Customer Deposits -- Water / Sewer Utility	\$ 3,000
Customer Deposits -- Foster Golf Course	79,053
Revenue Bond Reserve Account	430,444
Total Restricted Assets	\$ 512,497

NOTE 15 – RISK MANAGEMENT

The City of Tukwila is a member of the Washington Cities Insurance Authority (WCIA).

Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 136 Members.

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 sublimits 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 insurance.

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.

The City insures its buildings, equipment, and vehicle property insurance with WCIA. They self-fund up to \$250,000 with standard property insurance purchased above that amount. American States Insurance Company insures boiler machinery, crime and employee dishonesty coverage.

The City of Tukwila has a Risk Management and a Safety Committee to oversee risk management. In addition, the WCIA provides support for a proactive risk analysis program and a loss control manual.

During the year under audit, no settlement has exceeded insurance coverage.

The City self-insures for unemployment benefits. This is budgeted each year and has not exceeded \$60,000 per year. This expense is budgeted in each respective fund and no reserves are allocated because of the limited liability and historical cost.

The City also self-insures for medical, dental and other health care benefits. A third-party administrator, Healthcare Management Administrators, Inc., provides claims administration. The City has a stop-loss policy with Standard Insurance Company, which provides individual limits of \$110,000 and a plan limit of \$5,861,518 in 2009. Each fund contributes an appropriate amount each year to pay premiums and claims. At the end of each year the employees and employer share equally any residual amounts. Liabilities include an amount for claims that have been incurred but not reported (IBNR's). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. The basis for estimating the liabilities for unpaid claims includes the effects of specific, incremental claim adjustment expenses, salvage, subrogation, and other allocated adjustment expenses.

The following table reflects changes in the balances of claims liabilities for 2009 and 2008.

ITEM	Insurance	Insurance	Insurance –	Insurance –
	2009	2008	LEOFF I	LEOFF I
	2009	2008	2009	2008
Claims Liabilities at Beginning of Year	\$1,190,640	\$ 761,569	\$ 111,024	\$ 86,098
Claims expenses:				
Current year and changes in estimates	3,887,428	4,416,452	312,421	395,005
Claims payments and expenses	(3,910,317)	(3,987,381)	(326,044)	(370,079)
Claims Liabilities at End of Year	\$1,167,751	\$1,190,640	\$ 97,401	\$ 111,024

NOTE 16 – SUBSEQUENT EVENTS

Valley Communications Bond Refunding

The Valley Communications (ValleyCom) refunded its series 2000 bonds on March 1, 2010. The City of Tukwila and four other ValleyCom members created the Valley Communications Center Development Authority (Authority) in April of 2000 with the explicit intent to issue bonds for the construction of an emergency dispatch center. Debt service on the bonds is shared equally among the five ValleyCom cities. The portion attributable to the City of Tukwila when the bonds were originally sold was \$2,551,600. The City's share of the new bond issue is \$1,065,000 which replaces \$1,069,000 of debt outstanding from the original issue.

The bonds were refunded to capitalize on the relatively low interest rates available in the bond market at the time. When originally sold, the bonds had an average interest rate of 5.30%. The average interest rate on the bond refunding is 2.77%. The refunding resulted in a savings, net of bond issuance costs, of \$371,314. The City of Tukwila's share of that savings is 20%, or \$74,262. This savings will be realized between now and 2015.

REQUIRED SUPPLEMENTAL INFORMATION

FIREMEN’S PENSION TRUST FUND

SCHEDULE OF FUNDING PROGRESS
(rounded to thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
January 1, 1998	\$ 981	\$ 1,042	\$ 61	94 %	\$ 101	60 %
January 1, 2000	\$ 1,076	\$ 1,243	\$ 167	87 %	\$ 112	149 %
January 1, 2003	\$ 1,215	\$ 1,135	\$ (80)	107 %	-	N/A
January 1, 2005	\$ 1265	\$ 1,182	\$ (83)	107 %	-	N/A
January 1, 2007	\$ 1,336	\$ 1,310	\$ (26)	102 %	-	N/A
January 1, 2009	\$ 1,445	\$ 1,610	\$ 165	90 %	-	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	Employer Contributions	Fire Insurance Premiums	Total Employer Contributions	Annual Required Contribution (ARC)	Percentage of ARC Contributed
December 31, 2004	\$ (500)	\$ 40,812	\$ 40,312	\$ (6,789)	N/A
December 31, 2005	\$ (11,250)	\$ 40,983	\$ 29,733	\$ (6,547)	N/A
December 31, 2006	\$ (2,114)	\$ 45,951	\$ 43,837	\$ (6,547)	N/A
December 31, 2007	\$ (8,575)	\$ 50,555	\$ 41,980	\$ (1,998)	N/A
December 31, 2008	\$ (1,841)	\$ 52,571	\$ 50,730	\$ (1,998)	N/A
December 31, 2009	\$ (18,425)	\$ 48,537	\$ 30,112	\$ 11,576	260 %

RETIREE MEDICAL AND LONG-TERM CARE BENEFITS FOR LEOFF 1 EMPLOYEES

SCHEDULE OF FUNDING PROGRESS
(rounded to thousands)

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL As a Percentage of Covered Payroll
January 1, 2008	-	\$ 16,103	\$ 16,103	0.0 %	N/A	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	Employer Contributions	Annual Required Contribution (ARC)	Percentage of ARC Contributed
December 31, 2008	\$ 557,103	\$ 1,366,284	41 %
December 31, 2009	\$ 335,265	\$ 1,366,284	25 %

The information presented in the preceding required schedules was determined as part of the actuarial valuations at the dates indicated.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FIREMEN'S PENSION TRUST FUND

Actuarial valuation date	January 1, 2009
Actuarial cost method	Entry Age Normal
Remaining amortization period	Closed, 30 year as of January 1, 2009
Asset valuation method	Fair market value
Assumptions:	
Investment rate of return	3.50%
Projected salary increases	4.00%
Price inflation	2.50%
Growth in fire insurance premiums	Based upon salary increase assumption for FPF benefits, inflation assumption for LEOFF benefits.

* Under the Firemen's Pension Trust Fund, most adjustments are based on the change in salary for the rank of members held at retirement or based on the Consumer Price Index. Adjustments are determined in accordance with RCW 41.18.150, RCW 41.20 and RCW 41.26

RETIREE MEDICAL AND LONG-TERM CARE BENEFITS FOR LEOFF 1 EMPLOYEES

Actuarial valuation date	January 1, 2008			
Actuarial cost method	Entry Age Normal			
Amortization Method	Closed, 21 year as of January 1, 2008			
Asset valuation method	Fair market value			
Assumptions:				
Investment rate of return	5.00%			
Medical inflation	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
	2008	9.50%	2013	7.00%
	2009	9.00%	2014	6.50%
	2011	8.50%	2015	6.00%
	2010	8.00%	2016	5.50%
	2012	7.50%	2017+	5.00%
Dental inflation	5.00%			
Long-term care inflation	5.00%			



NON-MAJOR GOVERNMENTAL FUNDS

The City has three types of non-major governmental funds:

Special Revenue Funds

Special Revenue Funds are established to account for proceeds of specific taxes or other specific revenue sources that are legally restricted to expenditures for particular purposes. This revenue is segregated into individual Special Revenue Funds to classify expenditures for specified purposes.

Debt Service Funds

Debt Service Funds are used to account for payment of principal and interest on general obligation long-term debt. The City maintains Debt Service Funds to provide debt service payments on General Obligation Bonds both voted and councilmanic.

Capital Projects Funds

Capital Projects Funds account for the acquisition or development of major capital facilities, except those projects financed by proprietary funds. Sources of revenue to these funds include general obligation bond proceeds, federal and state grants, general property taxes, real estate excise taxes, sales taxes, interest earnings, and transfers from other funds.

CITY OF TUKWILA, WASHINGTON
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENT FUNDS
 DECEMBER 31, 2009

	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	TOTAL NONMAJOR DEBT SERVICE FUNDS	TOTAL NONMAJOR CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 2,910,368	\$ (239,393)	\$ 2,347,374	\$ 5,018,349
INVESTMENTS	576,463	-	71,344	647,807
RECEIVABLES:				
TAXES	-	374,831	42,725	417,556
DUE FROM OTHER GOVERNMENTAL UNITS	22,909	-	6,206	29,115
TOTAL ASSETS	\$ 3,509,740	\$ 135,438	\$ 2,467,649	\$ 6,112,827
LIABILITIES AND FUND BALANCES:				
CURRENT LIABILITIES:				
ACCRUED WAGES AND BENEFITS	\$ 13,150	\$ -	\$ 2,853	\$ 16,003
ACCOUNTS PAYABLE	33,227	-	-	33,227
RETAINAGE PAYABLE	-	-	29,383	29,383
OTHER CURRENT LIABILITIES	-	-	2,500	2,500
DEFERRED REVENUE	160,737	-	-	160,737
TOTAL LIABILITIES	207,114	-	34,736	241,850
FUND BALANCES:				
UNRESERVED	3,302,626	135,438	2,432,913	5,870,977
TOTAL FUND BALANCES	3,302,626	135,438	2,432,913	5,870,977
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,509,740	\$ 135,438	\$ 2,467,649	\$ 6,112,827

CITY OF TUKWILA, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENT FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	TOTAL NONMAJOR DEBT SERVICE FUNDS	TOTAL NONMAJOR CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES:				
TAXES	\$ 489,805	\$ 1,593,242	\$ 219,191	\$ 2,302,238
INTERGOVERNMENTAL	1,190,174	-	355,287	1,545,461
CHARGES FOR SERVICES	-	-	13,342	13,342
FINES AND FORFEITURES	71,488	-	-	71,488
INVESTMENT EARNINGS	21,944	10,932	20,739	53,615
MISCELLANEOUS	10,310	-	33,933	44,243
TOTAL REVENUES	1,783,721	1,604,174	642,492	4,030,387
EXPENDITURES:				
CURRENT:				
PHYSICAL ENVIRONMENT	-	-	177,488	177,488
ECONOMIC ENVIRONMENT	1,206,707	-	-	1,206,707
PUBLIC SAFETY	123,120	-	-	123,120
DEBT SERVICE				
PRINCIPAL	-	1,316,297	-	1,316,297
INTEREST	-	778,018	-	778,018
CAPITAL OUTLAY				
PUBLIC SAFETY	168,060	-	-	168,060
PHYSICAL ENVIRONMENT	-	-	982,143	982,143
ECONOMIC ENVIRONMENT	3,594	-	-	3,594
TOTAL EXPENDITURES	1,501,481	2,094,315	1,159,631	4,755,427
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	282,240	(490,141)	(517,139)	(725,040)
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN (Note 5)	483,444	96,000	130,000	709,444
TRANSFERS OUT (Note 5)	-	(786,500)	(65,000)	(851,500)
GENERAL OBLIGATION BONDS ISSUED	-	6,947,574	-	6,947,574
PAYMENT TO FISCAL AGENT	-	(6,880,397)	-	(6,880,397)
TOTAL OTHER FINANCING SOURCES AND USES	483,444	(623,323)	65,000	(74,879)
NET CHANGE IN FUND BALANCES	765,684	(1,113,464)	(452,139)	(799,919)
FUND BALANCES - BEGINNING	2,536,942	1,248,902	2,885,052	6,670,896
FUND BALANCES - ENDING	\$ 3,302,626	\$ 135,438	\$ 2,432,913	\$ 5,870,977



NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are established to account for proceeds of specific taxes or other specific revenue sources that are legally restricted to expenditures for particular purposes. This revenue is segregated into individual Special Revenue Funds to classify expenditures for specified purposes.

Hotel/Motel Tax Fund

Established to account for the proceeds of a special excise tax on the sale of or charge made for the furnishing of lodging that is subject to tax under Chapter 82.08 RCW. The tax applies to lodging by hotel, rooming house, tourist court, motel or trailer camp. Proceeds from this tax may only be used to promote tourism.

Street Fund

Established in accordance with RCW 35A.37.010 to account for maintenance and improvement of the City's street and traffic control systems. Major sources of support are general tax revenues and the State-levied tax on motor vehicle fuels distributed to Tukwila, to be used for City street purposes.

Contingency Fund

Provides funding for any municipal expenditure, the necessity or extent of which could not be foreseen or reasonably evaluated at the time of budget adoption. Resources of the fund are general tax revenues.

Fire Equipment Cumulative Reserve Fund

Provides funding for major fire department equipment purchases. Primary revenue source is a \$300,000 annual transfer from the General Fund.

Drug Seizure Fund

Established to account for the yearly accumulation of drug seizure revenues and related expenditures.

CITY OF TUKWILA, WASHINGTON
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2009

	HOTEL/MOTEL TAX	STREET	CONTINGENCY	FIRE EQUIPMENT CUMULATIVE RESERVE	DRUG SEIZURE	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
ASSETS:						
CASH AND CASH EQUIVALENTS	\$ 840,164	\$ 442,306	\$ 804,519	\$ 802,279	\$ 21,100	\$ 2,910,368
INVESTMENTS	101,309	192,487	80,943	-	201,724	576,463
DUE FROM OTHER GOVERNMENTAL UNITS	22,909	-	-	-	-	22,909
TOTAL ASSETS	\$ 964,382	\$ 634,793	\$ 885,462	\$ 802,279	\$ 222,824	\$ 3,509,740
LIABILITIES AND FUND BALANCES:						
ACCOUNTS PAYABLE	\$ 31,511	\$ -	\$ -	\$ -	\$ 1,716	\$ 33,227
ACCRUED WAGES AND BENEFITS PAYABLE	13,150	-	-	-	-	13,150
DEFERRED REVENUE	-	-	-	160,737	-	160,737
TOTAL LIABILITIES	44,661	-	-	160,737	1,716	207,114
FUND BALANCES:						
UNRESERVED	919,721	634,793	885,462	641,542	221,108	3,302,626
TOTAL FUND BALANCES	919,721	634,793	885,462	641,542	221,108	3,302,626
TOTAL LIABILITIES AND FUND BALANCES	\$ 964,382	\$ 634,793	\$ 885,462	\$ 802,279	\$ 222,824	\$ 3,509,740

CITY OF TUKWILA, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	HOTEL/MOTEL TAX	STREET	CONTINGENCY	FIRE EQUIPMENT CUMULATIVE RESERVE	DRUG SEIZURE	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
REVENUES:						
TAXES	\$ 489,805	\$ -	\$ -	\$ -	\$ -	\$ 489,805
INTERGOVERNMENTAL	755,051	267,063	-	168,060	-	1,190,174
FINES AND FORFEITURES	-	-	-	-	71,488	71,488
INVESTMENT EARNINGS	5,385	4,621	7,044	3,170	1,724	21,944
MISCELLANEOUS	9,425	-	-	885	-	10,310
TOTAL REVENUES	1,259,666	271,684	7,044	172,115	73,212	1,783,721
EXPENDITURES:						
CURRENT:						
PUBLIC SAFETY	-	-	-	116,369	6,751	123,120
ECONOMIC ENVIRONMENT	1,206,707	-	-	-	-	1,206,707
CAPITAL OUTLAY :						
PUBLIC SAFETY	-	-	-	168,060	-	168,060
ECONOMIC ENVIRONMENT	3,594	-	-	-	-	3,594
TOTAL EXPENDITURES	1,210,301	-	-	284,429	6,751	1,501,481
EXCESS (DEFICIENCY) OF REVENUES						
OVER (UNDER) EXPENDITURES	49,365	271,684	7,044	(112,314)	66,461	282,240
OTHER FINANCING SOURCES (USES):						
TRANSFERS IN (Note 5)	-	-	-	328,797	154,647	483,444
TOTAL OTHER FINANCING SOURCES AND USES	-	-	-	328,797	154,647	483,444
NET CHANGE IN FUND BALANCES	49,365	271,684	7,044	216,483	221,108	765,684
FUND BALANCES - BEGINNING	870,356	363,109	878,418	425,059	-	2,536,942
FUND BALANCES - ENDING	\$ 919,721	\$ 634,793	\$ 885,462	\$ 641,542	\$ 221,108	\$ 3,302,626

CITY OF TUKWILA, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
TAXES	\$ 600,000	\$ 600,000	\$ 489,805	\$ (110,195)
INTERGOVERNMENTAL	907,000	907,000	755,051	(151,949)
INVESTMENT EARNINGS	20,000	20,000	5,385	(14,615)
MISCELLANEOUS	5,000	5,000	9,425	4,425
TOTAL REVENUES	1,532,000	1,532,000	1,259,666	(272,334)
EXPENDITURES:				
CURRENT:				
ECONOMIC ENVIRONMENT	2,355,148	2,355,148	1,206,707	1,148,441
CAPITAL OUTLAY:				
ECONOMIC ENVIRONMENT	10,000	10,000	3,594	6,406
TOTAL EXPENDITURES	2,365,148	2,365,148	1,210,301	1,154,847
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(833,148)	(833,148)	49,365	882,513
NET CHANGE IN FUND BALANCES	(833,148)	(833,148)	49,365	882,513
FUND BALANCES - BEGINNING	1,062,651	1,062,651	870,356	(192,295)
FUND BALANCES - ENDING	\$ 229,503	\$ 229,503	\$ 919,721	\$ 690,219

CITY OF TUKWILA, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
STREET SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
INTERGOVERNMENTAL	\$ 300,000	\$ 300,000	\$ 267,063	\$ (32,937)
INVESTMENT EARNINGS	10,000	10,000	4,621	(5,379)
TOTAL REVENUES	310,000	310,000	271,684	(38,316)
EXPENDITURES:				
CAPITAL OUTLAY:				
TRANSPORTATION	250,000	250,000	-	(250,000)
TOTAL EXPENDITURES	250,000	250,000	-	250,000
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	60,000	60,000	271,684	211,684
NET CHANGE IN FUND BALANCES	60,000	60,000	271,684	211,684
FUND BALANCES - BEGINNING	240,141	240,141	363,109	122,968
FUND BALANCES - ENDING	\$ 300,141	\$ 300,141	\$ 634,793	\$ 334,652

CITY OF TUKWILA, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CONTINGENCY SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
INVESTMENT EARNINGS	\$ 17,000	\$ 17,000	\$ 7,044	\$ (9,956)
TOTAL REVENUES	17,000	17,000	7,044	(9,956)
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	17,000	17,000	7,044	(9,956)
NET CHANGE IN FUND BALANCES	17,000	17,000	7,044	(9,956)
FUND BALANCES - BEGINNING	857,187	857,187	878,418	21,231
FUND BALANCES - ENDING	<u>\$ 874,187</u>	<u>\$ 874,187</u>	<u>\$ 885,462</u>	<u>\$ 11,275</u>

CITY OF TUKWILA, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FIRE EQUIPMENT CUMULATIVE RESERVE SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
INVESTMENT EARNINGS	\$ 9,000	\$ 9,000	\$ 3,170	\$ (5,830)
INTERGOVERNMENTAL	-	-	168,060	168,060
MISCELLANEOUS	-	-	885	885
TOTAL REVENUES	9,000	9,000	172,115	163,115
EXPENDITURES:				
CURRENT:				
PUBLIC SAFETY	2,000	2,000	116,369	(114,369)
CAPITAL OUTLAY:				
PUBLIC SAFETY	328,797	168,060	168,060	-
TOTAL EXPENDITURES	330,797	170,060	284,428	(114,369)
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(321,797)	(161,060)	(112,314)	48,746
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN (Note 5)	-	328,797	328,797	-
TOTAL OTHER FINANCING SOURCES AND USES	-	328,797	328,797	-
NET CHANGE IN FUND BALANCES	(321,797)	167,737	216,483	48,746
FUND BALANCES - BEGINNING	420,000	420,000	425,059	5,059
FUND BALANCES - ENDING	\$ 98,203	\$ 587,737	\$ 641,542	\$ 53,805

CITY OF TUKWILA, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
DRUG SEIZURE SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
INVESTMENT EARNINGS	\$ -	\$ -	\$ 1,724	\$ 1,724
FINES AND FORFEITURES	-	200,000	71,488	(128,512)
TOTAL REVENUES	-	200,000	73,212	(126,788)
EXPENDITURES:				
CURRENT:				
PUBLIC SAFETY	-	2,000	6,751	(4,751)
CAPITAL OUTLAY:				
PUBLIC SAFETY	-	105,000	-	105,000
TOTAL EXPENDITURES	-	107,000	6,751	100,249
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	-	93,000	66,461	(26,539)
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN (Note 5)	-	154,647	154,647	-
TOTAL OTHER FINANCING SOURCES AND USES	-	154,647	154,647	-
NET CHANGE IN FUND BALANCES	-	247,647	221,108	(26,539)
FUND BALANCES - BEGINNING	-	184,647	-	(184,647)
FUND BALANCES - ENDING	\$ -	\$ 432,294	\$ 221,108	\$ (211,186)

NON-MAJOR GOVERNMENTAL FUNDS

Debt Service Funds

Debt Service Funds are used to account for payment of principal and interest on general obligation long-term debt. The City maintains Debt Service Funds to provide debt service payments on General Obligation Bonds both voted and councilmanic.

Limited Tax G.O. 1999

This fund provides payment to the Fiscal Agent for principal and interest payments required per the debt service schedule for purchase of an additional City Hall Annex and economic revitalization projects. Revenues are provided by allocation of sales tax proceeds.

Limited Tax G.O. 2000

This fund provides payment to the Fiscal Agent for principal and interest payments required per the debt service schedule for the City of Tukwila's portion of a new Valley Communications Center along with four other cities. Revenues are provided by allocation of sales tax proceeds.

Limited Tax G.O. 2003

This fund provides payment to the Fiscal Agent for principal and interest payments required per the debt service schedule for the City of Tukwila's Arterial Street program. Revenues are provided by allocation of sales tax proceeds.

Limited Tax G.O. Refunding 2003

This fund provides payment to the Fiscal Agent for principal and interest payments required per the debt service schedule for the refunded Limited Tax G.O. 1994 Bonds for the construction of a new Community Center and replacement Fire Station. Revenues are provided by allocation of sales tax proceeds.

Limited Tax G.O. Refunding 2008

This fund provides payment to the Fiscal Agent for principal and interest payments required per the debt service schedule for the refunded Limited Tax G.O. 1999 Bonds for the purchase of an additional City Hall Annex and economic revitalization projects. Revenues are provided by allocation of sales tax proceeds.

Limited Tax G.O. 2009A

This fund provides payment to the Fiscal Agent for principal and interest payments required per the debt service schedule for the City's portion of the construction of a correctional facility along with six other cities.

Taxable Build America Bonds 2009B

This fund provides payment to the Fiscal Agent for principal and interest payments required per the debt service schedule for the City's portion of the construction of a correctional facility along with six other cities.

CITY OF TUKWILA, WASHINGTON
COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS
 DECEMBER 31, 2009

	LIMITED TAX G.O. BONDS 1999	LIMITED TAX G.O. BONDS 2000	LIMITED TAX G.O. BONDS 2003	LIMITED TAX G.O. REFUNDING BONDS 2003	LIMITED TAX G.O. REFUNDING BONDS 2008	TOTAL NONMAJOR DEBT SERVICE FUNDS
ASSETS:						
CASH AND CASH EQUIVALENTS	\$ (55,311)	\$ (22,268)	\$ (70,737)	\$ (51,394)	\$ (39,683)	\$ (239,393)
RECEIVABLES:						
TAXES	68,756	114,237	78,376	67,624	45,838	374,831
TOTAL ASSETS	\$ 13,445	\$ 91,969	\$ 7,639	\$ 16,230	\$ 6,155	\$ 135,438
LIABILITIES AND FUND BALANCES:						
FUND BALANCES:						
UNRESERVED	\$ 13,445	\$ 91,969	\$ 7,639	\$ 16,230	\$ 6,155	\$ 135,438
TOTAL FUND BALANCES	13,445	91,969	7,639	16,230	6,155	135,438
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,445	\$ 91,969	\$ 7,639	\$ 16,230	\$ 6,155	\$ 135,438

CITY OF TUKWILA, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR DEBT SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	LIMITED TAX G.O. BONDS 1999	LIMITED TAX G.O. BONDS 2000	LIMITED TAX G.O. BONDS 2003	LIMITED TAX G.O. REFUNDING BONDS 2003	LIMITED TAX G.O. REFUNDING BONDS 2008	LIMITED TAX G.O. BONDS 2009A	BUILD AMERICA BONDS 2009B	TOTAL NONMAJOR DEBT SERVICE FUNDS
REVENUES:								
TAXES	\$ 351,749	\$ 255,538	\$ 407,584	\$ 344,715	\$ 233,656	\$ -	\$ -	\$ 1,593,242
INVESTMENT EARNINGS	2,252	2,381	3,379	2,166	754	-	-	10,932
TOTAL REVENUES	354,001	257,919	410,963	346,881	234,410	-	-	1,604,174
EXPENDITURES:								
DEBT SERVICE								
INTEREST	23,948	15,104	272,330	110,204	289,255	4,854	62,323	778,018
PRINCIPAL	465,000	175,000	261,297	380,000	35,000	-	-	1,316,297
TOTAL EXPENDITURES	488,948	190,104	533,627	490,204	324,255	4,854	62,323	2,094,315
EXCESS (DEFICIENCY) OF REVENUES								
OVER (UNDER) EXPENDITURES	(134,947)	67,815	(122,664)	(143,323)	(89,845)	(4,854)	(62,323)	(490,141)
OTHER FINANCING SOURCES (USES):								
TRANSFERS IN (Note 5)	-	-	-	-	96,000	-	-	96,000
TRANSFERS OUT (Note 5)	(72,500)	(317,000)	(288,000)	(109,000)	-	-	-	(786,500)
GENERAL OBLIGATION BONDS ISSUED	-	-	-	-	-	705,174	6,242,400	6,947,574
PAYMENT TO FISCAL AGENT	-	-	-	-	-	(700,320)	(6,180,077)	(6,880,397)
TOTAL OTHER FINANCING SOURCES AND USES	(72,500)	(317,000)	(288,000)	(109,000)	96,000	4,854	62,323	(623,323)
NET CHANGE IN FUND BALANCES	(207,447)	(249,185)	(410,664)	(252,323)	6,155	-	-	(1,113,464)
FUND BALANCES - BEGINNING	220,892	341,154	418,303	268,553	-	-	-	1,248,902
FUND BALANCES - ENDING	\$ 13,445	\$ 91,969	\$ 7,639	\$ 16,230	\$ 6,155	\$ -	\$ -	\$ 135,438



NON-MAJOR GOVERNMENTAL FUNDS

Capital Projects Funds

Capital Projects Funds account for the acquisition or development of major capital facilities, except those projects financed by proprietary funds. Sources of revenue to these funds include general obligation bond proceeds, federal and state grants, general property taxes, real estate excise taxes, sales taxes, interest earnings, and transfers from other funds.

Facility Replacement Fund

This fund was established in 1988 for the replacement of existing general government facilities.

General Government Improvements

This fund was established in 1992 to provide funding for minor capital improvements not related to parks, land acquisition, or major building replacements.

Fire Improvements

This fund is to be used for the acquisition of land, development of land, and construction of fire facilities. Source of revenue from this fund comes primarily from fire impact fees.

CITY OF TUKWILA, WASHINGTON
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2009

	FACILITY REPLACEMENT	GENERAL GOVERNMENT IMPROVEMENTS	FIRE IMPROVEMENTS	TOTAL NONMAJOR CAPITAL PROJECTS FUNDS
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 2,005,876	\$ 328,904	\$ 12,594	\$ 2,347,374
INVESTMENTS	70,592	-	752	71,344
RECEIVABLES:				
TAXES	-	42,725	-	42,725
DUE FROM OTHER GOVERNMENTAL UNITS	-	6,206	-	6,206
TOTAL ASSETS	\$ 2,076,468	\$ 377,835	\$ 13,346	\$ 2,467,649
LIABILITIES AND FUND BALANCES:				
CURRENT PAYABLES:				
ACCRUED WAGES AND BENEFITS	\$ 50	\$ 2,803	\$ -	\$ 2,853
RETAINAGE PAYABLE	-	29,383	-	29,383
OTHER CURRENT LIABILITIES	2,500	-	-	2,500
TOTAL LIABILITIES	2,550	32,186	-	34,736
FUND BALANCES:				
UNRESERVED	2,073,918	345,649	13,346	2,432,913
TOTAL FUND BALANCES	2,073,918	345,649	13,346	2,432,913
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,076,468	\$ 377,835	\$ 13,346	\$ 2,467,649

CITY OF TUKWILA, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	FACILITY REPLACEMENT	GENERAL GOVERNMENT IMPROVEMENTS	FIRE IMPROVEMENTS	TOTAL NONMAJOR CAPITAL PROJECTS FUNDS
REVENUES:				
TAXES	\$ 1,401	\$ 217,790	\$ -	\$ 219,191
CHARGES FOR SERVICES	-	-	13,342	13,342
INTERGOVERNMENTAL	287,712	67,575	-	355,287
INVESTMENT EARNINGS	16,655	4,080	4	20,739
MISCELLANEOUS	33,933	-	-	33,933
TOTAL REVENUES	339,701	289,445	13,346	642,492
EXPENDITURES:				
PHYSICAL ENVIRONMENT	-	177,488	-	177,488
CAPITAL OUTLAY				
PHYSICAL ENVIRONMENT	484,658	497,485	-	982,143
TOTAL EXPENDITURES	484,658	674,973	-	1,159,631
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(144,957)	(385,528)	13,346	(517,139)
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN (Note 5)	130,000	-	-	130,000
TRANSFERS OUT (Note 5)	-	(65,000)	-	(65,000)
TOTAL OTHER FINANCING SOURCES AND USES	130,000	(65,000)	-	65,000
NET CHANGE IN FUND BALANCES	(14,957)	(450,528)	13,346	(452,139)
FUND BALANCES - BEGINNING	2,088,875	796,177	-	2,885,052
FUND BALANCES - ENDING	\$ 2,073,918	\$ 345,649	\$ 13,346	\$ 2,432,913



NON-MAJOR PROPRIETARY FUNDS

Internal Service Funds

The City Internal Service Funds are used to account for the financing of special services performed by designated organizations within the City of Tukwila to other organizations within the City. They provide a service and then generate revenue by billing the organization for which the service was provided.

Equipment Rental Fund

Accounts for the costs of maintaining and replacing all City vehicles and auxiliary equipment except for major fire apparatus. All equipment costs, including depreciation, are factors in calculating the rates which are charged to each user department.

Insurance Fund

Accounts for the costs of the City's self-insured medical plan. Medical and dental costs for covered employees are charged to the respective user departments. All premiums, medical and dental costs and ancillary charges are included. The LEOFF I retiree portion of this program was split off into a separate Insurance Fund to accommodate new reporting regulations as of January 1, 2004.

Insurance LEOFF I Fund

This fund was created to account for the City's self-insured medical plan for LEOFF I retirees. This fund receives contributions on behalf of retired LEOFF I employees through their respective organization units. Medical, dental and prescription claims and program administrative fees are expensed in this fund.

CITY OF TUKWILA, WASHINGTON
COMBINING STATEMENTS OF NET ASSETS
INTERNAL SERVICE FUNDS
 DECEMBER 31, 2009

	EQUIPMENT RENTAL	INSURANCE	INSURANCE- LEOFF I	TOTAL INTERNAL SERVICE FUNDS
ASSETS:				
CURRENT ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 3,221,559	\$ 3,941,498	\$ 1,044,908	\$ 8,207,965
INVESTMENTS	100,320	607,137	303,048	1,010,505
RECEIVABLES:				
CUSTOMER ACCOUNTS	152	-	-	152
INTEREST ON INVESTMENTS	807	807	806	2,420
INVENTORY OF MATERIALS AND SUPPLIES	9,031	-	-	9,031
TOTAL CURRENT ASSETS	3,331,869	4,549,442	1,348,762	9,230,073
NONCURRENT ASSETS:				
CAPITAL ASSETS:				
MACHINERY AND EQUIPMENT	8,838,519	-	-	8,838,519
LESS: ACCUMULATED DEPRECIATION	(5,692,198)	-	-	(5,692,198)
TOTAL CAPITAL ASSETS (NET OF A/D)	3,146,321	-	-	3,146,321
TOTAL NONCURRENT ASSETS	3,146,321	-	-	3,146,321
TOTAL ASSETS	6,478,190	4,549,442	1,348,762	12,376,394
LIABILITIES:				
ACCRUED WAGES AND BENEFITS	15,518	-	-	15,518
OTHER CURRENT LIABILITIES	-	1,167,751	97,401	1,265,152
TOTAL LIABILITIES	15,518	1,167,751	97,401	1,280,670
NET ASSETS:				
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	3,146,321	-	-	3,146,321
UNRESTRICTED	3,316,351	3,381,691	1,251,361	7,949,403
TOTAL NET ASSETS	\$ 6,462,672	\$ 3,381,691	\$ 1,251,361	\$ 11,095,724

CITY OF TUKWILA, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	EQUIPMENT RENTAL	INSURANCE	INSURANCE- LEOFF I	TOTAL INTERNAL SERVICE FUNDS
OPERATING REVENUES:				
CHARGES FOR SERVICES	\$ 1,697,207	\$ 5,609,785	\$ 607,511	\$ 7,914,503
OTHER OPERATING REVENUE	-	602	769	1,371
TOTAL OPERATING REVENUES	1,697,207	5,610,387	608,280	7,915,874
OPERATING EXPENSES:				
OPERATIONS & MAINTENANCE	1,160,503	3,887,428	310,419	5,358,350
ADMINISTRATION	-	-	2,002	2,002
DEPRECIATION/MORTIZATION	736,332	-	-	736,332
TOTAL OPERATING EXPENSES	1,896,835	3,887,428	312,421	6,096,684
OPERATING INCOME (LOSS)	(199,628)	1,722,959	295,859	1,819,190
NON-OPERATING REVENUE (EXPENSE):				
INVESTMENT EARNINGS	24,843	30,109	10,353	65,305
SALE OF CAPITAL ASSETS	93,893	-	-	93,893
TOTAL NON-OPERATING REVENUE (EXPENSE)	118,736	30,109	10,353	159,198
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	(80,892)	1,753,068	306,212	1,978,388
CAPITAL CONTRIBUTIONS	43,232	-	-	43,232
TRANSFERS IN (Note 5)	162,000	-	-	162,000
TRANSFERS OUT (Note 5)	(192,100)	-	-	(192,100)
CHANGE IN NET ASSETS	(67,760)	1,753,068	306,212	1,991,520
TOTAL NET ASSETS BEGINNING OF YEAR	6,530,432	1,628,623	945,149	9,104,204
TOTAL NET ASSETS END OF YEAR	\$ 6,462,672	\$ 3,381,691	\$ 1,251,361	\$ 11,095,724

CITY OF TUKWILA, WASHINGTON
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009

Page 1 of 2

	EQUIPMENT RENTAL	INSURANCE	INSURANCE - LEOFF I	TOTAL INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:				
CASH RECEIVED FROM USERS	\$ 1,697,207	\$ 5,609,786	\$ 607,510	\$ 7,914,503
CASH PAID TO SUPPLIERS	(585,167)	(3,861,572)	(311,046)	(4,757,785)
CASH PAID FOR INVENTORY	(77,299)	-	-	(77,299)
CASH PAID TO EMPLOYEES	(470,996)	-	-	(470,996)
OTHER CASH RECEIVED (PAID)	-	(22,287)	(12,854)	(35,141)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	563,745	1,725,927	283,610	2,573,280
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
TRANSFERS IN	162,000	-	-	162,000
TRANSFERS OUT	(192,100)	-	-	(192,100)
NET CASH PROVIDED (USED) BY NON- CAPITAL FINANCING ACTIVITIES	(30,100)	-	-	(30,100)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
PROCEEDS FROM SALE OF EQUIPMENT	93,893	-	-	93,893
PURCHASE OF CAPITAL ASSETS	(847,466)	-	-	(847,466)
PROCEEDS FROM INSURANCE SETTLEMENT	-	(2,118)	(1,434)	(3,552)
NET CASH PROVIDED (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(753,573)	(2,118)	(1,434)	(757,125)
CASH FLOW FROM INVESTING ACTIVITIES:				
PROCEEDS FROM SALE OF INVESTMENTS	670,740	880,439	201,754	1,752,933
PURCHASE OF INVESTMENTS	(100,000)	(906,818)	(302,727)	(1,309,545)
INTEREST RECEIVED	27,707	38,088	12,110	77,905
NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	598,447	11,709	(88,863)	521,293
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	378,519	1,735,518	193,312	2,307,349
CASH AND CASH EQUIVALENTS-BEGINNING OF YEAR	2,843,040	2,205,980	851,594	5,900,615
CASH AND CASH EQUIVALENTS-END OF YEAR	\$ 3,221,559	\$ 3,941,498	\$ 1,044,907	\$ 8,207,964
CASH AT END OF YEAR CONSISTS OF:				
CASH AND CASH EQUIVALENTS	\$ 3,221,559	\$ 3,941,498	\$ 1,044,907	\$ 8,207,964
TOTAL CASH	\$ 3,221,559	\$ 3,941,498	\$ 1,044,907	\$ 8,207,964

CITY OF TUKWILA, WASHINGTON
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009

Page 2 of 2

	EQUIPMENT RENTAL	INSURANCE	INSURANCE - LEOFF I	TOTAL INTERNAL SERVICE FUNDS
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
OPERATING INCOME (LOSS)	\$ (199,627)	\$ 1,722,959	\$ 295,858	\$ 1,819,190
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
DEPRECIATION	736,332	-	-	736,332
ASSET (INCREASES) DECREASES :				
MISCELLANEOUS A/R-REVENUE	-	25,857	1,375	27,232
INVENTORY	28,968	-	-	28,968
LIABILITY INCREASES (DECREASES) :				
ACCOUNTS & VOUCHERS PAYABLE	(1,928)	(22,889)	(13,623)	(38,440)
TOTAL ADJUSTMENTS	763,372	2,968	(12,248)	754,092
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 563,745</u>	<u>\$ 1,725,927</u>	<u>\$ 283,610</u>	<u>\$ 2,573,282</u>
SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
CAPITAL ASSETS ACQUIRED BY CONTRIBUTED CAPITAL	\$ 43,232	\$ -	\$ -	\$ 43,232
INCREASE (DECREASE) IN FAIR VALUE OF INVESTMENT	320	320	1,508	2,148
TOTAL NON CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	<u>\$ 43,552</u>	<u>\$ 320</u>	<u>\$ 1,508</u>	<u>\$ 45,380</u>



City of Tukwila
STATISTICAL SECTION

December 31, 2009

Financial Trends Information

Financial trends schedules are intended to provide users with information to assist them in understanding and assessing how the City's financial position has changed over time.

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Schedule 5	General Governmental Tax Revenues by Source	122

Revenue Capacity Information

The objective of providing revenue capacity information is to help users understand and assess the factors affecting the City's ability to generate its most significant local source revenues.

Schedule 6	Property Tax Levies and Collections	123
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Schedule 11	Sales Tax Rate Direct and Overlapping Governments.....	130

Debt Capacity Information

Debt capacity information is intended to assist users to understand and assess the City's current levels of outstanding debt and ability to issue additional debt in the future.

Schedule 12	Ratios of Outstanding Debt by Type.....	131
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Demographic and Economic Information

These Schedules offer demographic and economic information to assist users in understanding certain aspects of the environment within which the City operates and to provide information that facilitates comparisons of financial statement information over time and across governmental units.

Schedule 17	Demographic Statistics.....	138
Schedule 18	Principal Employers.....	139

Operating Information

These Schedules contain service and infrastructure data to help users understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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CITY OF TUKWILA, WASHINGTON
SCHEDULE 1
NET ASSETS BY COMPONENT^(a)
 LAST EIGHT FISCAL YEARS ^(b)

page 1 of 2

	2002	2003	2004	2005
Governmental activities:				
Invested in capital assets, net of related debt	\$ 102,619,488	\$ 118,950,364	\$ 123,038,903	\$ 129,855,251
Restricted	389,322	809,002	1,107,362	1,305,239
Unrestricted	23,825,950	24,341,822	25,873,104	25,289,571
Total governmental activities net assets	\$ 126,834,760	\$ 144,101,188	\$ 150,019,369	\$ 156,450,061
Business-type activities:				
Invested in capital assets, net of related debt	\$ 29,032,974	\$ 29,807,787	\$ 30,848,350	\$ 31,370,812
Restricted	1,311,344	887,398	960,485	577,587
Unrestricted	8,785,499	9,070,664	9,664,654	9,909,896
Total governmental activities net assets	\$ 39,129,817	\$ 39,765,849	\$ 41,473,489	\$ 41,858,295
Primary government:				
Invested in capital assets, net of related debt	\$ 131,652,462	\$ 148,758,151	\$ 153,887,253	\$ 161,226,063
Restricted	1,700,666	1,696,400	2,067,847	1,882,826
Unrestricted	32,611,449	33,412,486	35,537,758	35,199,467
Total primary government net assets	\$ 165,964,577	\$ 183,867,037	\$ 191,492,858	\$ 198,308,356

Notes:

(a) All amounts are reported on the accrual basis

(b) Amounts presented from year of implementation of GASB-34 (2002) forward

Source:

Tukwila Finance Department

page 2 of 2

2006	2007	2008	2009
\$ 133,129,382	\$ 136,053,013	\$ 136,742,368	\$ 155,847,012
1,305,239	1,233,234	19,720,546	16,360,097
29,506,541	35,520,681	18,476,837	16,031,473
<u>\$ 163,941,162</u>	<u>\$ 172,806,928</u>	<u>\$ 174,939,751</u>	<u>\$ 188,238,582</u>
\$ 34,017,190	\$ 36,083,972	\$ 36,071,402	\$ 38,052,488
435,995	441,073	439,100	438,619
12,070,451	11,267,171	13,335,836	10,987,162
<u>\$ 46,523,636</u>	<u>\$ 47,792,216</u>	<u>\$ 49,846,338</u>	<u>\$ 49,478,269</u>
\$ 167,146,572	\$ 172,136,985	\$ 172,813,770	\$ 193,899,500
1,741,234	1,674,307	20,159,646	16,798,716
41,576,992	46,787,852	31,812,673	27,018,635
<u>\$ 210,464,798</u>	<u>\$ 220,599,144</u>	<u>\$ 224,786,089</u>	<u>\$ 237,716,851</u>

CITY OF TUKWILA, WASHINGTON
SCHEDULE 2
CHANGES IN NET ASSETS ^(a)

	2004 (b)	2005	2006	2007	2008	2009
Expenses						
Governmental Activities						
General Government	\$ 6,167,738	\$ 6,421,839	\$ 7,402,398	\$ 7,456,335	\$ 4,723,103	\$ 6,689,659
Public Safety	18,769,074	20,300,709	21,839,070	21,726,932	24,147,992	26,959,352
Physical Environment	1,442,209	1,363,049	2,734,592	2,764,373	2,862,487	2,575,405
Transportation	4,962,043	4,171,173	5,335,214	5,310,247	5,864,297	5,541,367
Economic Environment	3,469,673	3,404,605	3,600,158	3,890,845	5,017,935	4,637,531
Mental and Physical Health	-	-	3,683	4,204	4,173	4,332
Culture and Recreation	3,680,402	3,887,871	4,234,889	4,506,223	4,797,856	4,914,256
Interest on Long Term Debt	1,034,841	1,012,239	981,573	896,215	1,844,224	753,904
Total Governmental Activities	39,525,980	40,561,485	46,131,577	46,555,374	49,262,067	52,075,806
Business Type Activities						
Water/Sewer Utility	6,774,102	7,105,020	7,354,876	7,046,603	7,293,362	9,293,434
Foster Golf Course	1,670,400	1,751,709	1,832,303	1,849,542	1,968,595	2,050,172
Surface Water Utility	1,625,579	1,685,663	1,642,204	1,920,194	1,762,417	2,299,394
Total Business Type Activities	10,070,081	10,542,392	10,829,383	10,816,339	11,024,374	13,643,000
Total Primary Government Expenses	\$ 49,596,061	\$ 51,103,877	\$ 56,960,960	\$ 57,371,713	\$ 60,286,441	\$ 65,718,806
Program Revenues						
Governmental Activities						
Charges for Services						
General Government	\$ 781,653	\$ 1,376,749	\$ 1,243,936	\$ 1,590,553	\$ 895,966	\$ 1,136,642
Public Safety	937,873	1,328,369	538,576	425,241	1,184,530	572,094
Physical Environment	5,005	12,400	10,000	25,341	1,200	-
Transportation	102,614	122,201	247,026	133,500	130,637	103,311
Economic Environment	1,977,676	1,027,812	1,756,240	2,319,634	2,476,501	1,001,511
Cultural and Recreation	894,681	693,857	758,385	777,484	711,542	647,354
Operating Grants and Contributions	1,607,688	1,525,579	1,897,543	1,692,766	1,325,163	3,386,269
Capital Grants and Contributions	3,705,424	3,060,960	5,675,493	3,746,743	2,282,592	14,784,074
Total Governmental Activities Program Revenues	10,012,614	9,147,927	12,127,199	10,711,262	9,008,131	21,631,255
Business Type Activities						
Charges for Services						
Water/Sewer Utility	7,620,572	7,604,711	7,354,876	8,272,647	8,621,909	10,124,653
Foster Golf Course	1,239,274	1,434,933	1,832,303	1,272,425	1,563,681	1,424,595
Surface Water Utility	1,819,703	1,839,760	1,642,204	2,208,549	2,642,325	2,641,313
Capital Grants and Contributions	588,891	319,439	1,255,360	347,416	756,400	515,633
Total Business Type Activities Program Revenues	11,268,440	11,198,843	12,084,743	12,101,037	13,584,315	14,706,194
Total Primary Government Program Revenues	21,281,054	20,346,770	24,211,942	22,812,299	22,592,446	36,337,449
Net (Expense)/Revenue						
Governmental Activities	(29,513,366)	(31,413,558)	(34,004,378)	(35,844,111)	(40,253,937)	(30,444,551)
Business Type Activities	1,198,359	656,451	2,031,638	1,284,700	2,559,941	1,063,194
Total Primary Government Net Expense	\$ (28,315,007)	\$ (30,757,107)	\$ (31,972,740)	\$ (34,559,411)	\$ (37,693,996)	\$ (29,381,357)
General Revenues and Other Changes in Net Assets						
Governmental Activities						
Taxes						
Property Tax	\$ 10,336,366	\$ 10,631,036	\$ 10,973,030	\$ 11,302,099	\$ 11,656,979	\$ 11,901,072
Retail Sales and Use Tax	16,492,528	16,887,846	18,236,733	19,355,867	18,009,297	14,588,297
Natural Gas Use Tax	29,667	381,706	415,652	344,748	643,037	748,772
Hotel/Motel Tax	390,221	443,605	501,478	583,232	587,216	489,806
Utility Tax	2,309,787	2,646,356	2,930,332	3,666,079	5,136,444	7,390,860
Business Tax	1,614,587	1,732,739	2,097,082	2,236,675	2,497,705	3,196,178
Excise Tax	4,100,309	3,229,155	4,941,461	4,127,360	983,078	367,198
State Entitlements	191,589	192,816	185,475	217,600	874,046	2,233,445
Unrestricted Investment Earnings	416,483	768,097	1,923,171	1,727,879	801,847	246,287
Gain/Loss on Sale of Capital Assets	-	106,776	467,510	13,652	(186,663)	980,267
Transfers	(450,000)	824,118	1,372,652	1,134,683	1,383,774	1,601,200
Total Governmental Activities	35,431,537	37,844,250	44,044,576	44,709,874	42,386,760	43,743,382
Business Type Activities						
Retail Sales and Use Taxes	228,458	241,723	645,473	500,000	500,000	327,999
Unrestricted Investment Interest	188,242	310,750	539,463	618,563	377,955	106,032
Gain/Loss on Sale of Capital Assets	-	-	-	-	-	(264,093)
Transfers	450,000	(824,118)	1,250,000	(1,134,683)	(1,383,774)	(1,601,200)
Total Business Type Activities	866,700	(271,645)	2,434,936	(16,120)	(505,819)	(1,431,262)
Total Primary Government	\$ 36,298,237	\$ 37,572,605	\$ 46,479,512	\$ 44,693,754	\$ 41,880,941	\$ 42,312,120
Change in Net Assets						
Governmental Activities	\$ 5,918,171	\$ 6,430,692	\$ 7,491,102	\$ 8,865,765	\$ 2,132,823	\$ 13,298,831
Business Type Activities	2,065,059	384,806	4,580,734	1,268,580	2,054,122	(368,068)
Total Primary Government	\$ 7,983,230	\$ 6,815,498	\$ 12,071,836	\$ 10,134,345	\$ 4,186,945	\$ 12,930,763

Notes:

(a) All amounts are reported on the accrual basis

(b) Amounts presented from year of implementation of GASB-34 forward (2004 for capital assets)

Source:

118

Tukwila Finance Department

CITY OF TUKWILA, WASHINGTON
SCHEDULE 3
FUND BALANCES, GOVERNMENT FUNDS
 LAST EIGHT FISCAL YEARS ⁽¹⁾
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

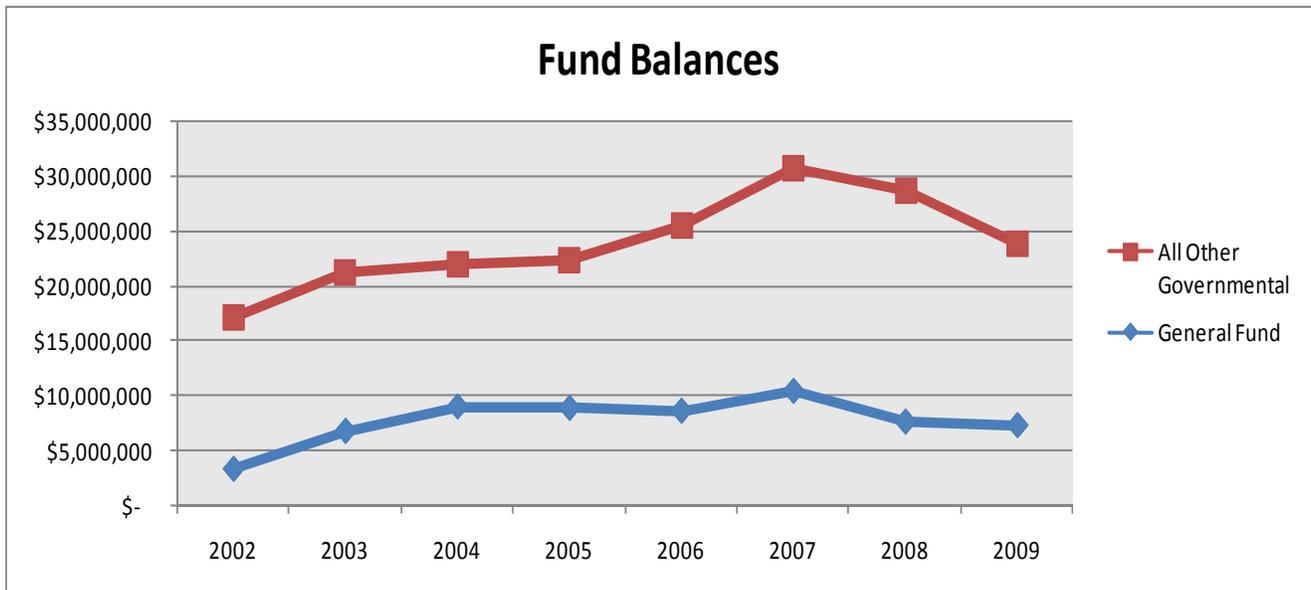
	2002	2003	2004	2005	2006	2007	2008	2009
General Fund								
Reserved	\$ 12,700	\$ 613,000	\$ 557,690	\$ 557,690	\$ 13,250	\$ 12,650	\$ 17,800	\$ 17,900
Unreserved	3,380,158	6,247,054	8,533,639	8,408,104	8,693,215	10,504,748	7,687,515	7,371,530
Total general fund	\$ 3,392,858	\$ 6,860,054	\$ 9,091,329	\$ 8,965,794	\$ 8,706,465	\$ 10,517,398	\$ 7,705,315	\$ 7,389,430
All other governmental funds								
Reserved	\$ 15,300	\$ 765,300	\$ 720,860	\$ 705,560	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:								
Special revenue funds	11,021,202	8,939,830	6,933,242	5,669,921	8,500,342	10,834,781	12,943,487	9,123,401
Debt service funds	389,322	809,012	1,107,362	1,305,239	1,075,347	1,233,234	1,248,901	135,438
Capital Projects funds	2,321,088	3,888,305	4,092,179	5,677,953	7,245,827	8,113,739	6,831,634	7,101,258
Total all other governmental funds	\$ 13,746,912	\$ 14,402,447	\$ 12,853,643	\$ 13,358,673	\$ 16,821,516	\$ 20,181,754	\$ 21,024,022	\$ 16,360,097

Note:

(1) Information available for 2002-2008 only due to new accounting and reporting standards beginning 2002 with GASB Statement No. 34.

Source:

Tukwila Finance Department



CITY OF TUKWILA, WASHINGTON
SCHEDULE 4
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS ^(a)
LAST TEN FISCAL YEARS

page 1 of 2

	2000	2001	2002	2003
Revenues				
Taxes	\$ 23,381,378	\$ 22,019,850	\$ 28,156,041	\$ 31,986,222
Licenses and Permits	1,439,052	921,809	822,810	785,823
Intergovernmental	856,218	959,350	16,689,193	15,005,227
Charges for Services	1,857,182	1,232,149	1,201,080	1,796,946
Fines and Forfeitures	323,919	285,000	338,484	245,585
Investment Income	555,422	632,537	859,765	222,460
Miscellaneous	610,849	411,614	489,806	1,066,247
Total Revenues	29,024,020	26,462,309	48,557,179	51,108,510
Expenditures				
General Government	4,985,167	5,390,820	5,648,745	5,892,912
Public Safety	15,333,820	16,056,801	16,711,088	17,532,136
Physical Environment	1,060,844	805,029	1,228,774	1,509,946
Transportation	1,029,766	1,135,903	2,202,888	4,779,885
Economic Environment	2,103,066	2,349,462	2,974,513	3,429,674
Mental & Physical Health	-	-	-	-
Culture and Recreation	1,935,736	2,110,344	2,457,973	2,985,083
Debt Service				
Principal	-	-	718,000	754,000
Interest	-	-	925,414	924,964
Bond Issuance Costs	-	-	-	112,363
Capital Outlay	542,636	524,309	17,306,146	15,636,782
Total Expenditures	26,991,035	28,372,668	50,173,541	53,557,745
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,032,985	(1,910,359)	(1,616,362)	(2,449,235)
Other Financing Sources (Uses)				
Transfers In	-	-	1,706,973	5,513,212
Transfers Out	(175,000)	(175,000)	(1,845,331)	(5,288,570)
Sale of Capital Assets	140,535	1,646	177,995	-
General Obligation Bonds Issued	-	-	-	6,277,500
General Obligation Refunding Bonds Issued	-	-	-	4,195,000
Premium on General Obligation Debt	-	-	-	65,392
Premium on General Obligation Refunding Debt	-	-	-	248,672
Issuance Costs on General Obligation Refunding Debt	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	(4,439,240)
Total Other Financing Sources (Uses)	(34,465)	(173,354)	39,637	6,571,966
Net Change in Fund Balances	\$ 1,998,520	\$ (2,083,713)	\$ (1,576,725)	\$ 4,122,731
Ratio of Debt Service Expenditures To Total Non-Capital Expenditures	-	-	5.3%	5.0%

Note:

(a) All amounts are reported on the modified - accrual basis

Source:

Tukwila Finance Department

	2004	2005	2006	2007	2008	2009
\$	34,148,173	\$ 34,624,875	\$ 37,801,814	\$ 39,660,792	\$ 37,412,569	\$ 37,167,281
	808,821	1,002,683	1,273,228	1,827,709	2,022,851	1,283,463
	6,306,463	5,672,810	7,083,032	6,403,217	5,697,598	17,596,486
	2,919,115	2,649,678	2,345,931	2,024,892	2,569,381	1,443,680
	147,137	116,737	221,097	266,188	259,991	301,761
	356,625	638,196	1,159,971	1,425,423	926,913	282,604
	993,386	1,000,775	1,397,585	1,751,145	816,054	701,957
	<u>45,681,724</u>	<u>45,705,754</u>	<u>51,282,658</u>	<u>53,359,366</u>	<u>49,705,357</u>	<u>58,777,232</u>
	5,982,594	6,136,540	6,882,594	7,034,602	7,992,286	8,574,563
	18,393,514	19,604,151	20,953,226	21,038,810	22,878,689	25,576,932
	883,914	788,105	2,139,959	2,196,422	2,255,880	2,058,913
	2,620,038	1,705,692	2,447,096	2,413,390	2,783,077	2,334,298
	3,461,092	3,384,928	3,539,657	3,878,658	4,995,514	4,601,391
	-	-	3,683	4,204	4,173	4,332
	3,187,113	3,358,583	3,687,580	3,938,779	4,293,658	4,365,023
	804,000	851,000	888,000	930,000	972,000	1,316,297
	1,057,974	1,033,474	1,006,161	914,584	872,224	778,018
	-	-	-	-	-	-
	<u>8,057,070</u>	<u>7,344,326</u>	<u>6,540,452</u>	<u>7,243,879</u>	<u>6,089,703</u>	<u>16,860,362</u>
	<u>44,447,309</u>	<u>38,070,259</u>	<u>48,088,408</u>	<u>49,593,328</u>	<u>53,137,204</u>	<u>66,470,129</u>
	1,232,411	1,498,955	3,194,250	4,036,039	(3,431,846)	(7,692,894)
	350,000	150,000	2,143,581	2,266,349	2,515,982	3,865,744
	(900,000)	(1,305,000)	(2,430,769)	(1,131,666)	(1,107,543)	(2,234,444)
	-	35,600	296,451	100	53,592	1,014,608
	-	-	-	-	-	-
	-	-	-	-	6,180,000	6,947,574
	-	-	-	-	-	-
	-	-	-	-	483,599	-
	-	-	-	-	(108,326)	-
	-	-	-	-	(6,555,273)	(6,880,397)
	<u>(550,000)</u>	<u>(1,119,400)</u>	<u>9,263</u>	<u>1,134,783</u>	<u>1,462,031</u>	<u>2,713,085</u>
\$	<u>682,411</u>	<u>\$ 379,555</u>	<u>\$ 3,203,513</u>	<u>\$ 5,170,822</u>	<u>\$ (1,969,815)</u>	<u>\$ (5,046,986)</u>
	5.4%	5.4%	4.8%	4.6%	4.1%	4.4%

CITY OF TUKWILA, WASHINGTON
SCHEDULE 5
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
 LAST TEN FISCAL YEARS

Fiscal Year	Property	Sales & Use	Utility ^(a)	Excise	Business	Other ^(b)	Total Taxes
2000	\$ 8,378,208	\$ 18,800,979	\$ -	\$ 2,918,619	\$ 340,565	\$ 491,852	\$ 30,930,223
2001	9,326,336	16,345,134	-	2,445,379	383,025	444,655	28,944,529
2002	9,487,241	15,494,343	-	2,406,132	390,725	377,600	28,156,041
2003	9,854,007	16,171,756	1,591,922	3,500,318	431,188	437,031	31,986,222
2004	10,493,728	16,293,960	2,309,787	4,068,110	530,725	451,863	34,148,173
2005	10,627,410	16,887,845	2,646,356	3,222,936	408,798	831,530	34,624,875
2006	11,018,846	17,591,260	2,930,332	4,938,515	402,784	920,077	37,801,814
2007	11,177,532	19,355,867	3,666,079	4,124,168	405,973	931,173	39,660,792
2008	11,245,973	17,709,319	3,934,210	3,003,438	475,500	1,089,344	37,457,785
2009	12,190,219	14,585,015	6,172,569	2,824,407	738,341	656,730	37,167,281
change 2000-2009	45.5%	-22.4%	167.2%	-3.2%	116.8%	33.5%	20.2%

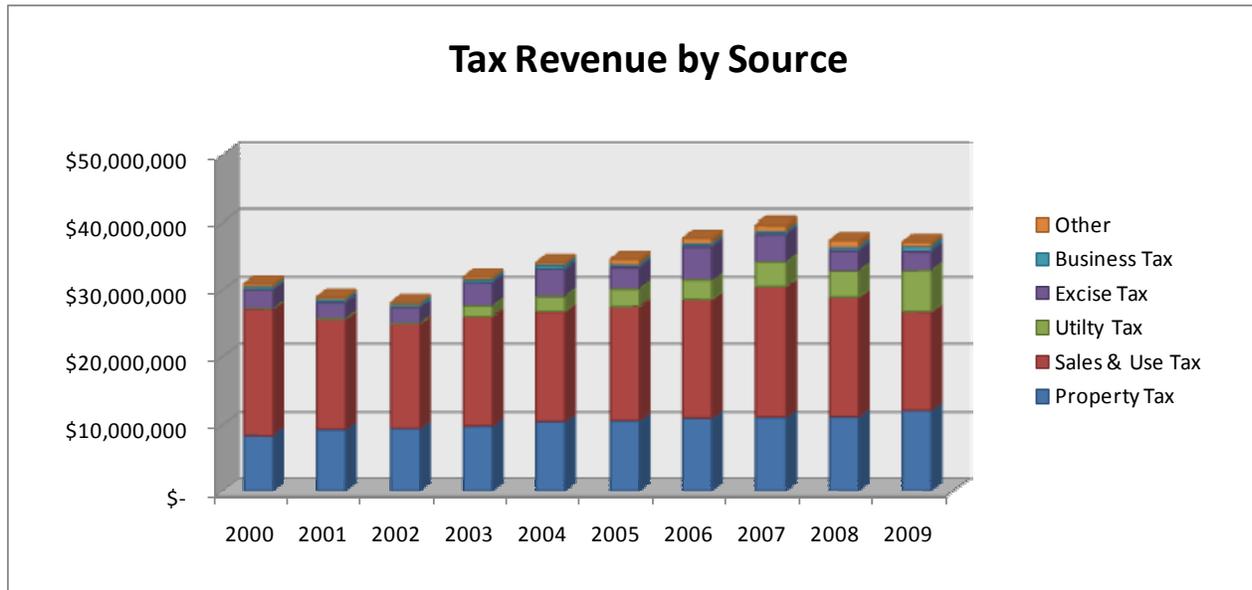
Notes:

^(a) Utility taxes enacted beginning in 2003.

^(b) "Other Taxes" include penalties and interest on delinquent taxes and other miscellaneous tax revenues.

Source:

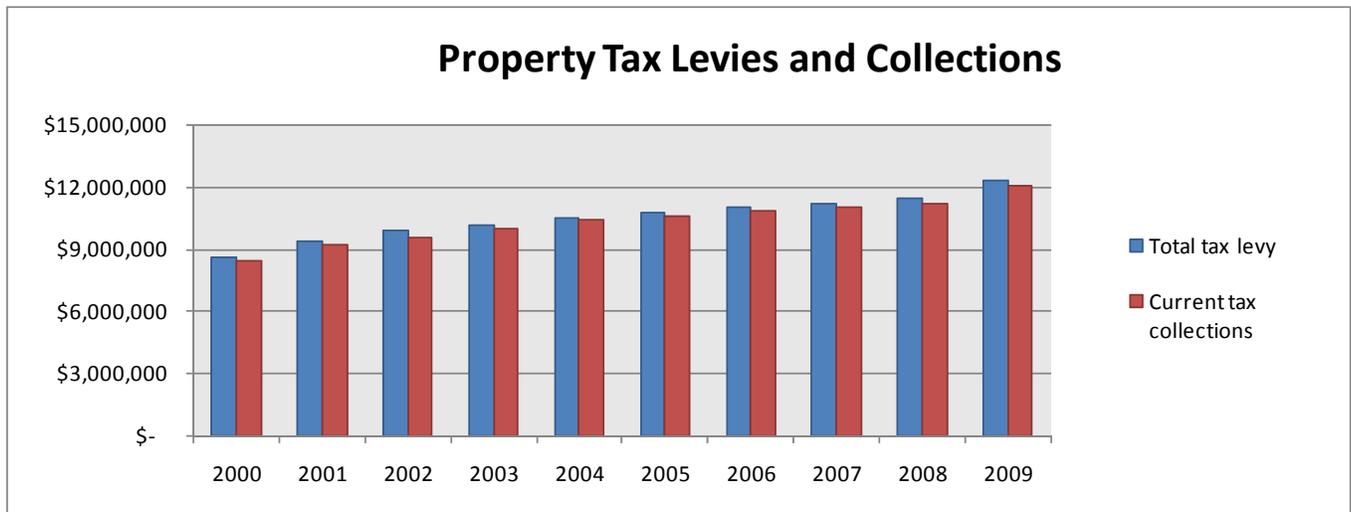
Tukwila Finance Department



**CITY OF TUKWILA, WASHINGTON
SCHEDULE 6
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	% of Total Tax Collections To Tax Levy
2000	\$ 8,538,884	\$ 8,428,579	98.71%	\$ 101,725	\$ 8,530,304	99.90%
2001	9,362,284	9,218,994	98.47%	102,095	9,321,089	99.56%
2002	9,843,102	9,526,236	96.78%	115,859	9,642,095	97.96%
2003	10,136,315	9,924,909	97.91%	175,949	10,100,858	99.65%
2004	10,489,114	10,345,276	98.63%	278,064	10,623,340	101.28%
2005	10,731,724	10,593,753	98.71%	134,345	10,728,098	99.97%
2006	10,973,030	10,844,728	98.83%	237,003	11,081,731	100.99%
2007	11,177,532	10,994,127	98.36%	115,199	11,109,326	99.39%
2008	11,411,293	11,194,247	98.10%	132,633	11,326,880	99.26%
2009	12,283,193	12,017,213	97.83%	143,156	12,160,369	99.00%

Source:
King County Office of Finance



**CITY OF TUKWILA, WASHINGTON
SCHEDULE 7
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

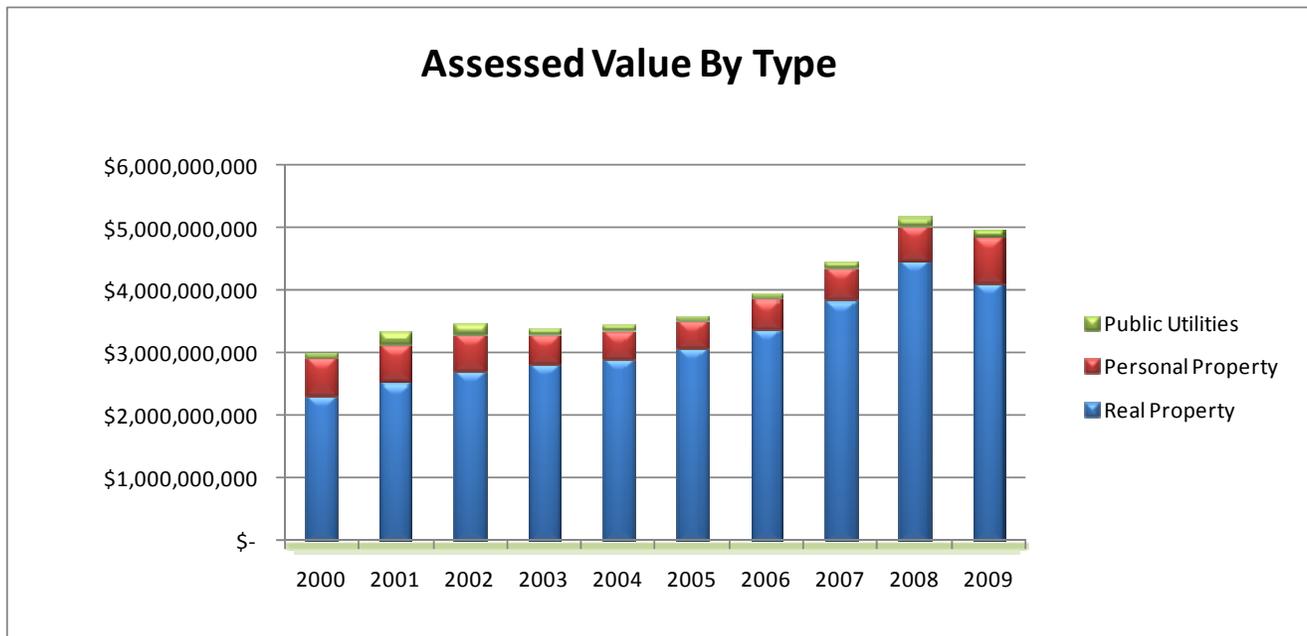
Fiscal Year	Real Property	Personal Property	Public Utilities	Total Assessed Value	Total Direct Tax Rate
2000	2,349,904,622	580,108,305	74,515,846	3,004,528,773	3.11256
2001	2,544,588,267	606,806,225	192,651,250	3,344,045,742	2.94537
2002	2,715,355,120	604,479,409	169,870,128	3,489,704,657	2.91064
2003	2,832,422,720	471,448,140	80,219,849	3,384,090,709	3.10754
2004	2,916,855,190	447,099,099	77,169,236	3,441,123,525	3.11712
2005	3,091,233,279	457,546,448	61,779,040	3,610,558,767	3.03706
2006	3,399,709,737	482,100,071	66,123,704	3,947,933,512	2.84033
2007	3,853,680,774	509,151,926	87,410,974	4,450,243,674	2.56911
2008	4,470,042,539	595,268,205	110,399,231	5,175,709,975	2.37324
2009	4,122,961,628	746,710,751	112,779,972	4,973,984,133	2.66345

Note:

**Real, personal, and state public service property have been assessed at 100% of the estimated value.*

Source:

King County Department of Assessments



CITY OF TUKWILA, WASHINGTON
SCHEDULE 8
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 (PER \$1,000 OF ASSESSED VALUATION)
 LAST TEN FISCAL YEARS

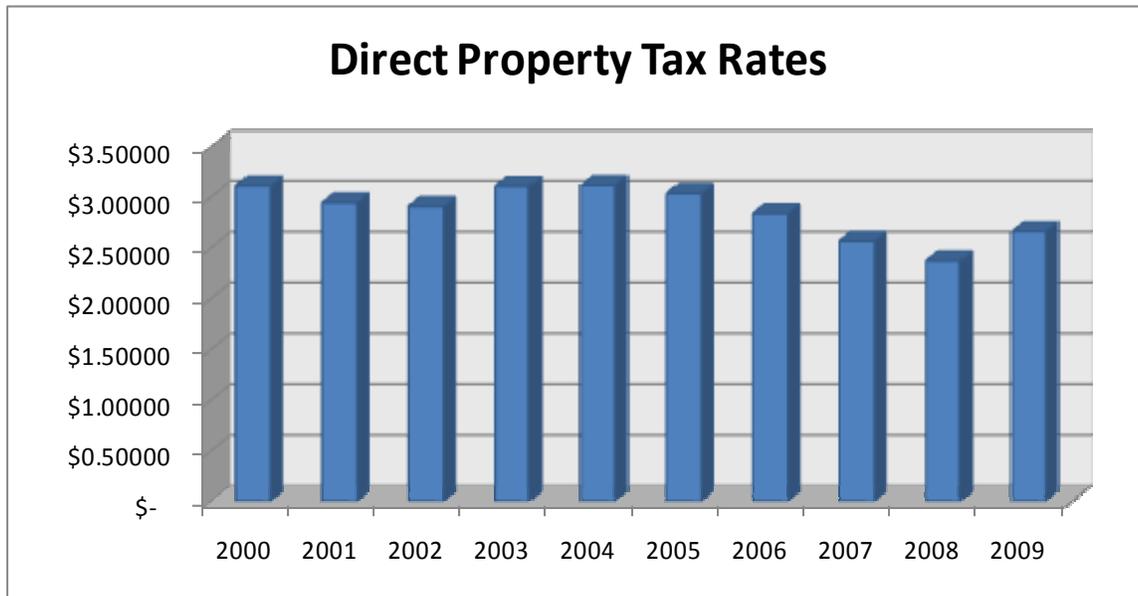
-----CITY OF TUKWILA-----											
Fiscal Year	General Levy	Special Levy	Total	WA State	King County ^(a)	Port of Seattle	Emergency Medical Service	Tukwila School Dist #406	Flood Control	Hospital District #1	Total
2000	\$ 3.11256	-	\$3.11256	\$3.14502	\$ 2.10955	\$0.19029	\$ 0.24624	\$ 5.54167	\$ 0.04957	\$ 0.09873	\$14.49363
2001	2.94537	-	2.94537	2.98946	1.97530	0.18956	0.25000	5.11395	0.04665	0.09643	13.60672
2002	2.91064	-	2.91064	2.89680	1.34948	0.25895	0.24143	4.85812	0.04688	0.09254	12.65484
2003	3.10754	-	3.10754	2.75678	1.96799	0.25402	0.23717	5.05267	0.04669	0.09200	13.51486
2004	3.11712	-	3.11712	2.68951	1.91484	0.25321	0.23182	5.04535	0.04658	0.09039	13.38882
2005	3.03706	-	3.03706	2.49787	1.86239	0.23330	0.21982	5.01637	0.04482	0.59000	13.50217
2006	2.84033	-	2.84033	2.32535	1.75139	0.23158	0.20621	4.78874	0.04212	0.55652	12.74224
2007	2.56911	-	2.56911	2.13233	1.66106	0.22359	0.30000	4.73164	0.10000	0.50854	12.22627
2008	2.37324	-	2.37324	1.96268	1.51508	0.19700	0.27404	4.12360	0.09123	0.47141	11.00828
2009	2.66345	-	2.66345	2.22253	1.74587	0.21597	0.30000	3.89183	0.10514	0.53290	11.67769

Note:

^(a) Includes King County Library District tax.

Source:

King County Department of Assessments



CITY OF TUKWILA, WASHINGTON
SCHEDULE 9
PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO

Name	Type of Business	2009 Assessed Valuation	Percent of 2009 Total Assessed Value ^(a)	2000 Assessed Valuation	Percent of 2000 Total Assessed Value ^(b)
Boeing Company	Airplane company	\$ 534,257,164	10.74%	\$ 542,675,507	18.1%
WEA Southcenter LLC	Department Stores	323,176,114	6.50%		
La Planta LP	Commercial Properties	116,639,470	2.34%	77,869,557	2.6%
KIR Tukwila 050 LLC/KIMCO	Commercial Properties	84,646,800	1.70%		
Rreef America Reit II Corporation	Commercial Properties	66,929,100	1.35%		
BRCP Riverview Plaza LLC	Commercial Properties	56,378,348	1.13%		
Boeing Employees Credit Union	Credit Union	52,932,440	1.06%	32,080,142	1.1%
Sea-Tuk Warehouse LLC	Food Distribution	36,731,500	0.74%		
Sterling Realty Organization	Commercial Properties	36,120,900	0.73%		
Walton CWWA Eproperty Tax Incorporated (McElroy)	Investment Property	31,554,600	0.63%	25,818,900	
Federated Department Stores (Macys)	Department Stores	31,485,900	0.63%	25,959,688	0.9%
Anne Arundel Apartments LLC (Group Health)	Apartments	29,708,200	0.60%		
TTA/E Property Tax Dept	Commercial Properties	29,685,100	0.60%		
Wig Properties LLC (JC Penney)	Department Stores	27,066,590	0.54%	13,167,246	0.4%
Jorgensen Forge Corporation	Steel Manufacturer	26,942,564	0.54%	10,264,793	0.3%
Southcenter Corporate Square	Hair Loss Center	24,758,000	0.50%		
Puget Sound Energy/Gas - Electric	Electric/Gas Utility	22,836,078	0.46%	22,264,714	0.7%
Koar-Seatac Partners LP	Lodging	21,092,314	0.42%	16,248,269	0.5%
Merrill Creek Holding LLC (Kenworth Motors)	Truck Manufacturer	20,886,500	0.42%	14,814,218	0.5%
Harnish Group Incorporated	Truck Equipment	17,516,078	0.35%		
CHA Southcenter LLC (Doubletree Inn)	Lodging	16,481,665	0.33%	17,483,954	0.6%
Low e's HIW Incorporated	Home Improvement	14,790,901	0.30%	14,437,861	0.5%
Hill Investment Company	Commercial Properties	7,954,200	0.16%	9,387,200	0.3%
Qwest Corporation	Telephone Utility			16,857,350	0.6%
Southcenter Joint Ventures	Department Stores			121,108,140	4.0%
MBK Properties (Trammell Crow)	Commercial Properties			79,034,000	2.6%
Gateway Properties	Commercial Properties			56,129,500	1.9%
Group Health Cooperative	Healthcare Admin			20,958,583	0.7%
Tractor Equipment Company	Truck Equipment			20,523,095	0.7%
Pacific Gulf Properties	Property Management			22,826,200	0.8%
Associated Grocers	Food Distribution			18,101,938	0.6%
TOTALS		\$ 1,630,570,526	32.78%	\$ 1,178,010,855	38.3%

Notes:

^(a) In 2009 the total assessed property value in the City of Tukwila was \$4,973,984,133.

^(b) In 2000 the total assessed property value in the City of Tukwila was \$3,004,528,773.

Source:

King County Department of Assessments



CITY OF TUKWILA, WASHINGTON
SCHEDULE 10
RETAIL SALES TAX COLLECTIONS BY SECTOR
 LAST TEN FISCAL YEARS

page 1 of 2

Major Industry Sector	2000	2001	2002	2003
Construction and Contracting	\$ 3,192,100	\$ 2,104,156	\$ 991,702	\$ 1,119,595
Finance, Insurance & Real Estate	51,612	108,262	57,919	54,992
Manufacturing	568,041	596,052	563,919	520,474
Transportation, Communications & Utilities	353,000	360,441	350,258	377,596
Wholesale - Durable/Non-durable Goods	1,730,497	1,470,187	1,374,271	1,761,749
Retail Trade - General Merchandise	2,708,649	2,591,680	2,570,883	2,545,631
Retail Trade - Furniture/Home Furnishings	1,957,687	1,862,336	1,815,168	2,304,037
Retail Trade - Miscellaneous	2,066,226	2,115,104	2,044,562	1,723,147
Retail Trade - Clothing & Accessories	1,107,815	1,134,102	1,175,074	1,197,591
Retail Trade - Restaurants	936,411	900,496	887,103	933,886
Retail Trade - Automotive/Gas	792,951	770,063	768,664	847,864
Retail Trade - Building Materials	666,679	627,140	712,723	763,013
Service Industries - Business	1,166,278	493,806	824,497	530,833
Service Industries - Hotels	451,098	418,051	357,940	361,789
Service Industries - Other	371,467	386,590	373,911	507,935
All Other Categories	367,826	70,289	296,953	292,827
Total Retail Sales Tax Collections	\$ 18,488,337	\$ 16,008,755	\$ 15,165,547	\$ 15,842,959

Notes:

^(a) *Effective March 2005, the Department of Revenue changed reporting retail sales industries from using the Standard Industrial Classification (SIC) code to use of the North American Industry Classification System (NAICS). Retail sales tax collections prior to the time of this change have not been adjusted.*

By State law, the City of Tukwila is prohibited from reporting individual sales tax payers.

Sources:

Tukwila Finance Department and Washington State Department of Revenue.

page 2 of 2

2004	2005(a)	2006	2007	2008	2009
\$ 958,758	\$ 676,427	\$ 1,166,088	\$ 2,018,058	\$ 1,967,785	\$ 869,640
82,794	102,130	93,747	121,879	118,780	119,121
446,965	503,778	450,138	590,455	375,263	246,429
387,148	384,703	436,260	483,419	492,960	440,206
1,862,528	2,337,018	2,048,517	2,457,437	1,760,449	1,436,045
2,574,671	2,563,103	2,667,481	2,571,601	2,231,745	2,072,356
2,405,967	2,342,553	2,531,049	2,399,347	1,830,576	1,304,234
1,735,045	1,497,474	1,642,722	1,766,853	1,718,898	1,473,496
1,247,109	1,636,183	1,704,213	1,838,646	2,103,630	2,017,904
1,031,625	1,072,275	1,119,859	1,158,424	1,312,603	1,292,252
982,413	980,006	1,053,184	1,026,778	1,066,183	748,482
850,109	815,379	855,243	777,870	619,657	589,341
488,857	979,752	1,141,632	1,198,690	1,129,380	868,260
355,514	406,547	453,376	531,836	548,962	453,657
486,215	278,041	278,777	294,869	318,696	283,319
288,169	188,540	205,644	179,421	185,312	208,467
\$ 16,183,887	\$ 16,763,909	\$ 17,847,930	\$ 19,415,583	\$ 17,780,879	\$ 14,423,209

CITY OF TUKWILA, WASHINGTON
SCHEDULE 11
SALES TAX RATE DIRECT AND OVERLAPPING GOVERNMENTS
 LAST TEN FISCAL YEARS

	2000	2001 ^(a)	2002	2003	2004	2005	2006	2007 ^(d)	2008 ^(e)	2009
<u>BASIC SALES TAX RATES</u>										
City of Tukwila	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%
Washington State	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
King County	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.25%	0.35%
Regional Transit Authority	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.80%
Metro	0.60%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.90%	0.90%	0.90%
Criminal Justice	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Department of Revenue Administration Fee	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Total Basic Combined Sales Tax Rate	8.60%	8.80%	8.80%	8.80%	8.80%	8.80%	8.80%	8.90%	9.00%	9.50%
<u>SPECIAL SALES TAX RATES</u>										
Restaurants ^(b)	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Motor Vehicles ^(c)	0.00%	0.00%	0.00%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%

Notes:

^(a) Effective April 1, 2001 King County increased the local sales & use tax rates two-tenths of one percent (.002).

This increase was the result of a vote by King County voters to increase funding for public transit systems.

^(b) King County Food & Beverage tax is in addition to the combined sales tax rate for restaurants, taverns and bars.

The funds are used to finance the professional baseball stadium in Seattle.

^(c) Effective July 1, 2003, all retail sales, leases and transfers of motor vehicles are subject to the additional sales tax of three-tenths of one percent (.003). The funds are used to finance transportation improvements.

^(d) Effective April 1, 2007, King County increased the local sales & use tax rate one-tenth of one percent (.001).

The tax will be used for transportation purposes.

^(e) Effective April 1, 2008, King County increased the local sales & use tax rate one-tenth of one percent (.001).

The tax will be used for chemical dependency or mental health treatment services.

Source:

Washington State Department of Revenue Local Sales and Use Tax Rates.

CITY OF TUKWILA, WASHINGTON
SCHEDULE 12
RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS

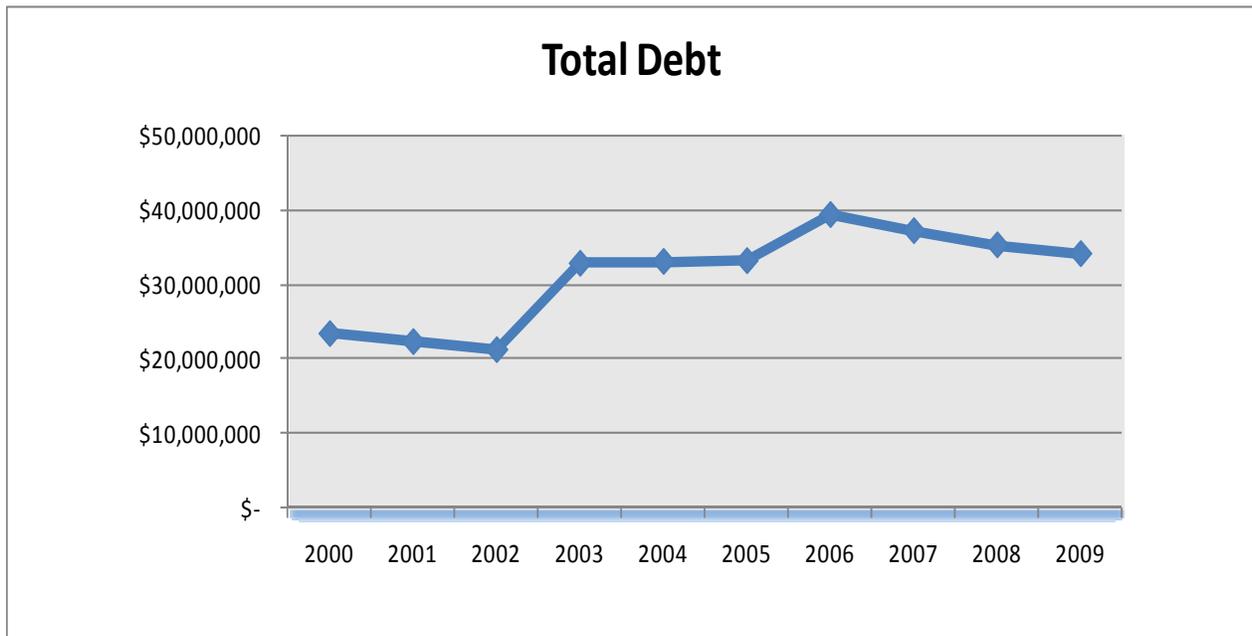
	2000	2001	2002 ^(a)	2003	2004	2005	2006	2007	2008	2009
GOVERNMENTAL ACTIVITIES										
General Obligation Bonds	\$ 17,226,600	\$ 16,565,000	\$ 15,847,000	\$ 21,628,591	\$ 20,806,553	\$ 19,775,262	\$ 18,881,798	\$ 17,946,335	\$ 17,261,348	\$ 22,453,003
Special Assessments	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	17,226,600	16,565,000	15,847,000	21,628,591	20,806,553	19,775,262	18,881,798	17,946,335	17,261,348	22,453,003
BUSINESS-TYPE ACTIVITIES										
General Obligation Bonds	-	-	-	5,772,500	5,382,500	4,972,500	4,547,500	4,102,500	3,642,500	3,423,797
Revenue Bonds	5,448,000	5,015,000	4,568,782	4,168,910	3,710,438	3,143,360	5,824,452	5,470,162	5,112,231	4,790,000
Public Works Trust Fund Loans	633,506	650,245	573,234	1,032,364	2,924,739	4,911,253	9,781,151	9,378,506	9,021,951	8,405,397
Leases	-	-	-	-	-	108,818	77,947	45,587	11,666	-
Compensated Absences	-	-	160,661	167,212	190,139	203,940	207,367	205,504	199,081	233,938
Total Business-Type Activities	6,081,506	5,665,245	5,302,677	11,140,986	12,207,816	13,339,871	20,438,417	19,202,259	17,987,429	16,853,132
TOTAL PRIMARY GOVERNMENT^(b)	\$ 23,308,106	\$ 22,230,245	\$ 21,149,677	\$ 32,769,577	\$ 33,014,369	\$ 33,115,133	\$ 39,320,215	\$ 37,148,594	\$ 35,248,777	\$ 39,306,135
Population ^(c)	17,181	17,230	17,270	17,270	17,240	17,110	17,930	18,000	18,080	18,170
Per Capita Personal Income ^(c)	\$ 44,418	\$ 43,734	\$ 44,153	\$ 44,704	\$ 49,533	\$ 48,789	\$ 52,655	\$ 57,409	\$ 58,141	***
Percentage of Personal Income	3.05%	2.95%	2.77%	4.24%	3.87%	3.97%	4.16%	3.59%	3.35%	***
Debt Per Capita	\$ 1,357	\$ 1,290	\$ 1,225	\$ 1,897	\$ 1,915	\$ 1,935	\$ 2,193	\$ 2,064	\$ 1,950	\$ 2,163

Notes:

- ^(a) For years 1999 through 2002, premiums and discounts were omitted on all bonds.
- ^(b) Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements section.
- ^(c) Reference SCHEDULE 17, Demographic Statistics, for population and personal income data.
- *** Data not available at time of publication.

Sources:

City of Tukwila Finance Dept., Department of Community Development, and Office of the City Clerk.



SCHEDULE 13
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
 LAST TEN FISCAL YEARS

Fiscal Year	Population	Assessed Value	Gross Bonded Debt	Less Debt Service Funds	Debt Payable from Enterprise Revenues ^(a)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2000	17,181	\$ 3,004,528,773	\$ 17,226,600	\$ 370,112	\$ -	\$ 16,856,488	0.56%	\$ 981
2001	17,230	3,344,045,742	16,565,000	410,844	-	16,154,156	0.48%	938
2002	17,270	3,489,704,657	15,847,000	389,322	-	15,457,678	0.44%	895
2003	17,270	3,384,090,709	27,168,000	809,012	5,772,500	20,586,488	0.61%	1,192
2004	17,240	3,441,123,525	25,974,000	1,107,362	5,382,500	19,484,138	0.57%	1,130
2005	17,110	3,610,558,767	24,713,000	1,305,239	4,972,500	18,435,261	0.51%	1,077
2006	17,930	3,947,933,512	25,648,290	1,075,347	4,547,500	20,025,443	0.51%	1,117
2007	18,000	4,450,243,674	24,421,474	1,233,234	4,102,500	19,085,740	0.43%	1,060
2008	18,080	5,175,709,975	23,125,007	1,250,275	3,642,500	18,232,231	0.35%	1,008
2009	18,170	4,973,984,133	25,876,800	135,438	3,423,797	22,317,565	0.45%	1,008

Note:

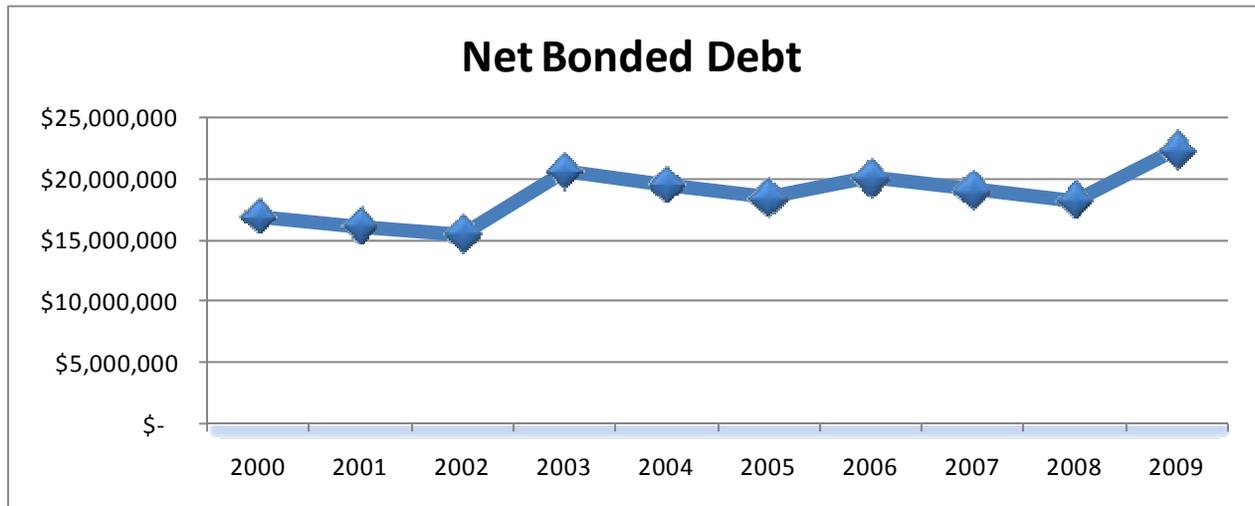
(a) These amounts are the general obligation bonds that are being repaid by the Foster Golf Course Fund.

Sources:

State of Washington Office of Financial Management

King County Department of Assessments

Tukwila Finance Department

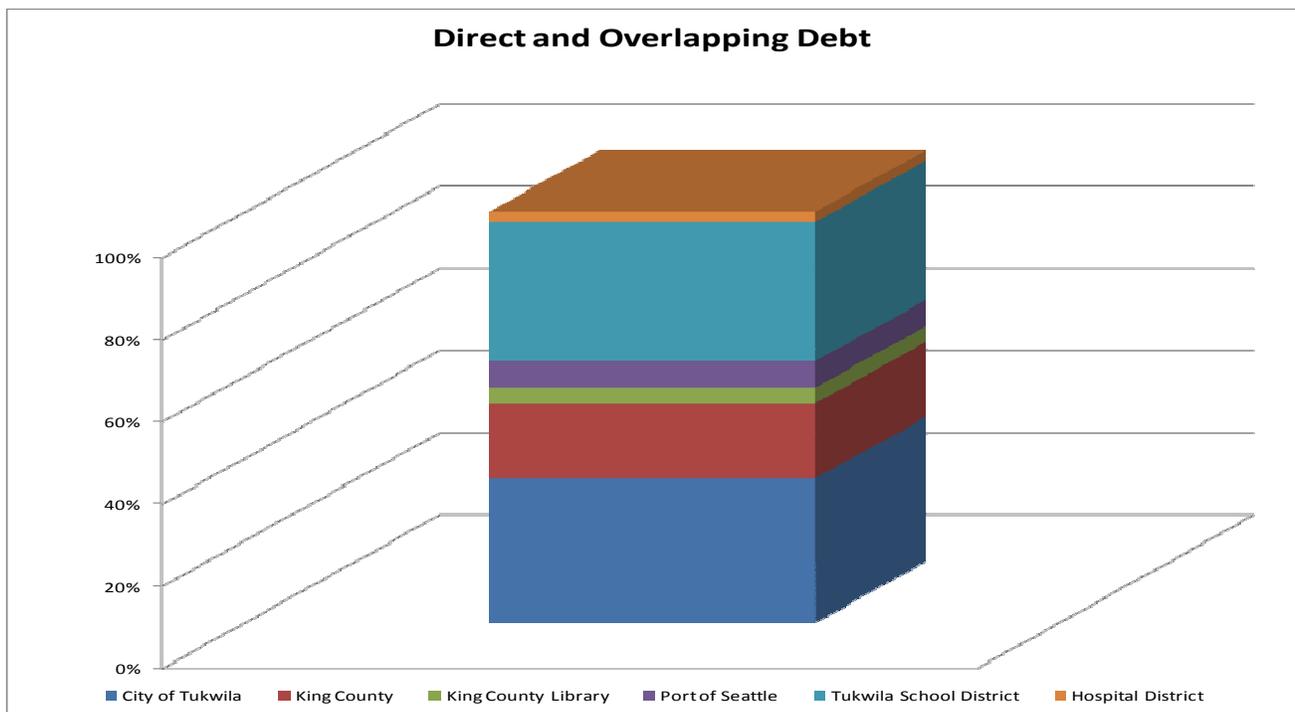


**SCHEDULE 14
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2009**

Jurisdiction	Net General Obligation Debt Outstanding	Percentage Applicable to Tukwila	Estimated Applicable to Tukwila
Direct:			
City of Tukwila	\$ 28,529,931	100.00%	\$ 28,529,931
Overlapping:			
King County	1,018,882,000	1.46%	14,875,677
King County Library	129,221,246	2.41%	3,114,232
Port of Seattle	357,315,000	1.46%	5,216,799
Tukwila School District #406	30,692,399	89.84%	27,574,051
Hospital District #1	39,455,000	5.19%	2,047,715
Total Overlapping Debt:	<u>1,575,565,645</u>		<u>52,828,474</u>
Total Direct and Overlapping Debt:	<u>\$ 1,604,095,576</u>		<u>\$ 81,358,405</u>

Sources:

King County Office of Finance
King County Office of Assessments



CITY OF TUKWILA, WASHINGTON
LEGAL DEBT MARGIN INFORMATION
SCHEDULE 15

Legal Debt Margin Calculation for Fiscal Year 2009

Description	Councilmanic Debt (Non-Voted)	Voted Debt	General Purpose Indebtedness	Excess Levy Utility Purposes	Excess Levy Open Space and Park	Total Debt Capacity
Assessed Value	\$ 4,973,984,133	\$ 4,973,984,133	\$ 4,973,984,133	\$ 4,973,984,133	\$ 4,973,984,133	\$ 4,973,984,133
Statutory Debt Limit	1.50%	1.00%	2.50%	2.50%	2.50%	7.50%
Debt Limit	\$ 74,609,762	\$ 49,739,841	\$ 124,349,603	\$ 124,349,603	\$ 124,349,603	\$ 373,048,810
Debt Applicable to Limit:						
Bonds Outstanding	\$ 25,876,800	\$ -	\$ 25,876,800	\$ -	\$ -	\$ 25,876,800
Compensated Absences	2,653,131	-	2,653,131	-	-	2,653,131
Less:						
Cash-on-Hand for Debt Redemption	(136,820)	-	(136,820)	-	-	(136,820)
Current Taxes Receivable	374,831	-	374,831	-	-	374,831
	28,291,920	-	28,291,920	-	-	28,291,920
Remaining Debt Capacity	\$ 46,317,842	\$ 49,739,841	\$ 96,057,684	\$ 124,349,603	\$ 124,349,603	\$ 344,756,890

	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2000	\$ 225,339,657	\$ 16,856,488	\$ 208,483,169	7.48%
2001	250,803,432	16,154,156	234,649,276	6.44%
2002	261,727,848	15,457,678	246,270,170	5.91%
2003	253,806,804	26,358,988	227,447,816	10.39%
2004	258,084,264	24,866,638	233,217,626	9.64%
2005	270,791,907	23,407,761	247,384,146	8.64%
2006	296,095,014	24,494,996	271,600,018	8.30%
2007	333,768,277	23,188,240	310,580,037	6.95%
2008	388,178,248	21,881,765	366,296,483	5.64%
2009	373,048,810	28,291,920	344,756,890	7.58%

Source:
 Tukwila Finance Department



CITY OF TUKWILA, WASHINGTON
SCHEDULE 16
REVENUE BOND COVERAGE - WATER AND SEWER BONDS
LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue ^(a)	Operating Expenses ^(b)	Net Revenue Available for Debt Service	Average Annual Debt Service Requirements			Times Coverage ^(c)
				Principal	Interest	Total	
2000	\$ 7,302,200	\$ 5,057,117	\$ 2,245,083	\$ 366,563	\$ 158,276	\$ 524,839	4.28
2001	6,944,496	5,143,551	1,800,945	363,200	148,711	511,911	3.52
2002	7,332,495	5,808,561	1,523,934	358,214	139,047	497,261	3.06
2003	7,501,583	5,784,330	1,717,253	352,692	129,354	482,046	3.56
2004	7,929,374	5,876,411	2,052,963	345,000	119,647	464,647	4.42
2005	8,023,334	6,161,436	1,861,898	334,091	110,015	444,106	4.19
2006	8,237,636	6,418,607	1,819,029	285,162	116,973	402,135	4.52
2007	9,012,898	6,774,625	2,238,273	273,920	113,819	387,739	5.77
2008	9,487,981	6,099,295	3,388,686	271,337	105,850	377,187	8.98
2009	10,527,758	8,384,852	2,142,906	267,144	97,348	364,492	5.88

Notes:

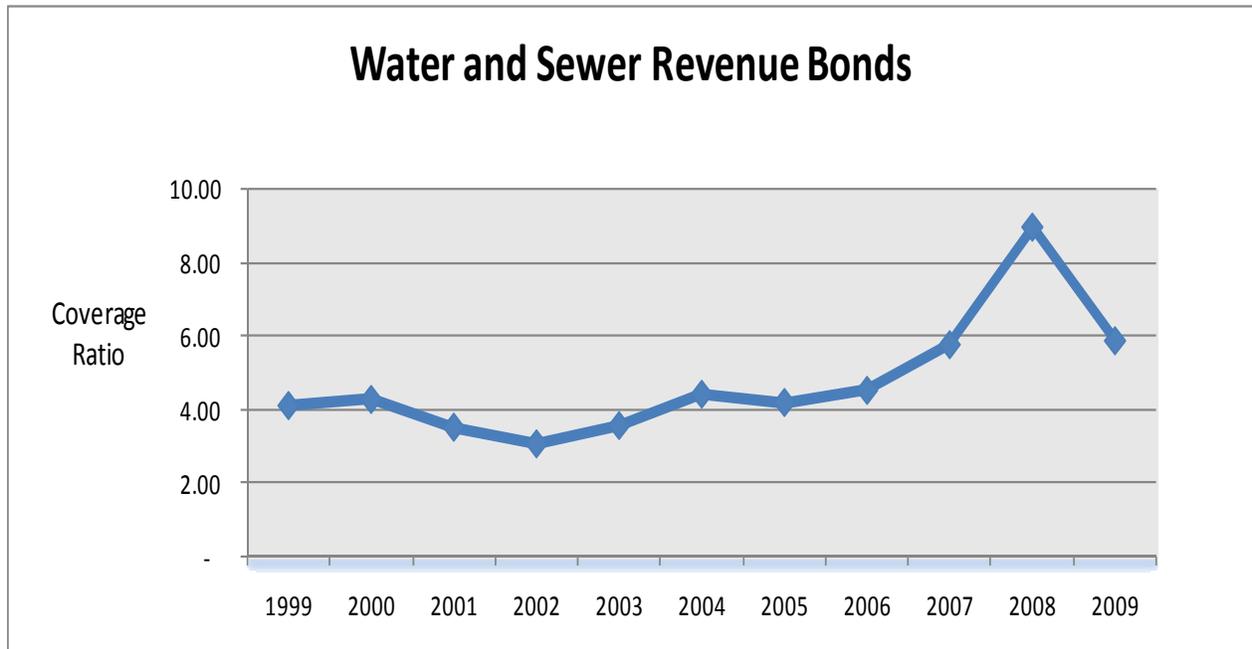
^(a) Includes operating and non-operating revenue.

^(b) Includes operating expenses and non-operating expenses exclusive of depreciation, amortization and interest charges.

^(c) Bond financing requirements are that the average annual coverage is at least 1.25 times the average annual debt service for Water and Sewer revenue bonds.

Sources:

Tukwila Finance Department



CITY OF TUKWILA, WASHINGTON
SCHEDULE 16A
REVENUE BOND COVERAGE - SURFACE WATER BONDS
LAST FOUR FISCAL YEARS

Fiscal Year	Gross Revenue ^(a)	Operating Expenses ^(b)	Net Revenue Available for Debt Service	Average Annual Debt Service Requirements			Times Coverage ^(c)
				Principal	Interest	Total	
2006	\$3,505,231	\$ 1,185,799	\$ 2,319,432	\$18,171	\$9,501	\$27,672	83.82
2007	2,399,357	1,335,256	1,064,101	19,080	9,976	29,056	36.62
2008	2,888,306	1,133,871	1,754,435	19,453	9,614	29,067	60.36
2009	2,856,795	1,670,601	1,186,194	19,800	9,263	29,063	40.81

Notes:

^(a) Includes operating and non-operating revenue.

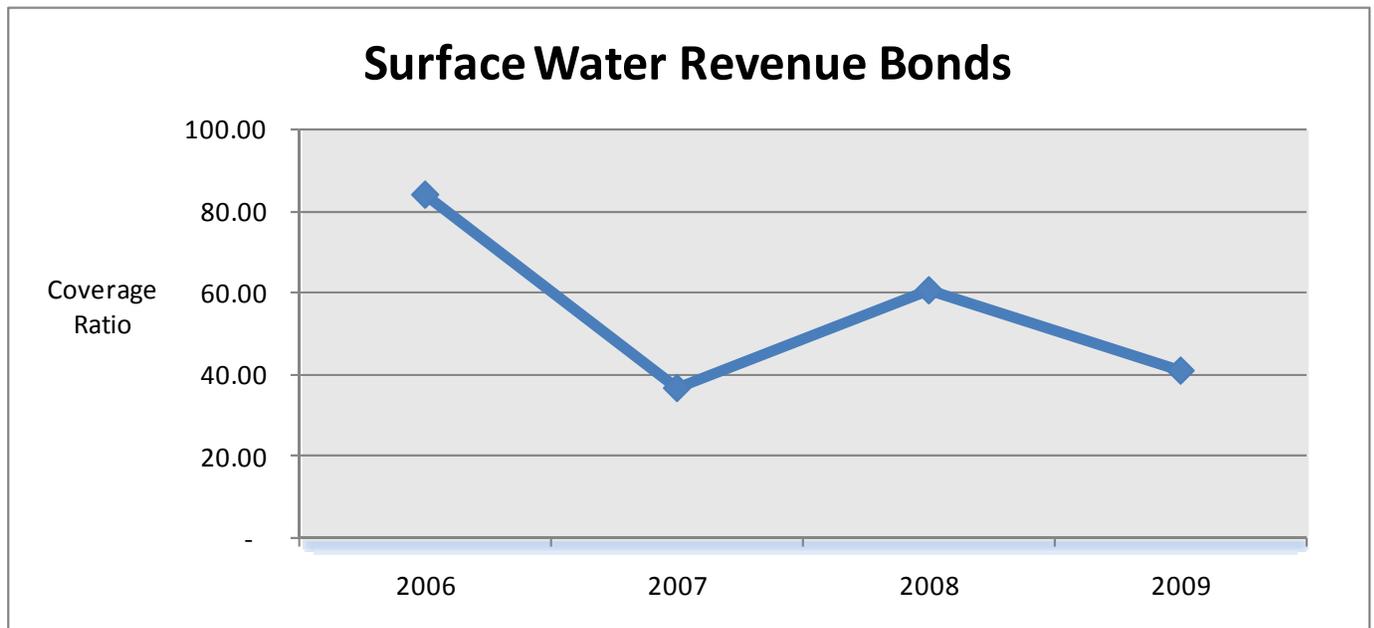
^(b) Includes operating expenses and non-operating expenses exclusive of depreciation, amortization and interest charges.

^(c) Bond financing requirements are that the average annual coverage is at least 1.25 times the average annual debt service for Surface Water revenue bonds.

No revenue bond coverage for surface water bonds prior to 2006.

Source:

Tukwila Finance Department



**CITY OF TUKWILA, WASHINGTON
SCHEDULE 17
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

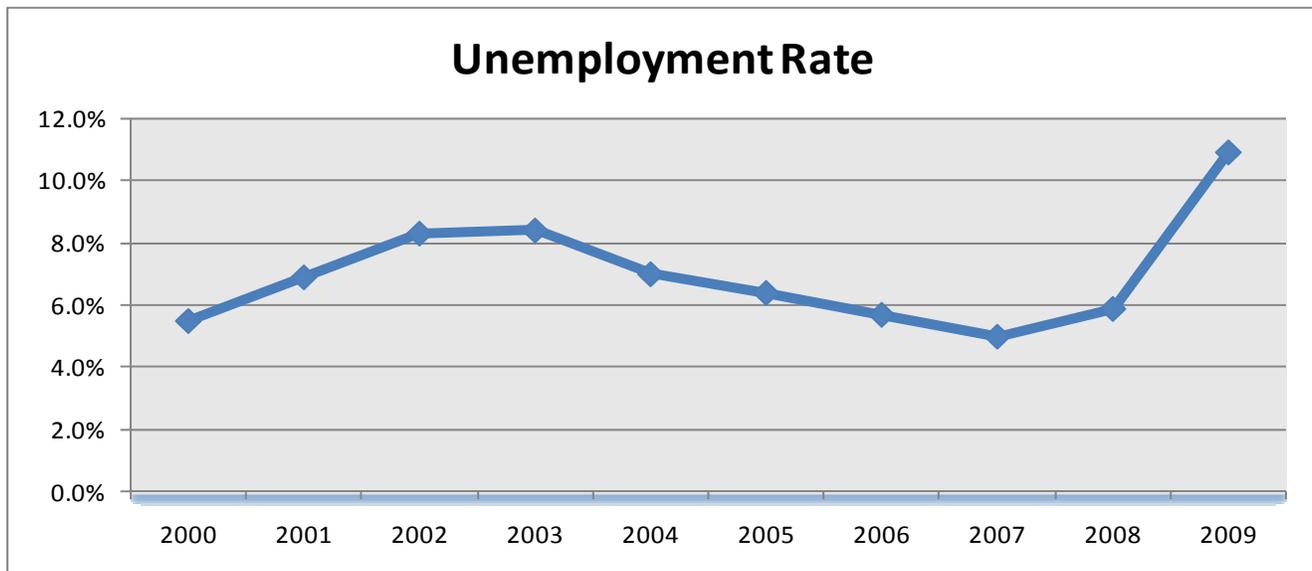
Fiscal Year	Population	Per Capita Personal Income ^(a)	Personal Income ^(b)	Number of Single-Family Homes	Number of Multi-Family Units	Tukwila School District Enrollment	Unemployment Rate ^(c)
2000	17,181	\$ 44,418	\$ 763,146	3,364	4,196	2,562	5.5%
2001	17,230	43,734	753,537	3,371	4,196	2,410	6.9%
2002	17,270	44,153	762,522	3,433	4,196	2,474	8.3%
2003	17,270	44,704	772,038	3,468	4,196	2,568	8.4%
2004	17,240	49,533	853,949	3,732	4,107	2,628	7.0%
2005	17,110	48,789	834,780	3,791	4,107	2,650	6.4%
2006	17,930	52,655	944,104	3,838	4,107	2,698	5.7%
2007	18,000	57,409	1,033,362	3,864	4,107	2,862	5.0%
2008	18,080	58,141	1,051,189	3,884	4,107	2,769	5.9%
2009	18,170	***	***	3,885	4,107	2,795	10.9%

Notes:

- (a) Per Capita Personal Income data shown is for King County. Specific data for City of Tukwila is not available.
 - (b) Personal Income estimates are calculated by multiplying Tukwila population by the Per Capita Personal Income estimates for Tukwila and are based on a revised methodology that provides for more accuracy. See also Footnote (a).
 - (c) Unemployment rates are listed and estimated using the census-share method.
- *** Data not available at time of publication.

Sources:

Tukwila Planning Division, Department of Community Development
 State of Washington Office of Financial Management
 Washington State Employment Security Department
 Tukwila School District #406
 US Bureau of Economic Analysis



CITY OF TUKWILA, WASHINGTON
SCHEDULE 18
PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO

Name of Company/Employer	Product or Business	2009 Full & Part-Time Employment	Percentage of Total City Employees	2000 Full & Part-time Employment	Percentage of Total City Employees
Boeing Company	Airplane company	7,846	18.54%	9,769	22.02%
Group Health Cooperative	Data Ctr/Lab/Pharmacy/Mfg.	1,984	4.69%	879	1.98%
King County Metro	Transit operating base	825	1.95%	700	1.58%
Macy's	Department Store	586	1.38%	490	1.10%
Carlisle Interconnect Technologies	Wire/Cable Connectors	570	1.35%	180	0.41%
Costco Wholesale	Cash/carry Warehouse	546	1.29%	380	0.86%
Nordstrom, Inc.	Department Store	537	1.27%	416	0.94%
United Parcel Service	Postal Delivery Service	525	1.24%	444	1.00%
Boeing Employees Credit Union	Banking/Credit Union	425	1.00%	561	1.26%
City of Tukwila	Government	407	0.96%	309	0.70%
Sub-total - Major Employers		14,251		14,128	
All Other Employment		28,078		30,243	
TOTAL EMPLOYMENT		42,329		44,371	

Source:

Tukwila City Clerk's Office - Business Licenses

**CITY OF TUKWILA, WASHINGTON
SCHEDULE 19
STAFFING LEVELS BY DEPARTMENT
LAST TEN FISCAL YEARS**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
DEPARTMENT										
Administrative Services ^(a)	23.25	22.25	21.75	21.75	21.75	22.75	23.75	26.75	19.75	-
Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Mayor ^(b)	9.00	9.50	10.50	9.50	11.50	11.00	11.00	12.00	11.00	16.00
Human Resources ^(a)	-	-	-	-	-	-	-	-	-	4.00
Finance	11.00	12.00	12.00	12.00	13.00	12.00	11.00	11.00	12.00	12.00
Recreation	23.00	23.75	17.75	20.50	20.25	22.00	22.50	23.50	23.50	22.50
Community Development	19.75	21.25	19.88	20.88	19.88	20.88	20.88	20.25	24.25	24.25
Court ^(a)	-	-	-	-	-	-	-	-	-	9.75
Police	88.50	85.50	86.50	81.50	78.00	81.00	83.00	80.00	83.00	82.00
Fire	64.00	63.00	64.00	64.00	63.00	67.00	65.00	66.00	64.00	63.00
Information Technology (a)	-	-	-	-	-	-	-	-	7.00	8.00
Public Works	32.00	34.00	37.00	35.00	35.00	35.00	34.00	32.00	33.00	32.00
Parks	6.50	8.50	8.50	9.50	9.50	10.50	10.25	7.50	7.50	7.50
Street	8.00	9.00	9.00	10.00	11.00	11.00	10.00	11.00	12.00	12.00
Water	6.00	6.00	6.00	5.00	5.00	6.00	7.00	7.00	7.00	7.00
Sewer	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00
Golf	9.50	9.50	9.50	9.50	9.50	9.50	9.25	9.25	9.75	9.75
Surface Water	5.00	6.00	5.00	5.00	5.00	7.00	7.00	7.00	8.00	8.00
Equipment Rental	4.00	4.00	4.00	4.00	4.00	4.00	5.00	4.00	5.00	5.00
TOTAL	319.50	324.25	321.38	318.13	316.38	329.63	329.63	327.25	335.75	331.75

Notes:

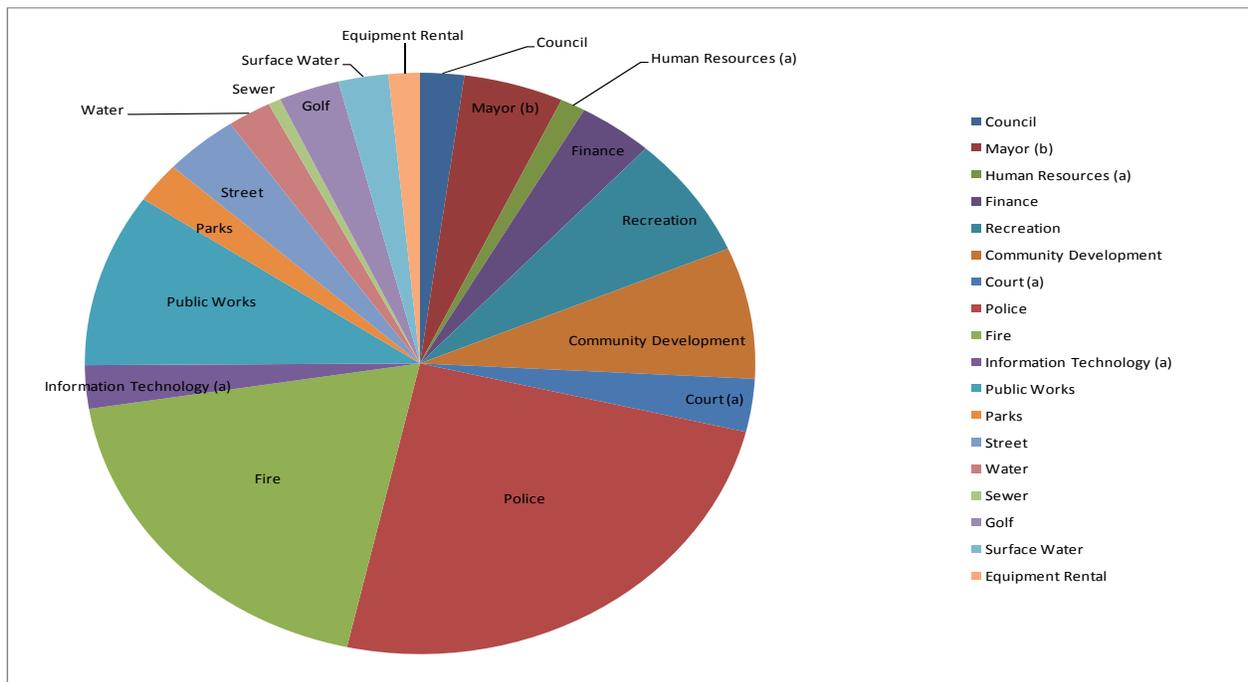
Based on filled positions not budgeted positions.

^(a) The departments for Human Resources, Court, City Clerk and Information Technology were previously reported under Administrative Services.

^(b) The department of City Clerk began reporting to the Mayor's department in 2009.

Sources:

Tukwila Finance Department



CITY OF TUKWILA, WASHINGTON
SCHEDULE 20
OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
FUNCTION										
Police										
Number of Calls for Service	31,189	30,671	30,106	31,000	30,032	32,922	33,686	33,985	35,816	33,095
Fire										
Number of Responses	4,395	3,865	4,100	4,250	4,229	4,710	4,921	4,673	4,824	4,654
Total Fire Loss	\$ 1,328,726	\$ 1,995,850	\$ 485,765	\$ 910,655	\$ 910,655	\$ 1,414,741	\$ 2,982,265	\$ 3,065,005	\$ 2,300,685	\$ 1,934,596
Total Inspections	6,197	5,866	4,516	5,549	5,855	5,482	4,705	4,845	6,787	6,787
Parks and Recreation										
Class Participants	50,300	60,000	61,000	61,000	64,000	64,000	64,000	98,087	109,273	103,603
Community Ctr Admissions	47,300	43,600	35,500	30,800	35,150	33,750	34,850	90,141	117,533	134,183
Rounds of Golf Played	66,317	60,311	57,490	^(a) 35,764	53,070	54,449	55,195	55,446	53,565	53,800
Pool Attendance	**	**	**	42,917	59,996	72,778	72,963	57,624	59,077	80,727
Street										
Miles	77	77	77	79	79	79	79	79	79	79
Hours Maintaining	*	*	13,425	14,587	13,706	15,243	16,970	17,540	19,840	22,140
Signalized Intersections	59	59	59	61	61	61	61	63	63	59
Hours Maintaining	*	*	6,388	6,855	6,445	9,054	7,642	7,540	7,540	6,700
Water Utility Services										
Total Customers	2,012	2,027	2,027	2,079	2,107	2,164	2,117	2,113	2,109	2,112
Total Gallons/Water(in thousands)	771,149	693,116	683,065	702,364	765,000	886,000	789,981	680,649	660,915	731,469
Sanitary Sewer										
Total Customers	1,586	1,622	1,622	1,671	1,698	1,710	1,720	1,718	1,684	1,694
Surface Water										
Total Customers	4,989	5,019	5,019	5,015	5,064	5,100	5,107	5,156	5,164	5,204
Licenses										
Business Licenses	2,205	2,159	2,160	2,262	2,292	2,286	2,354	2,350	2,523	2,422
Amusement Licenses	19	18	18	22	22	19	21	22	22	24
Permits										
Building Permits	452	415	401	353	364	430	422	425	423	265
Mechanical Permits	273	218	238	183	182	193	239	238	256	159
Electrical Permits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	758	1,533	821
Plumbing Permits	N/A	N/A	N/A	N/A	N/A	N/A	192	306	264	145
Public Works Permits	161	134	114	83	97	112	144	136	154	131
Libraries										
Number of Libraries	2	2	2	2	3	3	3	3	3	3
Total Circulation	135,276	140,680	143,150	121,468	215,115	215,115	320,794	306,001	303,665	318,991

Notes:

^(a) Construction of new clubhouse completed and opened in 2003.

* Information not available.

** Pool facilities acquired from King County in 2003.

Sources:

Tukwila Departments, King County Library System

CITY OF TUKWILA, WASHINGTON
SCHEDULE 21
CAPITAL ASSETS BY FUNCTION
 LAST TEN FISCAL YEARS

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
FUNCTION										
General Government										
Total City Area (Square Miles)	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	9.63
Public Safety										
Police:										
Number of Vehicle Units	63	57	63	59	63	64	64	64	67	70
Fire:										
Number of Fire Stations	4	4	4	4	4	4	4	4	4	4
Number of Engines/Rescue Trucks/Ladders	8	8	8	8	8	8	9	9	9	9
Number of Medical Aid Vehicles	2	2	2	2	2	2	2	2	2	2
Number of Hazardous Materials Trailer Units	N/A	N/A	N/A	N/A	N/A	1	1	2	2	2
Transportation										
Paved Streets (lane miles)	163	163	163	163	163	163	163	163	163	178
Sidewalks (miles)	54	54	54	54	54	54	54	54	54	56
Number of Traffic Signals	55	55	55	55	55	55	55	57	57	59
Number of Streetlights Owned by Seattle City Light	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180
Number of Streetlights Owned by Puget Sound Energy	670	670	670	670	670	670	670	670	670	696
Culture and Recreation										
Parks Acreage ^(a)	136	140	143	158	158	158	161	160	162	162
Number of Parks	11	12	13	15	15	15	16	18	18	18
Golf Course Acreage	67	67	67	67	67	67	67	67	67	67
Maintained Trails (miles)	11	11	11	11	11	11	11	11	11	15
Number of Playgrounds	11	11	11	13	13	13	13	13	13	11
Swimming Pool	N/A	N/A	N/A	1	1	1	1	1	1	1
Visitor Center	1	1	1	1	1	1	1	1	1	1
Community Center/Recreation Facilities	1	1	1	1	1	1	1	1	1	1
Number of Libraries	2	2	2	2	3	3	3	3	3	3
Water										
Water Distribution Mains (miles)	45	45	45	45	45	45	45	47.4	47.4	40.8
Maximum Daily Capacity (millions of gallons)	10	10	10	10	10	10	10	10	10	10
Number of Fire Hydrants (Owned by City of Tukwila)	499	509	509	513	527	533	537	555	572	541
Vehicles	4	6	6	7	6	7	7	8	8	8
Sewer										
Sanitary Sewers (miles)	33	33	33	33	33	33	33	36.9	36.9	37.4
Maximum Daily Treatment Capacity (millions of gallons)	6.33	6.33	6.33	6.33	6.33	6.33	6.33	6.33	6.33	6.33
Vehicles	8	3	3	3	3	3	5	5	6	6
Surface Water										
Storm Drains (miles) ^(b)	56	57	57	58	59	60	62	67	67	68.75
Vehicles	6	4	4	4	5	5	4	4	4	4

Notes:

^(a) Reflects the correct reporting of data for Culture and Recreation - Parks Acreage for the years 1998 through 2006. Parks acreage previously reported included golf course acreage.

^(b) Reflects the correct reporting of data for Surface Water - Storm Drains (miles) for the years 1998 through 2006. Miles previously reported were incorrect data estimates.

Sources:

Various Departments-Tukwila