

**City of Maple Valley
Washington**

**2009
Comprehensive Annual Financial Report**

For Fiscal Year Ended

December 31, 2009

Prepared by the:
Finance Department

L. A. (Tony) McCarthy
Finance Director

Sandy Nesper
Accountant

City of Maple Valley
2009 Comprehensive Annual Financial Report
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May 7, 2010

Honorable Mayor, City Councilors, and Citizens of the City of Maple Valley

Transmitted herewith is the City of Maple Valley's Comprehensive Annual Financial Report (CAFR) for fiscal year ended December 31, 2009. The CAFR provides financial disclosure of all activities considered part of the City. It has been prepared by the City's Finance Department, which assumes responsibility for the completeness and reliability of the information based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

In addition to a set of internal controls, it has been prepared to comply with the latest standards of governmental accounting as promulgated by the Governmental Accounting Standards Board (GASB). Since fiscal year 2000, three years before required to do so, the City has prepared its CAFR in conformance with GASB's most far-reaching pronouncement: GASB Statement No. 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This implementation was made to meet the City's established financial policy that states: "the City will continue to make improvements in its financial reporting, so that information available to the public, the City Council, and the department managers is clear and the best available for sound financial decisions." In addition the City has kept pace with the GASB and has implemented all applicable standards through GASB Statement No. 58.

The Washington State Auditor has issued an unqualified ("clean") opinion on the City of Maple Valley's financial statements for the year ended December 31, 2009. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

COMMUNITY PROFILE

In 1863, the Homestead Act brought the first settlers to Maple Valley. The area flourished because of the abundance of natural resources. Mining and logging spurred growth, and in 1887 Maple Valley was platted and registered by C.O. Russell. Not until 1997, however, did the community incorporate its business and residential areas into the State of Washington's 272nd city.

The City is located along a portion of the Cedar River that the Duwamish Indians previously used as a trading route. State Route 169 connects the two major commercial areas of Maple Valley and allows for direct access to Black Diamond and Enumclaw to the southeast and Renton to the northwest. State Route 18 is also easily accessible for travel to Covington, Auburn, and Federal Way to the southwest, and Issaquah and North Bend to the northeast.

Along with the country charm of an agrarian past, Maple Valley offers almost unlimited activities. Boating, fishing, swimming, hiking, and golfing are available within the city limits, and the City is in close proximity to camping, skiing, and other recreational opportunities. Maple Valley businesses provide most of the daily shopping needs for the residential community and nearby rural areas. The City's 2009 population as provided by the Washington State Office of Financial Management (OFM) and including the Maple Ridge Highlands annexation effective July 26, 2009 was 22,794 up 2,314 persons or 11% from 2008.

The City operates under the Revised Code of Washington (RCW) applicable to an Optional Municipal Code City (RCW 35A). It has a Council-Manager form of government. The non-partisan City Council is composed of seven members elected at large to four-year staggered terms. The Council elects the Mayor and Deputy Mayor from among its members. The Council serves as the policy-making branch of government. The Council appoints the City Manager, who serves as the chief executive officer of the City and coordinates its daily activities.

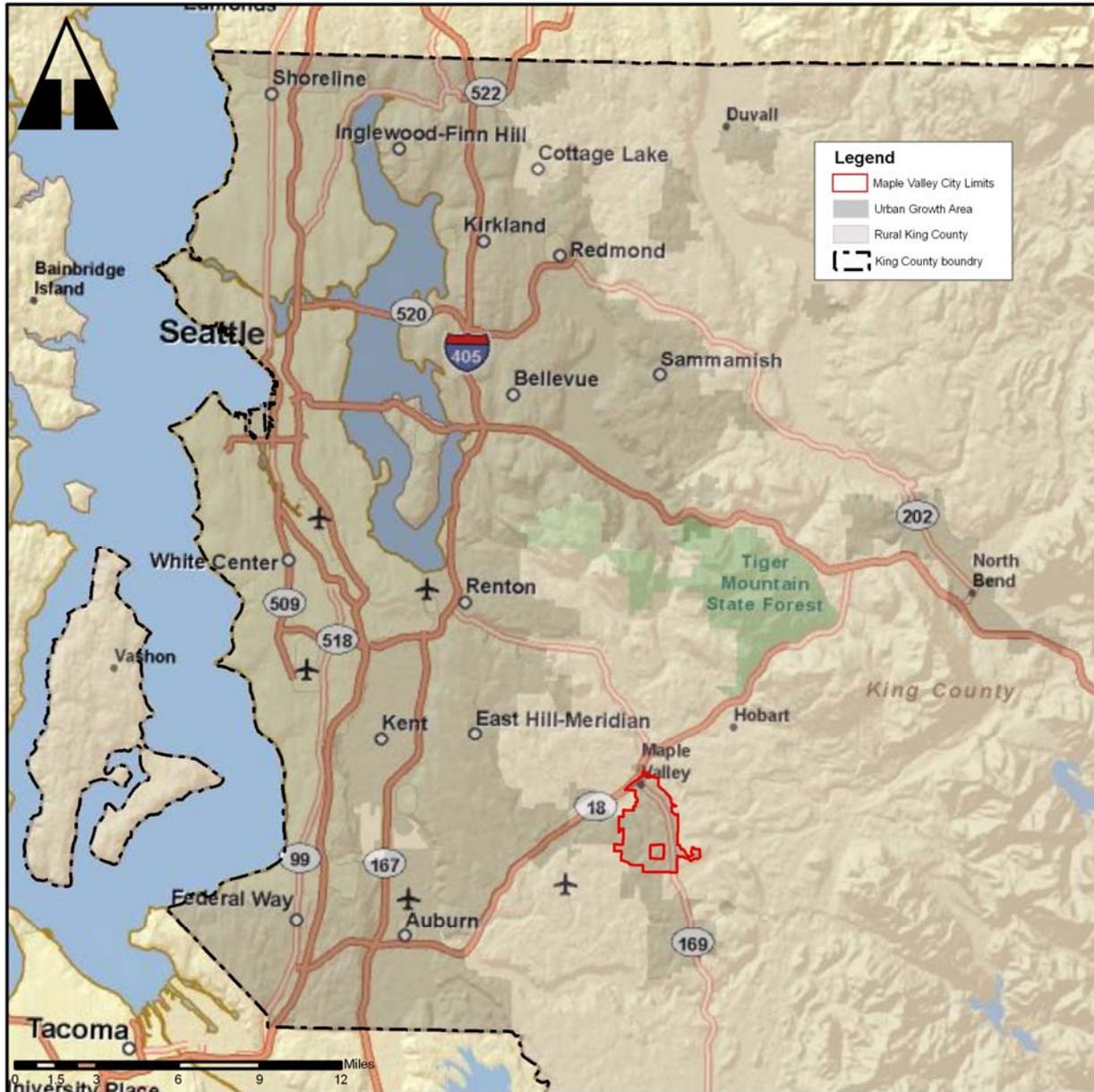
The City of Maple Valley is a general-purpose government. It directly provides certain services and contracts with public and private entities for other services. Directly provided services include: general administration; land use planning and development permitting; parks and recreation services; and public works development and maintenance services. The park and recreation services include the operation of Lake Wilderness Park and Lodge acquired on January 1, 2003 from King County through a no-cost deed transfer. The park is a 111-acre facility that borders Lake Wilderness in the geographic center of the City. On November 30, 2006 the City acquired the Lake Wilderness Golf Course a 100 acre parcel bordering the park. The golf course operates a full service restaurant. The acquisition was made from available cash reserves to prevent the threatened residential development of the course property.

The City contracts with King County for police services, but has directly hired its own Police Civilian Assistant to staff the Police storefront office in the City Hall. Primary jail services are provided via contract with the City of Enumclaw, with back-up jail services provided via contracts with the City of Issaquah, and with King and Okanogan counties. Municipal court services are provided by contract with the City of Enumclaw, but the City contracts separately for its own judge.

Other separate government entities provide services in Maple Valley. Maple Valley Fire and Life Safety (King County Fire District 43) provides fire protection, emergency medical, and fire inspection services. The King County Rural Library District provides library services. The Tahoma School District provides K-12 educational services. Three special districts provide water and sanitary sewer services to City residents and businesses. Per franchise agreement, a private hauler provides solid waste collection services.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Maple Valley operates. To understand that environment, a map of the City's location is shown below.



As the map notes, the City of Maple Valley is at the center of the “X” formed by the intersection of State Routes 18 and 169. Residents have a 26-mile commute to either downtown Seattle to the northwest or to downtown Tacoma to the southwest. The City's circumstances -- surrounded by a rural environment but offering convenient State highway access to both Seattle and Tacoma via State highways -- makes the City an excellent location for moderate and higher-end residential development.

Annexation

On July 26, 2009 the City completed the annexation of Maple Ridge. See appendage on east side of Maple Valley on map on preceding page. The annexation had been planned since the City incorporated in 1997. At that time King County had permitted a planned unit development where 575 homes would be built and the surrounding areas would be left rural and in the County. The first home was permitted in the County in 2002 with the remaining homes built over the next six year as the developer decided to do all the permitting under the County's jurisdiction. At the time of the annexation the project was essentially built out with relatively new high-end homes. An official population count determined that 1954 residents were added to the City. The development includes 9.5 lane miles of roads that were added to the City financial statements.

In addition to this annexation there is another eventual annexation referred to by the City as the "Donut Hole" and by King County as "Summit Place". See "Donut Hole" completed surrounded by City on map on preceding page. The County has been in the process of selling this 150 acre site completely surrounded by the City to a developer. The City has intervened in the process to negotiate an annexation agreement. Sticking points relate to the density of the development and the extent of the improvements. This has been a top City priority since early 2008. Current economic conditions have slowed the sale of the property and the final agreements.

Local Economy

The City of Maple Valley's local economy is based on this locational advantage and its designation as an "urban growth area" under the State's Growth Management Act (GMA). The GMA, which in the early 1990's restricted development to the area that is now the City of Maple Valley, led to the City's incorporation on August 31, 1997.

At the time of incorporation in 1997, 1,010 single-family residential lots had been approved by King County and were vested for development. Also at that time, the City established a moratorium on the approval of new plats, but the building on plats approved by King County continued. On January 1, 2000 following the adoption of the City of Maple Valley's comprehensive plan and the associated development regulations, the moratorium was lifted. In the last ten years 2,517 single-family residential lots have been approved for development and at December 31, 2009 an additional 901 lots were in inventory with at least preliminary approval for development. A listing of private development activity showing remaining preliminary plat lots is shown in the Statistical Section of this report on pages 132 and 133.

In addition to the 901 approved lots, there remained at December 31, 2009 an additional 619 potentially available un-platted lots. This potential for single-family residential development, a total of 1,520 lots, is in addition to a number of undeveloped non-residential sites, which in combination should provide significant development activity within the six-year financial forecast described later below.

Six-year Financial Forecast

The City uses the projection of its development activity as a major component of its six-year financial forecast. The issuance of a building permit generates:

- At the time of the permit, building permit revenue and transportation and park impact fees;
- Within six months, the construction activity generates sales tax revenue;

- When construction is complete, the increase in assessed valuation leads to an increase in property tax revenue;
- When the property is sold, real estate excise taxes are generated (real estate excise taxes also apply to the sale of existing properties);
- As new occupants connect to utility and cable television services, utility tax revenue and cable TV franchise fees are generated;
- As the new residents move in, the City's population is increased upon which the distribution of State-shared revenue is based; and
- As the new residents begin shopping locally, additional sales tax revenue is generated, eventually leading to the construction of new commercial facilities.

The six-year revenue forecast assumes that 50 single-family residential (sfr) permits will be issued in 2010, 100 in 2011, and 150 in each year from 2012 to 2015. Through March 31, 2010, 48 sfr permits had been issued, but because most are probably the result of the federal stimulus program the City forecast will remain conservative. If the finances don't improve to the level of the forecast, the following have previously been considered by the City Council and remain possibilities:

- Additional deferral of the capital improvement program;
- Elimination of the transfer of 25% of General Fund sales tax to help fund the capital program;
- Increasing the City's utility tax above the existing 3% which is currently one of the lowest of any Washington city; and
- Reviewing expenditure programs.

The budgeted level of development produces a revenue forecast that in conjunction with the an operating expenditure forecast produces a fund balance at the end of the six-year forecast that exceeds the policy requirement of 10% of operating expenditures. The operating expenditure forecast includes inflation, the maintenance and operational cost of the six-year capital improvement program, and an annual amount of potential program expansion inflated over the six-year forecast period. Dedicated capital revenue plus the City policy directive to use at least 25% of General Fund sales tax revenue funds the six-year capital improvement program.

The six-year forecast begins with the beginning fund balance amount that equals the restricted and unrestricted net assets at December 31, 2009, summarized below from pages 51, 60 and 61 of this report. Amounts below are in thousands of dollars.

2009 Ending Fund Balance	
Governmental Funds	\$ 13,090
2009 Ending Working Capital	
Enterprise Funds	1,926
Internal Service Funds	461
	\$ 15,477

The combined ending fund balance and working capital is equal to the budgeted beginning fund balance in the 2010 Final Budget as shown below. The entire six-year forecast summarized below shows that over the six-year period the City plans to spend 53% of its expenditures for operating purposes, 43% for capital purposes, and 4% for debt purposes. Amounts below are in thousands of dollars.

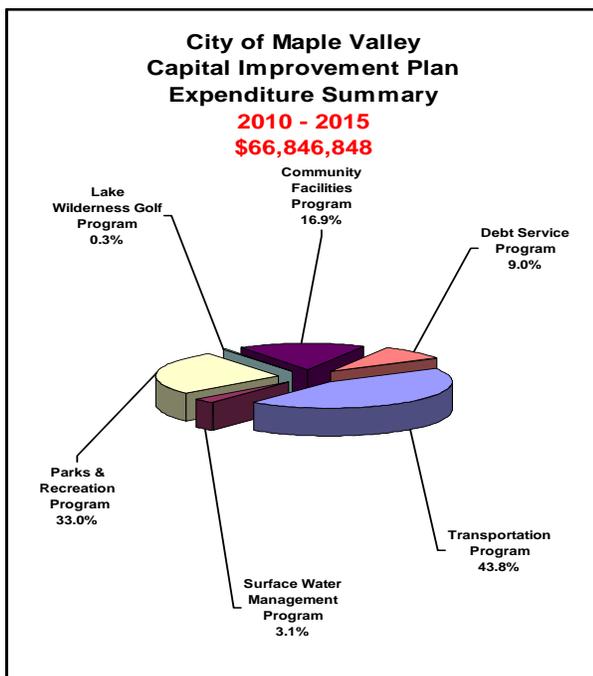
City Wide Forecast - All Funds
(Amounts in thousands)

		2010 Budget	2011 Forecast	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast
Total All Funds							
Beginning Fund Balance		\$ 15,477	9,550	8,678	10,018	8,765	8,060
Revenue		16,252	17,000	14,866	22,993	19,704	20,144
Bond & Loan Proceeds		4,200	-	1,000	8,200	2,200	4,200
Operating Expenditures	53%	(11,304)	(11,648)	(12,185)	(12,627)	(13,198)	(13,686)
Capital Expenditures	43%	(14,795)	(5,670)	(1,809)	(19,313)	(8,928)	(10,293)
Debt Expenditures	4%	(761)	(1,056)	(1,060)	(1,053)	(1,056)	(1,053)
Total Expenditures		(26,861)	(18,374)	(15,054)	(32,993)	(23,182)	(25,032)
Ending Fund Balance		9,069	8,176	9,490	8,218	7,487	7,371

The forecast also notes that forecasted beginning fund balances in year 2010 through 2015 are greater than prior year ending fund balances due to the forecasted over-collection of revenue and under-expenditure of budget. The City has an average five year over-collection of revenue rate of 4% and an under-expenditure of budget rate of 11%, but assumes in the forecast an over-collection rate of 0% and an under-expenditure rate of 5%. The overall purpose of the forecast is to not over commit the operating expenditure budget within a conservative revenue forecast based on the real inventory of developable land.

Capital Improvement Program

Included in the forecast above is the City’s a six-year capital improvement program. Including debt service the capital improvement plan totals \$66,846,848. The plan is updated annually as part of the budget process. The following chart shows the capital improvement plan expenditures by program for the six-year period 2010 – 2015.

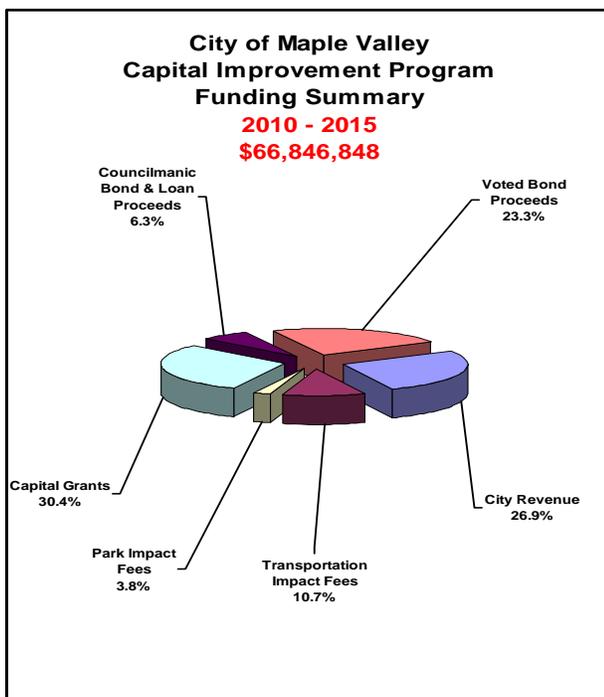


As noted in the chart, nearly 50% of the funds are allocated to the transportation program. This allocation is made because as noted above transportation has been, the City Council’s top priority.

To ensure the best quality transportation network, the City has, as part of the City's Comprehensive Plan, a 20-year transportation program. Each year projects from the earliest six years of the 20-year transportation program are incorporated into the City's six-year capital improvement plan and adopted as part of the annual budget process. The six-year transportation program is used to establish transportation impact fees that are designed to fund 50% of the transportation program costs net of anticipated grants. The City uses other City funds, primarily its Real Estate Excise Tax Fund, to match the transportation impact fee funding.

In addition to planned expenditures for transportation, the City six-year plan includes: developing ball fields, making improvements to the park system, developing plans for the 54 acre Maple Valley Legacy Place site, and enhancing the interim youth center site with a new youth, community, and senior center.

The six-year capital improvement program is funded with a combination of sources as identified below.



CITY PRIORITIES

With expanding population growth as evidenced by the issuance of single-family residential building permits, the following have been identified by the City Council as their current and long term priorities:

Economic Development

- Complete the Four Corners Sub-area Plan. Carry-over funding to finish by 2nd Quarter 2010.
- Start the North Area Sub-area Plan. To be determined after Four Corners Sub-area Plan is completed.
- Restart the Legacy Site Planning Process. Included in 2010 budget to start in later part of 2010.

- Develop an Economic Development Component to the Comp Plan (including the Summit Place Development). Part of EDC/Plan Commission 2010 work program
- Initiate an Assessment of the Technology Needs Facing the Community. Part of 2010 City Manager/EDC work program
- Initiate a Community Awareness Effort on Successful Economic Development for the Maple Valley Community. Part of City Manager/EDC Work Program.
- Work with the Local Chamber of Commerce to Host a Small Business Expo. Chamber board is considering.
- Promote working relationships with development partners. Part of City Manager work program.

Traffic

- Check Feasibility of a New Traffic Control Device at Hwy. 169—244th St. Intersection. Part of Public Works work program
- Complete Witte Rd.—SE 248th St. Roundabout. Part of Public Works 2010 work program.
- Work with WSDOT on Conducting a Corridor Study on Hwy. 516 from the Four Corners Area West to Jenkins Creek. Should be part of 2010 Legislative Outreach
- Continue Strong Involvement in the Process Involving the DMU Transportation Alternative with Our Neighboring Communities. On-going MOU & ILA before all city councils in October/November 2009.
- Evaluate the Use of Police Data to Make Road Improvements. Part of Public Works & Police 2010 work program
- Continue to Pursue State & Federal Funding to Improve Hwy. 169. On-going.

Parks, Recreation, Cultural and Human Services

- Continue to Use the Lake Wilderness Park Plan as the Guide to Program Capital Improvements to the Park. Part of 2010 budget with dock project.
- Work to Establish a Park Impact Fee. Part of 2010 budget process.
- Work with a Community Services Group to Host a Social Services Expo. Part of grant application from Team Tahoma.
- Look at the Feasibility of Starting a Parks Commission. To be determined.
- Strongly Encourage Public Participation in the Summit Pit Park Master Planning Process. Process started in August 2009; finish ~April 2010.
- Continue Discussions with Neighboring Communities and King County on Possible Opportunities to Partner in Providing Certain Programs and Services. From Tri-Cities meeting held in August 2009, Parks and Public Works Directors have started regular meetings to explore opportunities.
- Keep a Focus on Service/Program Opportunities to Serve our Senior and Teen Citizens. On-going through relationship between Community Center, Tahoma Sports Council and Parks Department
- Investigate Establishing a Transfer of Development Rights (TDR) Program. Part of 2010 work program of Parks/Community Development Departments' 2010 work programs.

Community Facilities

- Restart the Legacy Site Planning Process. Part of 2010 budget and City Manager work program.

- Continue to include projects in the “Non-motorized” portion of the TIP. Part of Parks and Public Works 2010 work programs—Federal funds programmed in 2010 budget to extend Lake Wilderness Trail on south side of City.
- Continue Process to Seek a Site for a NPDES Phase II Compliant Maintenance Facility. Part of Public Works 2010 work program and budget.
- Support the Soon-to-be Updated Pavement Management System. Part of Public Works 2010 work program and budget.
- Conclude Process Dealing with the Lake Wilderness Golf Club Improvement District Issues. Part of Council/City Manager 2009-2010 work program to resolve by no later than early 2010.
- Review Golf Course contract. On Council/City Manager/Parks Department 2010 work programs to be finished by June/July 2010.
- Develop Plan to Maintain Landscaping and Drainage Along City-owned Rights-of-Way. Part of Public Works 2010 work program by 1st Quarter 2010.
- Continue to Explore Opportunities to Partner with Neighboring Government Entities on Capital Facilities Development. Part of Parks, Public Works and City Manager’s work programs—On-going
- Potential of Adding Guardrails Along Witte Rd. Part of Public Works 2010 work program

Annexation

- Continue Strong Participation with Process to Annex and Redevelop Summit Place/Donut Hole. On-going until resolved.

Quality City Services

- Continue to Implement the City Information Technology Plan. On-going—Council/City Manager/Finance Department to revisit during 2010.
- Enhance City-wide Community Outreach Efforts and Communication. On-going.
- Aggressively Pursue Good Grant Opportunities. On-going.
- Maintain Long-term Fiscal Stability. On-going.
- Encourage Strong Community Participation in the 2010 US Census. To be determined.
- Undertake a Community-wide Survey to Help Assess the Quality of City Services. Part of City Manager’s 2010 work program
- Review housing diversity issues. To be determined.
- Reactivate Council Code Committee.
 - Review Sign Code
 - Plan Commission Recommendation on how lot size changes would be handled.
 - Both of these to be determined.

To assist with the funding and to keep up with the demand for enhanced services, the City is looking to insure its future prosperity with an *economic development* program. In early 2009 the City Council adopted an ordinance related to large commercial users. Prior to adoption, the City’s maximum size for a single commercial user in the City’s main commercial zone was 60,000 square feet. The adoption of the ordinance increased the square footage for a single commercial user to 100,000 square feet and in certain areas and with certain restrictions to 200,000 square feet. This increase allows development of a Fred Meyers complex which is scheduled to be built in late 2010.

Improving *traffic* congestion has and will continue to be a top priority. The City’s 2010 -2015 capital improvement program includes over \$29,000,000 in transportation improvements. The six-

year program includes over \$15,000,000 of grant funding. The expanding population will also demand more services and plans are well underway to improve the *parks, recreation, cultural, and human services* and *community facility* programs. In early 2009 City finished the Lake Wilderness Lodge remodel project substantially funded by a State grant and plan are currently in development for the Summit Ball Fields site.

In addition to economic development, the future *annexation* of the “Donut Hole” / Summit Place annexation is a 160 acre undeveloped rural property completely surrounded by the City. The property is owned by King County. The City, County, and potential buyer of the property are involved in a joint planning process. Working this situation to the best advantage of the City is the City’s current top priority.

AWARDS AND ACKNOWLEDGEMENTS

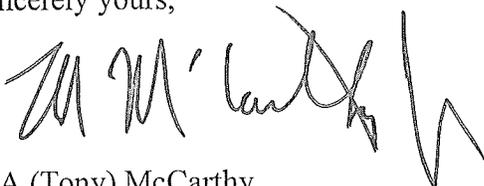
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Maple Valley for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2008. This was the tenth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

The Certificate of Achievement is valid for a period of one year only. The City believes its current CAFR continues to meet the Certificate of Achievement’s program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

From the latest GFOA statistics, 35 of Washington’s 281 municipal governments received this certificate on their 2006 reports. In addition to receiving this certificate, the City has received, for the eighth consecutive year, the GFOA’s Distinguished Budget Presentation Award for its 2008 Final Budget. Of the 35 cities with certificate winning CAFR’s, 21 cities are current holders of both the Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Presentation Award.

The preparation of this Comprehensive Annual Financial Report would not have been possible without the dedicated services of a number of City departments. The Community Development Department helped with information about the local economy, the Public Works Department provided mapping information and help value the City’s infrastructure, and the City Clerk’s Department kept the computers running. Credit must also be given to the City Council for its unfailing support for maintaining high standards of financial accountability.

Sincerely yours,



L.A.(Tony) McCarthy
Finance Director



David W. Johnston
City Manager

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Maple Valley
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.

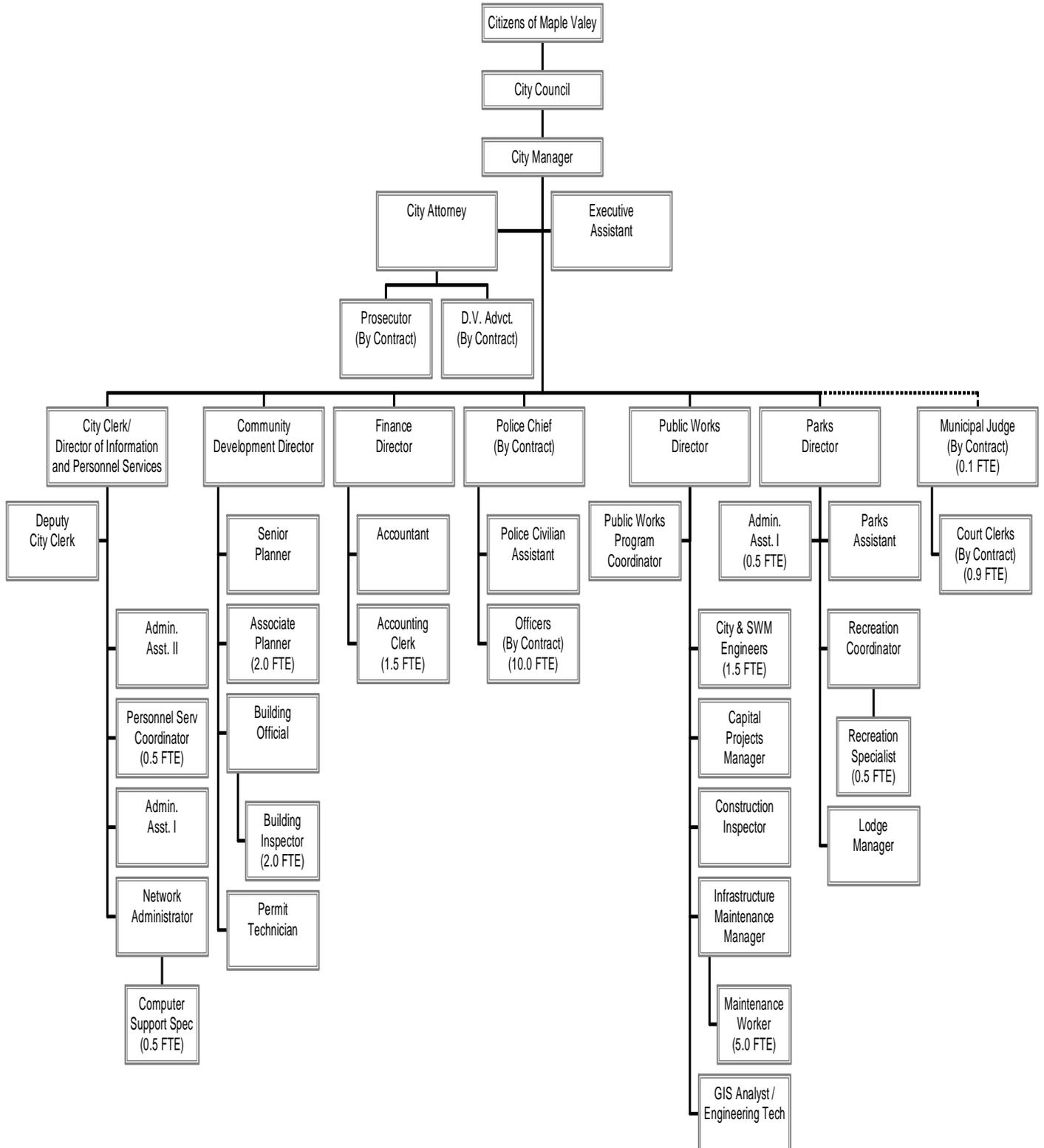


President

Executive Director

**City of Maple Valley
2009 Comprehensive Annual Financial Report
Organization Chart (2010 Budget)**

39.0 Direct City FTEs, 12.0 Contracted FTEs. 51.0 Total FTEs



CITY COUNCIL

	Position Number	Term Expires
Noel T. Gerken, Mayor	5	12/2011
Victoria Laise Jonas, Deputy Mayor	6	12/2013
Dana Parnello	1	12/2011
Bill Allison	2	12/2013
Layne Barnes	3	12/2011
Erin Weaver	4	12/2013
Linda Johnson	7	12/2011

CITY MANAGER

David W. Johnston

CITY ATTORNEY

Christy A. Todd

COMMUNITY DEVELOPMENT DIRECTOR

Ty Peterson

FINANCE DIRECTOR

L.A. (Tony) McCarthy

PARKS & RECREATION DIRECTOR

Greg Brown

POLICE CHIEF

Michelle Bennett, King County Sheriff's Office

PUBLIC WORKS DIRECTOR

Steve Clark

Independent Auditor's Report



Washington State Auditor
Brian Sonntag

INDEPENDENT AUDITOR'S REPORT

May 7, 2010

Mayor and City Council
City of Maple Valley
Maple Valley, 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 Maple Valley, 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 Maple Valley, 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, Street, Transportation Impact Fee, Park Development, and Real Estate Excise Tax Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, during the year ended December 31, 2009, the City has implemented the Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.



In accordance with *Government Auditing Standards*, we will also issue our report May 7, 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. 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 25 through 41 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information listed as combining financial statements and schedules on pages 99 through 117 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

**City of Maple Valley
Management's Discussion and Analysis
December 31, 2009**

As the management of the City of Maple Valley, we offer readers of this report this narrative overview and analysis of the financial activities of the City of Maple Valley for fiscal year ended December 31, 2009. In addition to the information provided here, we encourage readers to consider the additional information furnished in the letter of transmittal and the notes to the financial statements.

Financial Highlights

- The assets of the City of Maple Valley exceeded its liabilities at December 31, 2009 by \$375,548,309, (*net assets*). Of this amount, \$2,494,451 (*unrestricted net assets*) may be used to meet the city's ongoing obligations to citizens and creditors. Of the rest, \$12,826,878 is restricted for specific operating and capital purposes, and \$360,226,980 is invested in capital assets net of related debt.
- During 2009, the City's total net assets increased a net \$38,896,776. Of this amount \$39,362,078 was in additions in invested in capital assets, net of related debt. The additional amount, \$465,302 is revenue greater than expenses. The invested in capital assets, net of related debt is related to the Maple Ridge annexation and other developer contributions for streets, related infrastructure, and surface water management ponds added to the City system in 2009.
- At December 31, 2009 the City of Maple Valley's governmental funds reported a combined ending fund balance of \$13,090,120 down \$659,627 from the prior year amount of \$13,749,747. Though the City budgeted a \$9,160,436 decrease in governmental fund ending fund balance from \$13,749,747 to \$4,589,311, the governmental fund ending fund balance was \$8,500,809 better than expected with revenues below the estimate by \$1,611,288, offset by operating expenditures below the budget by \$833,462 and by capital and debt service expenditures net of related transfers below budget by \$9,278,635.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,612,632 or 34% of total General Fund expenditures down from 36% in 2008. The main reason for the decrease was reduced development and sales tax revenue reflective of the economy.
- The City of Maple Valley's total liabilities decreased by \$588,397 from \$10,956,733 to \$10,368,336. The decrease was primarily in contracts, loans, and bonds payable. The liabilities include \$4,875,000 in general obligation bonded debt down from \$5,215,000. On November 24, 2008 this debt received a Standard and Poor's Ratings Services underlying rating increase from "A+" to "AA+".

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Maple Valley's financial statements. The City of Maple Valley's financial statements include the government-wide financial statements, the fund financial statements, and the notes to the financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Maple Valley's finances, in a format similar to that provided for private-sector businesses. The statements segregate activity into two categories: governmental activities and business-type activities. The governmental activities of the City of Maple Valley include: general government; community development; human services; parks and recreation;

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except the Lake Wilderness Golf Course, public safety; and public works, except the surface water management function. The governmental activities also include internal service funds as discussed below. The business-type activities include the Lake Wilderness Golf Course and the surface water management function.

The *statement of net assets* presents information on the City of Maple Valley's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Maple Valley is improving or deteriorating. The *statement of activities* presents information showing how the City's net assets changed during the year. The *statement of activities* identifies the City's activities and the program revenues that helped fund them. In the Statistical Section on pages 120 to 125 summary information on net assets and changes in net assets from 2001 through 2009 is provided.

Fund financial statements. The fund financial statements provide summary information by fund type. The City of Maple Valley, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A *fund* is a grouping of related accounts that are segregated to maintain control over resources that have been designated to finance specific activities. All of the funds of the City of Maple Valley can be divided into two categories: governmental funds and proprietary funds. The City does not have any fiduciary funds.

Governmental funds. *Governmental funds* are used to account for the governmental activities shown on the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of resources*, as well as on the *balances of resources* available. Governmental funds are concerned with having available resources (i.e. "working capital" - current assets less current liabilities) to meet the expenditure needs as identified in the budget. As part of the governmental funds presentation, a comparison of actual expenditures to both the original and final budget is shown for the General Fund and all Special Revenue Funds.

Proprietary funds. *Proprietary funds* are used to account for operations that are designed to generate revenues to cover the total cost of operation including depreciation. The City of Maple Valley has both types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to account for the activity of the Lake Wilderness Golf Course and the City's surface water management function. The internal service funds are used to account for the operation of the City's vehicle rental, central services, and unemployment trust functions. These internal service functions accumulate costs and charge them to operating departments. They also charge replacement and reserve fees to insure future availability of funds to replace equipment or to fund unemployment claims. As mentioned above, internal service funds in the City of Maple Valley are categorized as governmental activities.

A complete reconciliation of the fund financial statements to the government-wide financial statements is included in the government-wide financial statements as shown on pages 48 and 49 and page 52. The reconciliation is required:

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- To reclassify capital expenditures to assets and to record depreciation of governmental capital assets,
- To reclassify debt issuances and repayments from sources and uses of funds to increases or decreases in liabilities, and
- To record the assets, liabilities, and net revenues of internal service funds. By including only net revenues, the double counting of transactions between the internal service funds and the funds they provide services to is eliminated.

Notes to the financial statements. The notes to the financial statements 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 are found on pages 67 - 94.

Required supplementary information. Generally accepted accounting principles (GAAP) require that certain unaudited information accompany the basic financial statements. The technical term for this additional information is *required supplementary information (RSI)*. In general, there are five types of RSI for state and local governments:

Management's Discussion and Analysis (MD&A),
Budgetary Comparisons,
Trend Data for Pension Funding,
Claims Development Data for Public Entity Risk Pools, and
Trend Data for Infrastructure Condition.

Because the *MD&A* is designed, in part, to introduce the basic financial statements, it is presented before the basic financial statements. The *budgetary comparisons* for the general and special revenue funds are shown in the fund financial statements. The *budgetary comparisons* for other funds are shown in the combining statements and schedules section of this report.

With respect to *trend data for pension funding*, information is not included because the City of Maple Valley does not sponsor a defined benefit plan. The City of Maple Valley participates in the Washington State Public Employees Retirement System (PERS) plan and in defined contribution plans sponsored by the International City/County Management Association Retirement Corporation (ICMA-RC). These plans are described in the notes to the financial statements beginning on page 87.

With respect to *claims development data for public entity risk pools*, the City is a member of the Washington Cities Insurance Authority (WCIA). Per GAAP, they, as a public entity risk pool, include in their financial statements, trend data on pool revenues as well as actual and estimated claims. A description of the pool is included in the notes to the financial statements beginning on page 92.

With respect to *trend data on infrastructure condition*, the City has chosen to record infrastructure assets on the face of the financial statements and therefore *trend data on infrastructure condition* is not required.

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Government-wide Financial Statement Analysis

Statement of net assets. The statement of net assets provides information on the City's assets, liabilities, and net assets, and compares the balances by major category to the previous year's balances. The table that follows summarizes the statement of net assets. The table shows the individual components of these amounts by major account group for governmental activities and business-type activities with totals and comparisons to the preceding year.

**Condensed Statement of Net Assets
(Dollars expressed in thousands)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Assets						
Current Assets	\$ 15,953	\$ 17,082	\$ 2,092	\$ 2,042	\$ 18,045	\$ 19,125
Capital Assets	355,392	316,599	12,479	11,885	367,871	328,484
Total Assets	371,345	333,681	14,572	13,928	385,917	347,608
Liabilities						
Current Liabilities	2,402	2,512	166	168	2,568	2,680
Long-term Liabilities	7,800	8,276	-	-	7,800	8,276
Total Liabilities	10,202	10,789	166	168	10,368	10,957
Net assets						
Invested in Capital Assets, net of related Debt	347,748	308,430	12,479	11,885	360,227	320,315
Restricted	10,901	11,725	1,926	1,874	12,827	13,599
Unrestricted	2,494	2,738	-	-	2,494	2,738
Total Net Assets	\$ 361,143	\$ 322,892	\$ 14,405	\$ 13,760	\$ 375,548	\$ 336,652

Current assets at December 31, 2009 totaled \$18,045,351 down \$1,079,170 or 6% from the December 31, 2008 amount of \$19,124,521. \$9,198,903 or 51% of current assets was in cash and cash equivalents. Cash and cash equivalents include: petty cash and other imprest funds totaling \$6,960, the checking account balance of \$77,657, and \$9,114,286 invested overnight with the State of Washington Local Government Investment Pool (LGIP). In addition to the LGIP investments, at year end the City had \$6,182,350 or 34% of current assets invested in one certificate of deposit for \$1,000,000 maturing in 2011 and five individual U.S. government agency securities with maturities in 2010, 2012, 2013, 2014 and 2015. At year-end the LGIP was earning 0.33%. The other investments were earning an average 2.98%. At December 31, 2009 the City also had \$475,218 in cash with fiscal agents primarily for construction retainage on one project.

The remaining current asset balance at December 31, 2009 was \$2,188,880 or 12%. Of this amount: \$695,143 was for taxes receivable, \$104,291 was for accounts receivable, \$44,267 was for accrued interest receivable, \$760,101 was for special assessments receivable, \$493,415 was for due from other governments, \$54,146 was for inventory, and \$37,517 was for prepaid items.

Of the taxes receivable amount all was collected by February 28, 2010 except property taxes receivable. Of the year end property tax receivable amount of \$289,794, \$203,011 was diverted County road tax related to the Maple Ridge Highlands' annexation and \$86,783 was for the amount owed on the City's regular property tax levy. The diverted county road tax was collected on 2010. Of the regular property tax levy receivable, \$10,392 was collected by February 28, 2010. The remainder is collected in the normal course of business within seven years or the property is sold.

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Of the accounts receivable amount, about \$27,000 was collected by February 28, 2010. \$51,493 was for receivables from developers. The amounts are for billings of 4th quarter City staff time on various developer projects. The amounts were not billed until February 5, 2010 after year end closing and are being paid in the normal course of business. Project approvals are not provided until all unpaid receivables are paid. An additional \$47,479 is from unpaid surface water management billings. The majority of this amount, \$27,125 is due from Fire District #43 for surface water management fees from 2002 through 2009. The district has not paid these fees claiming that the City owes them an at least equivalent amount in payments in lieu of taxes for City owned facilities. The issue remains unresolved. The remainder is collected by King County with delinquent property taxes in the normal course of business.

The special assessments receivable is an amount is for seven properties who received private benefits from the Four Corner's (SR 169 – SR 516 to SE 264th Street) improvement project. Amounts are due in full upon building permit application for improvements to their property. If permits are not applied for before 2016, the assessments are void. It is anticipated that the majority of this amount will be paid in 2010, but since that is not known for sure, the entire assessment receivable amount is offset in deferred revenue.

Of the due from other government's amount, \$394,077 is due from the State of Washington grant. The grant wasn't billed until March 18, 2010 as the City was collecting all year end expenditures for billing. Receipt of funds is anticipated by mid April. Inventory is for food, beverages, and merchandise at the Lake Wilderness Golf Course. The prepaid amount is for January rental of City Hall office space. With the City move on January 8, 2010, included funds for both the old and new facilities as the City paid some overlapping rent. More detailed information on receivables and other short-term assets is provided in the notes to the financial statements beginning on page 76.

Capital assets, net of accumulated depreciation, totaled \$337,832,143 down \$9,348,398 from the prior year amount of \$328,483,745. The capital assets include infrastructure assets and related depreciation as the City has chosen not to use the modified approach which evaluates condition and maintenance level. The table that follows shows, by capital asset type, the capital asset year-end balances.

**City of Maple Valley's Capital Assets
(net of accumulated depreciation)
(Dollars expressed in thousands)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2009	2008	2009	2008	2009	2008
Land	\$ 195,076	\$ 173,638	\$ 9,750	\$ 9,162	\$ 204,826	\$ 182,800
Buildings	5,298	5,458	968	994	6,266	6,452
Improvements other than Bldgs	131,960	116,462	1,629	1,577	133,589	118,040
Machinery & Equipment	226	245	133	152	359	397
Construction in Progress	22,831	20,795	-	-	22,831	20,795
Total Capital Assets	\$ 355,392	\$ 316,599	\$ 12,479	\$ 11,885	\$ 367,871	\$ 328,484

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The net increase is made up of capital asset additions and contributions of \$46,222,034 offset by the increase in accumulated depreciation of \$6,826,591. Of the retirements of \$27,501, \$19,607 was fully depreciated items with an equal offset to accumulated depreciation.

Of the additions, \$22,026,092 is land and \$22,008,848 is improvements other than buildings. Of the land amount, \$15,565,516 was transportation infrastructure land from the Maple Ridge annexation, \$5,872,248 was for developer contributed transportation infrastructure land, and \$588,328 was for developer contributed surface water management facilities. Of the improvements other than buildings amount, \$14,458,635 was transportation infrastructure improvements for the Maple Ridge annexation, \$7,438,181 was for developer contributed transportation infrastructure improvements, and \$112,032 was for a surface water management facilities improvement. The Maple Ridge annexation included 9.5 lane miles of streets built in 2001. The developer contributions included 2.4 lane miles of new streets and surface water management facilities in four plats. In addition to the street value, the improvements include curb and gutters, sidewalks, and street lighting. Amounts are estimated based on local construction costs per lane foot. The surface water management facility additions were for three ponds on 4.2 acres.

The additions for construction in progress, \$2,044,427, were for engineering and construction costs for ten City projects, the largest being \$808,975 for the completion of the renovation of the Lake Wilderness Lodge. The next largest amount was \$530,973 for additional preliminary design of the SR 169 – SE 264th to 258th Street project. Both of these projects are primarily funded with a State of Washington Community and Economic Development grant. The other eight projects are in various stages of design and construction. In construction in progress a previously included amount for design of \$7,896 was retired as the project was abandoned for the time being.

The net change for machinery and equipment is a decrease of \$37,864 which reflects acquisitions of \$142,667 offset by an increase in accumulated depreciation of \$180,533. The major additions were \$44,570 for computer upgrades and \$42,724 for a public works mini excavator and street sanding equipment. Additional capital asset information is discussed in the notes to the financial statements beginning on page 79.

Long-term liabilities at December 31, 2009 totaled \$7,800,012 down \$476,382 from the December 31, 2008 amount of \$8,276,394. The following table summarizes the long-term portion of the City's liabilities.

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**City of Maple Valley's Long-term Debt (non-current portion)
(Dollars expressed in thousands)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2009	2008	2009	2008	2009	2008
Accrued Interest Payable	\$ 24	\$ 18	\$ -	\$ -	\$ 24	\$ 18
Compensated Absences	132	89	-	-	132	89
Contracts & Loans - Current	185	148	-	-	185	148
General Obligation Bonds - Current	360	340	-	-	360	340
Contracts & Loans Payable	2,585	2,806	-	-	2,585	2,806
GO Bonds Payable	4,515	4,875	-	-	4,515	4,875
Total Long-term Debt	\$ 7,800	\$ 8,276	\$ -	\$ -	\$ 7,800	\$ 8,276

Accrued interest payable reflects unpaid interest at December 31, 2009. The amount reflects for the first time the interest associated with the contracts and loans payable. The compensated absences amount reflects the amount due employees for unpaid vacation, compensatory time, and for an estimated payment for unused sick leave which per policy is paid at 25% for those that retire from the State PERS program. The amount is increased as for the first time in a number of years the City had full staffing at year end and because a couple of City employees are getting closer to retirement

No contract and loan borrowing was done in 2009. During the year \$184,621 in infrastructure loan debt was retired. The infrastructure loan amounts are for two road improvement projects. The Four Corner's (SR 169 – SR 516 to SE 264th Street) project had a loan authorization of \$2,793,000 and a drawdown amount of \$1,955,100 with a year end outstanding amount of \$1,636,978, including the current portion. The SR 516 – 228th Avenue to Witte Road project has a loan authorization of \$1,917,000 and a drawdown amount of \$1,341,900 with a year end outstanding amount of \$1,130,336, including the current portion. The loans are for 20 years with final maturity in 2024. Both loans have interest rates of 0.5%.

No general obligation bonded debt was issued in 2009. During the year \$340,000 of general obligation bonded debt was retired. The general obligation bonds outstanding reflect a 2005 refunding of the callable portion of the 2000 general obligation bond issue. The 2000 general obligation bonds outstanding at December 31, 2009 was \$320,000, which is all current. The 2005 general obligation bonds outstanding at December 31, 2009 was \$4,555,000, including the current portion of \$40,000. More detailed information on long-term debt including issuance and redemption information and debt service to maturity can be found in the notes to the financial statements beginning on page 83.

Net assets at December 31, 2009 totaled \$375,548,309, up \$38,896,776 from the December 31, 2008 amount of \$336,651,533. The largest portion of the December 31, 2009 total, \$360,226,980 or 96%, is invested in capital assets net of related debt. Most of this is for infrastructure assets from annexation or developer contributions either directly or through King County at various times since the City incorporation. The second largest portion of total net assets, \$12,826,878, is restricted, primarily for capital purposes. The unrestricted net assets at December 31, 2009, \$460,659 were \$2,494,451. The change in net assets is explained in the discussion of the statement of activities, which follows.

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Statement of Activities. The statement of activities provides an overview of the changes in net assets from December 31, 2008 to December 31, 2009. The condensed Statement of Activities as shown in the table below identifies the changes in net assets.

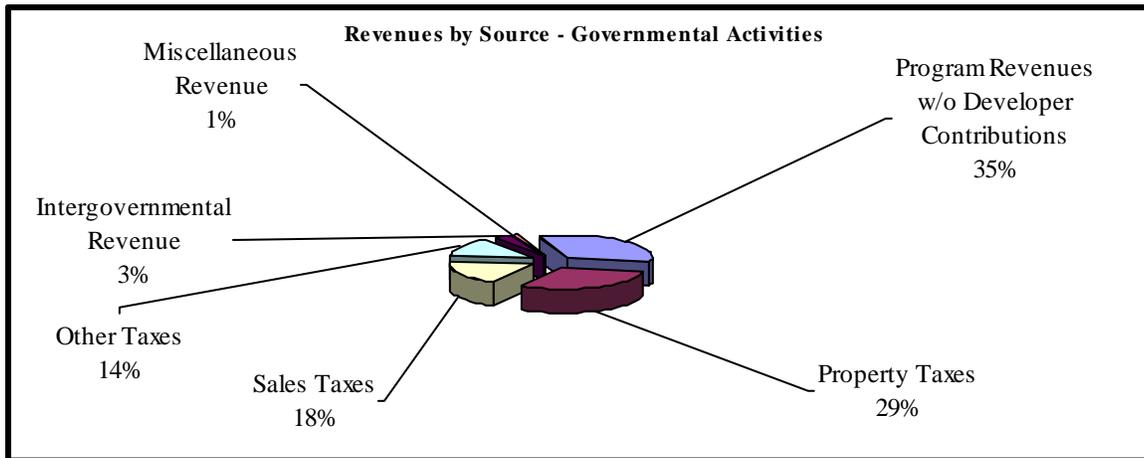
**Condensed Statement of Activities
(Dollars expressed in thousands)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2009	2008	2009	2008	2009	2008
Revenues by Major Source						
Program Revenues						
Charges for Services	\$ 1,922	\$ 2,601	\$ 2,208	\$ 2,182	\$ 4,130	\$ 4,783
Operating Grants & Contributions	591	572	70	5	661	577
Capital Grants & Contributions	44,319	30,456	588	211	44,908	30,666
General Revenues						
Property Taxes	2,971	2,678	-	-	2,971	2,678
Sales Taxes	1,865	2,120	-	-	1,865	2,120
Other Taxes	1,427	1,639	-	-	1,427	1,639
Intergovernmental Revenue	321	301	-	-	321	301
Miscellaneous Revenue	83	274	22	63	105	337
Total Revenues	53,500	40,642	2,889	2,460	56,389	43,102
Expenses by Function						
General Government	2,015	1,985	-	-	2,015	1,985
Community Development	988	953	-	-	988	953
Human Services	220	201	-	-	220	201
Parks & Recreation	1,560	1,571	1,668	1,680	3,228	3,251
Public Safety	2,381	2,332	-	-	2,381	2,332
Public Works	7,720	8,519	658	420	8,378	8,939
Interest on Long-term Debt	283	284	-	-	283	284
Total Expenses	15,166	15,845	2,326	2,100	17,492	17,945
Transfers	83	64	(83)	(64)	-	-
Total Expenses and Transfers	15,249	15,909	2,243	2,037	17,492	17,945
Excess before Extraordinary Items	38,251	24,733	646	423	38,897	25,156
Prior Period Adjustment - Infrastructure	-	(4,743)	-	-	-	(4,743)
Increase in Net Assets	38,251	19,991	646	423	38,897	20,414
Net Assets - January 1	322,892	302,901	13,760	13,337	336,652	316,238
Net Assets - December 31	\$ 361,143	\$ 322,892	\$ 14,405	\$ 13,760	\$ 375,548	\$ 336,652

The table shows net assets increasing \$38,896,776 but the increase is attributable to annexation and developer contributions as previously discussed. Without the annexation and developer contribution increase of \$43,922,908, there is a decrease in net assets of \$5,026,132. This decrease is a combination of revenue without developer contributions of \$12,465,673 offset by expenses of \$17,491,805. Of the expenses, \$6,826,591 is depreciation.

Governmental activities. Governmental activity revenues increased by \$12,857,777, including a \$15,031,518 increase in annexation and developer contributions. Without the developer contribution decrease, the decrease would have been \$2,173,741. The chart below shows the distribution of the City revenues from governmental activities.

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Governmental activity program revenues exclusive of developer contributions is down \$1,829,012 from \$5,326,369 to \$3,497,357 primarily with capital grant revenue decreasing \$1,168,038 from \$2,152,650 to \$984,612 with the completion of the SR 166 – SR 516 to SE 264th Street project which was heavily grant funded. In addition transportation impact fee revenue decreased \$44,404 from \$587,251 to \$542,846 and other development revenue decreased \$441,486 from \$1,069,066 to \$627,580. Transportation impact fees are collected with building permits for each new pm peak hour trip. In 2009 the City processed 93 single-family residential building permits down from the 98 processed in 2008, but commercial permit processing was down substantially.

Governmental activity general revenues is down \$344,729 from \$7,012,720 to \$6,667,991. The decreases are in all the major categories except property taxes. When the other taxes category is split into its component parts there are increases and decreases as identified below.

- Property taxes, which provided 47 percent of the tax base, increased \$292,986 or 11%.
- Sales taxes, which provided 30 percent of the tax base, decreased \$254,191 or 8%.
- Utility taxes, which provided 10 percent of the tax base, increased \$11,032 or 2%.
- Real estate excise taxes, which provided 8 percent of the tax base, decreased \$233,057 or 31%.
- Gambling taxes, which provided 1 percent of the tax base, decreased \$831 or 2%.
- Franchise fees (taxes), which provided 4 percent of the tax base, increased \$10,686 or 4%.

The property tax increase for 2009 includes three components: an annual levy limit increase of 1%, a new construction levy at the prior year's levy rate that provided an increase of 3%, and an annexation levy that provided an increase of 7%. Effective July 25, 2009 the City annexed an area known as Maple Ridge Highlands. The area had 575 single family residential homes all built in the last ten years. In 2009 the City received the property tax that was initially paid to King County for the period July 25, 2009 to December 31, 2009. The total amount, \$203,012 was paid to the City on February 12, 2010.

Sales tax revenue is generated from both construction and non construction related sales. In 2009 construction sales provided 16% of the sales tax revenue, down from 23% in 2008. Of the sales tax decrease, \$141,209 is from reduced construction related sales taxes. Utility taxes and franchise fees on cable TV service increased with some residential development and the annexation providing additional

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consumers. Real estate excise tax decrease with fewer sales of single family residential units with the two year long slowdown in the housing market. In 2009, 358 single family residential units were sold in Maple Valley compared to 428 in 2008. These numbers are down from the peak in 2005 when 1,013 single family residential homes were sold.

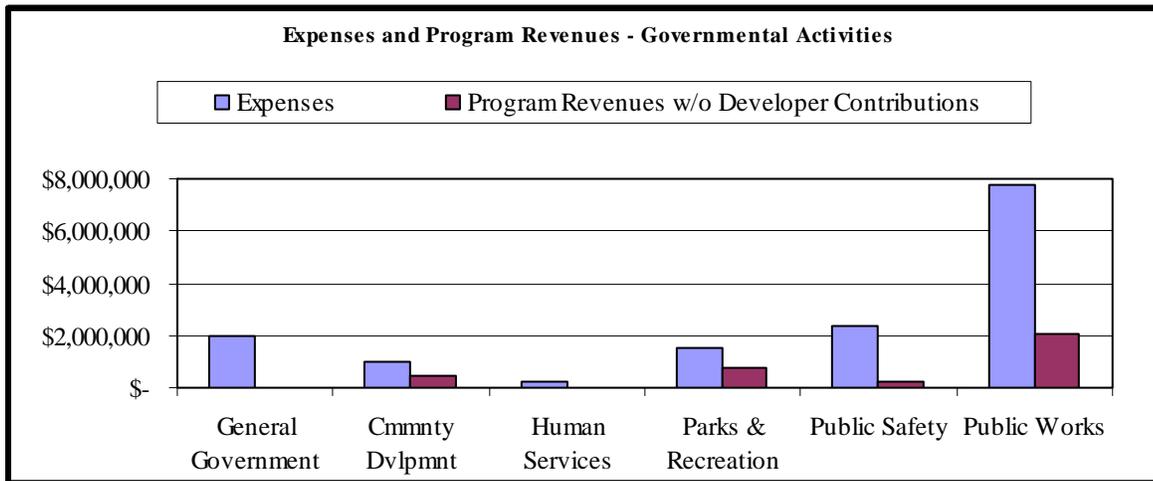
Besides the tax category changes, the other governmental activity revenues changed as follows:

- Intergovernmental revenue, increased \$20,024 or 7%.
- Miscellaneous revenue decreased \$191,378 or 70%.

Intergovernmental revenue is up with increased state shared revenue related to population increases. Miscellaneous revenue is down as a decrease in investment earnings provided almost all of the decrease. The average portfolio investment rate at December 31, 2009 was 1.40%, down from the prior year end average portfolio investment rate of 2.50%.

Whereas one time revenue related to single-family residential building permits decreased as noted above, in a normal year prior year permitting activity provides current year increases in sales tax revenue as houses are built, property tax revenue as houses are completed, state shared intergovernmental revenue with increased population, utility tax and cable TV franchise fees as residents use these services, and increased sales taxes as residents shopped locally. In 2009 these potential increases were for the most part offset by other decreases as the economy faltered.

The chart below compares program expenses to program revenue.



In all programs, program expenses exceeded program revenues. In community development program revenues were below expenditures with single family residential permits ending the year at 93, below the budget of 100 on which the expenses were based. In parks and recreation operating revenue was 30% of operating expenditures down from 34% in 2008. In public works charges for services and operating and capital grants of \$2,019,595 did not offset operating expenses of \$1,343,019, depreciation of \$6,383,720 and retirements of \$7,896.

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Governmental activity expenses decreased \$679,064 or 4% from \$15,845,147 to \$15,166,083. The categories included are: general government, community development, human services, parks and recreation, public safety, public works, and interest on long term debt.

General government expenses including: the city council, city manager, finance, city clerk, and city attorney, increased \$29,780 or 2%. The increase reflects salary and benefit increases offset by vacancies and reduced city attorney expenses. The new city manager position was hired in April 2009.

Community development expenses including: the City's planning and building operations, increased \$34,813 or 4%. The increase reflects salary and benefit increases and expenses associated with preparing the Maple Ridge Highlands annexation.

Human service expenses increased \$19,495 or 10%. The increase provided additional funding for the Maple Valley Community Center and the Maple Valley Food Bank and Emergency Services.

Parks and recreation expenses including: parks maintenance, the Lake Wilderness Lodge, recreation programs, community events, and funding for community service agencies, decreased \$11,338 or 1%. The increase reflects salary and benefit increases offset by a reduced allocation from the Public Works Department for parks maintenance.

Public safety expenses including: police, jail, and court costs, increased \$48,525 or 2%. For police services, the City contracts with King County for eleven police officers, vehicles, equipment, and support cost. The City directly employs police civilian assistant to handle certain police administrative duties. The police contract gives the City 24-hour coverage, seven days a week, with two specifically identified police officers wearing City uniforms and driving police cars that bear the City of Maple Valley insignia. In 2009, the police contract expenditures increased \$23,011 from \$2,022,367 to \$2,045,378 as the City received a reconciliation credit of \$51,725 that partially offset cost increases of about 4%. Other police costs increased \$17,567 with increased special services and equipment purchases. Jail cost increased \$3,680 from \$66,675 to \$70,355. Court costs increased \$4,267 from \$111,972 to \$116,239.

Public works expenses including: development, transportation planning, street maintenance, waste reduction & recycling, and lake management, decreased by \$799,039 or 9%. Operating expenses, less depreciation, increased \$45,496 or 4% from \$1,282,523 to \$1,328,019. The major increase above salary and benefit increases was an additional \$97,708 for additional asphalt overlay. The additions were offset by additional engineering cost allocations to the Capital Projects and Surface Water Management Funds. Depreciation, primarily for street and related infrastructure, decreased \$852,431 from \$7,236,151 to \$6,383,720.

Business-type activities. As of December 1, 2009 the City of Maple Valley's operated two business-type activities, the Surface Water Management operations and the Lake Wilderness Golf Course operations.

In the surface water management operation program revenue increased \$40,475 or 6% from \$719,886 \$760,361. The increase is associated with increased customers attributable to new development and

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revenue associated with the Maple Ridge Highlands annexation from July 25, 2009. No change in the surface water management fees has occurred since incorporation in 1997, but the single family residential rate will increase by \$6.00 per year in 2010 from \$85.02 to \$91.02. Expenses of the surface water management operation increased \$232,187 or 55% from \$420,178 to \$652,365. The increase is associated with an increase in the cost allocation of staff time for maintenance of surface water management ponds and an increase of \$211,959 in specifically budgeted maintenance projects.

In the Lake Wilderness Golf Course operation including: an 18 hole golf course and a full service restaurant with banquet facilities, program revenue decreased \$13,926 or 1% from \$1,461,769 to \$1,447,843 as the restaurant operation felt the affects of the economy. Expenses of the Lake Wilderness Golf Course decreased \$12,267 or 1% from \$1,680,058 to \$1,667,791 as management reduced staff with reduced restaurant revenue. Including non operating revenue (expenses), the Lake Wilderness Golf Course Fund had a loss before contributions and transfers of \$219,447. The loss excluding depreciation of \$110,549 was funded by a transfer from other City funds. The golf operations generated revenue of \$726,373 that exceeded expenses excluding depreciation, of \$623,838. The restaurant operations generated revenue of \$712,064 that was less than expenses excluding depreciation, of \$863,329. this was an improvement over the 2008 results and hopes are that operations excluding depreciation will breakeven in 2010.

Financial Analysis of Government's Funds

As noted earlier, the City of Maple Valley uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds. The focus of the City of Maple Valley's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Maple Valley's financing requirements. In particular, *unassigned fund balances* serves as a useful measure of the City's net resources available for spending at the end of the fiscal year. The General Fund is the only governmental fund with *unassigned fund balance* as other governmental funds have their fund balances reserved for particular purposes mainly to fund the capital improvement program. The following table shows the governmental fund balance changes.

	Governmental Funds		
	Fund Balances		
	Beginning	Ending	Increase (Decrease)
General Fund	\$ 2,845,198	\$ 2,650,149	\$ (195,049)
Street Fund	786,864	739,698	(47,166)
Transportation Impact Fee Fund	5,579,300	5,731,080	151,780
Park Development Fund	392,290	453,302	61,012
Real Estate Excise Tax Fund	4,146,095	3,515,891	(630,204)
	\$ 13,749,747	\$ 13,090,120	\$ (659,627)

As noted above in total the governmental fund balances decreased \$659,627. Of the General Fund balance of \$2,650,149, \$2,612,632 is unassigned and is 34% of General Fund expenditures. The City's

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financial policies state that the fund balance of operating funds will be budgeted at at least 10% of anticipated operating expenditures. The City interrupts this policy to apply in all years in its six year forecast as discussed in the transmittal letter in the Introductory Section. As discussed below, even though the General Fund fund balance in total decreased \$195,049, the 2009 Final Budget anticipated a decrease of \$1,225,102 so the City's General Fund ended 2009 \$1,030,053 better than budgeted.

Other governmental funds accumulate reserved fund balances for designated purposes. The Street Fund accumulates state shared motor vehicle fuel tax for street purposes. In 2009 accumulated funds were transferred to the General Fund for street maintenance and to the Capital Improvement Plan Fund for the annual asphalt overlay program. The Transportation Impact Fee Fund accumulates impact fees to pay for the City's 50% share of new transportation improvement projects. In 2009 transportation impact fees and associated investment earnings exceeded transfers out to the Capital Projects Fund for transportation improvements. The Park Development Fund accumulates development fees and shared County revenue for open space and trails for park capital improvements. In 2009 none of the accumulated funds were spent. The Real Estate Excise Tax Fund accumulates taxes on the sale of both new and existing real property and investment earnings for both transportation and non-transportation capital improvement projects. In 2009 real estate excise taxes, though only 63% percent of budget, and associated investment earnings was less than the total transfers out to the Capital Projects Fund.

Proprietary Funds. The City of Maple Valley's *proprietary funds* are two Enterprise Funds, the Surface Water Management Fund and the Lake Wilderness Golf Course Fund, and three Internal Service Funds: the Vehicle Rental Fund, the Central Service Fund, and the Unemployment Trust Fund. The following table identifies the *net restricted assets* of the *proprietary funds*.

	Proprietary Funds Restricted Net Assets		
	Beginning	Ending	Increase (Decrease)
Surface Water Management Fund	\$ 1,874,326	\$ 1,926,248	\$ 51,922
Lake Wilderness Golf Course Fund	-	-	-
Vehicle Rental Fund	350,739	109,416	(241,323)
Central Services Fund	316,006	267,668	(48,338)
Unemployment Trust Fund	153,364	83,575	(69,789)
	\$ 2,694,435	\$ 2,386,907	\$ (307,528)

The increase in net assets of the Surface Water Management Fund is a result of revenues exceeding expenses. Funds are being accumulated to implement new operating programs and capital projects. Funds were spent in 2006 through 2008 to update the surface water management comprehensive plan. Part of the update involved a review of the City's maintenance and capital plans to ensure compliance with federal and state regulations. Implementation of these plans was begun in 2009 with new management and maintenance emphasis.

The Lake Wilderness Golf Course Fund had no unrestricted net assets at year end as a transfer from the General Fund was required to bring the net assets to a zero balance.

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The internal service funds accumulate funds for vehicle and computer replacement and to pay unemployment claims. For the Vehicle Rental Fund in the 2009 budget it was felt that the reserves for vehicle replacement were in excess of the amount needed and the City budgeted and transferred \$300,000 from the Vehicle Rental Fund to the General Fund. For the Central Services Fund extensive computer replacement was undertaken in 2007 through 2009 following completion of an information technology strategic plan funded in 2006. For the Unemployment Trust Fund the City eliminated its contributions in 2008 believing that investment earnings will exceed unemployment compensation expenditures. In the 2009 it was felt that the reserves were more than sufficient for payment of future claims and \$50,000 was budgeted and transferred to the General Fund

General Fund Budgetary Highlights

Per State law, budgetary control is at the fund level. Though budgetary control is required at the fund level, it is maintained at the project, organization and object code level. The following table compares the total General Fund's original and final budgets to the actual results for the year ended December 31, 2009.

General Fund Budget Amendments					
	Original Budget	Budget Amendment	Final Budget	Actual	% of Budget
General Fund	\$ 9,045,158	\$ 31,891	\$ 9,077,049	\$ 7,778,265	86%
Community Development - Parks Comprehensive Plan & Impact Fee Study	12/8/2008	5,000			
Parks & Recreation - Maple Valley Farmer's Market	1/26/2009	5,000			
Human Services - Emergencies and Contingencies	1/26/2009	(5,000)			
Parks & Recreation - Lake Wilderness Lodge Salaries & Benefits	1/26/2009	3,127			
Parks & Recreation - Recreation Salaries & Benefits	1/26/2009	1,726			
Public Works - Administration Salaries & Benefits	2/9/2009	9,776			
Public Works - Street Maintenance Salaries & Benefits	4/27/2009	(33,748)			
Public Works - Transportation Planning Concurrency Study	8/24/2009	40,000			
Public Safety - Police Capital Equipment	10/12/2009	6,010			
		\$ 31,891			

The budget amendment for the Parks Comprehensive Plan was approved by the Council in concept on December 8, 2008, the last meeting of the year, but was not incorporated into a budget ordinance until 2009. The Maple Valley Farmer's Market amendment was funded by a reduction in the Emergencies & Contingencies account. The Parks & Recreation salaries and benefits amendments were based on an employee reclassification processes. The Public Works Administration salaries and benefit amendment was required to hire a capital projects manager. The Public Works Street Maintenance salaries and benefit amendment was a change consolidating two .75 FTE's into a 1.0 FTE position. The transportation planning concurrency study amendment was needed to evaluate development opportunities. The Police capital equipment amendment was funded by a grant. The following summarizes the General Fund budget and actual comparison.

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**General Fund
Budget to Actual Comparison**

	Final Budget	Actual	Variance from Final Budget	Percent
Revenue				
Taxes	\$ 5,584,035	\$ 5,280,824	\$ (303,211)	95%
Licenses & Permits	550,057	510,479	(39,578)	93%
Intergovernmental Revenue	441,183	455,446	14,263	103%
Charges for Services	639,269	661,361	22,092	103%
Fines and Forfeitures	123,013	105,261	(17,752)	86%
Miscellaneous Revenue	375,419	253,297	(122,122)	67%
	\$ 7,712,976	\$ 7,266,668	\$ (446,308)	94%
Expenditures				
Current				
General Government	\$ 2,180,687	\$ 1,807,379	\$ 373,308	83%
Community Development	1,295,207	987,742	307,465	76%
Human Services	279,705	220,294	59,411	79%
Park & Recreation	1,506,626	1,370,579	136,047	91%
Public Safety	2,515,444	2,376,542	138,902	94%
Public Works	1,278,370	976,389	301,981	76%
Capital Outlay	21,010	39,340	(18,330)	187%
	\$ 9,077,049	\$ 7,778,265	\$ 1,298,784	86%

Actual revenues were under budget by 6%, primarily because of reduced development from both 2008 and 2009 that had a trickle down affect on other revenue such as sales tax related to new construction and utility taxes related to new residents. The reduction in taxes is almost totally attributable to reduced sales taxes that were \$256,620 below budget. Utility taxes were also \$44,262 below budget. Licenses and permits were below budget with less than budgeted single family residential permits, 93 compared to the budget of 100 plus the fact that there was almost no commercial permitting in 2009. Intergovernmental revenue was above budget as the Police Department received special safety enforcement grants. Charges for services are above budget primarily with increased recreation program participation. Fines and forfeitures are below budget with decreased traffic enforcement emphasis. Miscellaneous revenue is below budget with reduced investment earnings with lower interest rates.

The primary reason for actual expenditures being 86% of the final budget is the conservative nature of the City's budgeting process and the fact that the staff made a conscious effort to hold the line on expenditures to avoid budget reductions. The conservative nature of the City's budgeting process is a result of City policy whereby all new positions are budgeted for a full year and existing positions are budgeted at full benefits even though actual benefit expenditures may be less than budgeted. Also, no lapse factor is calculated for potentially vacant positions. Having vacant positions during the year in addition to benefit savings from budgeting at full benefits provide most of the budget savings, but other savings accrued as the City under spent its professional services contracts by \$181,529 and its intergovernmental services contracts by \$151,663.

Though not required, the City of Maple Valley prepares annual budgets for all funds. In the City of Maple Valley, Special Revenue Funds have no expenditure budgets because accumulated restricted funds are budgeted and transferred to other funds as reimbursements. If the funds are used for operating purposes, they are budgeted and transferred to the General Fund where budget control is maintained. If

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the funds are to be used for capital purposes, they are transferred to the Capital Improvement Plan Fund where budget control is maintained. The budget and actual information for non-General and non-Special Revenue Funds are included beginning on page 99. Capital Improvement Plan Fund budgets can be maintained on a project basis, but the City of Maple Valley establishes annual budgets by re-appropriating appropriate unspent prior year amounts. Detailed schedule of project life to date budget and actual information is shown with the annual budget information.

Economic Factors Affecting the 2010 Budget and the Six-Year Financial Forecast

The City's 2010 Final Budget and six-year financial forecast at December 31, 2009 included therein, anticipates a reduced annual estimate of 50 single family residential units in 2010, increasing to 100 in 2011, and to 150 per year thereafter throughout the six year forecast period. With 901 vacant single family residential lots with preliminary plat approval at December 31, 2009, the inventory is available for a reasonable housing market. In the last 10 years the City has permitted 2,517 single family residential homes, an average of 252 per year and has seen its population increase 8,585 from 14,209 in 2000 to 22,794 in 2009.

Through the first three months of 2010, 48 single family residential homes had been permitted, so the City is only 2 short of its budget. This would normally seem to be great situation but with the 1st quarter activity probably attributable to the Federal housing incentive program due to end April 30, 2010 and with no commercial development activity, the City must remain cautious. To enhance the commercial development opportunities in January 2009 the City Council adopted an ordinance increasing the square footage for a single commercial user to 100,000 square feet and in certain areas and with certain restrictions to 200,000 square feet. This increase allows development of a Fred Meyers complex which was scheduled to be opened in late 2010, but the permitting process has been slow.

In addition to new development, the City is in the midst of two large annexations. As previously mentioned the Maple Ridge Highlands annexation occurred in July 2009. 2010 will see the full affect of the annexation. It should be good for both the City and the new citizens. The annexed area now has net lower taxes and the revenue generated from this relatively new higher end community should be financially good for the City. In addition to this annexation, the City is desirous of annexing a 160 acre property, referred to as the Summit Place aka "donut hole" because it is entirely surrounded by the City. The property is owned by King County, but the City, County, and the potential buyer of the property are involved in a joint planning process. With the economy this process has also been stalled, but the City is monitoring as its top priority so that proper zoning and mitigation can be provided. In addition to these projects inside the City, the City is also monitoring with great interest extremely large developments planned in a neighboring City as whatever is done in that City will greatly affect Maple Valley's transportation network.

2010 will be the fourth year of operation of the Lake Wilderness Golf Course, but the third full year with the City's own management company. The course and restaurant operation were purchased to save the property from development. It was hoped that the facility would breakeven in 2009, but though improvement has occurred in each year since acquisition it hasn't broken even as yet.

**City of Maple Valley
Management's Discussion and Analysis
December 31, 2009**

With revenue opportunities identified above related to single family residential and commercial development and annexation combined with the City's conservative budgeting policies and practices and a six-year financial forecast, funding should be available to meet the needs of a growing residential community, but the City must proceed cautiously.

In producing the 2010 budget, the city was not forced to make budgetary cuts like many entities. The annexation in mid year combined with a conscious effort to keep expenditures below budget as noted above allowed the City to prepare a 2010 budget without cuts. In fact the City added a police officer position and funded it with an increase in the utility taxes from 2.25% to 3.00% for telephone, electric and natural gas. Prior to raising the utility tax, the City telephone tax was the lowest of the 195 of Washington's 281 cities who have a telephone utility tax. Only a few have a lower electric and natural gas tax. The maximum utility tax rate allowed by State law is 6%. The average State wide of those that have the tax is 5.85%, so the City has capacity for the future if needed.

Though the General Fund seems to be financially sound with a diversity of revenue sources and potential for growth, the Capital Improvement Plan Fund is somewhat restricted. Fewer building permits have provided less transportation impact fee revenue. In addition the transportation impact fees were reduced for 2010 with the deferral of projects as discussed below from \$6,039 to \$2,859 per pm peak hour trip. In conjunction with that decrease, the City established a park impact fee of \$2,754 beginning January 1, 2010. In total the impact fees are about \$400 less per pm peak hour trip, but since the park fees don't apply to commercial development the total net revenue for a similar mix of development will be less. In addition each of these revenue sources requires a City match for existing capital facility deficiencies. The primary source of this match is the real estate excise tax generated from the sale of real property. In 2009 the real estate excise tax revenue was \$528,117, down from its peak in 2005 of \$1,931,398. This combined with the fact that the City's debt service is approximately \$800,000 per year, the capacity for new projects is limited. With this scenario, the 2010 budget substantially deferred the capital program pending the receipt of grant funds and improvement in the economy.

Though 2010 budget was developed without tremendous difficulty and the six year forecast does not expect significant economic growth, some modest growth in both the residential and commercial sector is forecasted. As in the past the City will monitor the finances with monthly financial reporting with quarterly presentations to the City Council. This effort should allow the City meet the needs of the community without undue strain on City staff or the community.

Government-wide Financial Statements

City of Maple Valley
Statement of Net Assets
December 31, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 8,018,008	\$ 1,180,895	\$ 9,198,903
Cash with Fiscal Agents	475,218	-	475,218
Investments	5,388,701	793,649	6,182,350
Receivables (net of uncollectibles)			
Taxes	695,143		695,143
Accounts	53,015	51,276	104,291
Accrued Interest	44,267		44,267
Assessments	760,101		760,101
Due from Other Governments	480,893	12,522	493,415
Inventory		54,146	54,146
Prepaid Items	37,517	-	37,517
Capital Assets			
Land	195,076,121	9,749,891	204,826,012
Construction in Progress	22,831,248		22,831,248
Other Capital Assets (net of accumulated depreciation)	137,484,740	2,729,294	140,214,034
Total Assets	371,344,972	14,571,673	385,916,645
LIABILITIES			
Accounts Payable	837,797	106,701	944,498
Payroll Payable	130,563		130,563
Due to Other Governments	280,456	938	281,394
Deposits and Deferred Revenue	1,153,268	58,601	1,211,869
Noncurrent Liabilities:			
Accrued Interest Payable	23,816		23,816
Compensated Absences Payable	131,882		131,882
Contracts & Loans - Due within one year	184,621	-	184,621
General Obligation Bonds - Due within one year	360,000		360,000
Contracts & Loans - Due after one year	2,584,693	-	2,584,693
General Obligation Bonds - Due after one year	4,515,000		4,515,000
Total Liabilities	10,202,096	166,240	10,368,336
NET ASSETS			
Invested in Capital Assets, net of related Debt	347,747,795	12,479,185	360,226,980
Restricted for:			
Street Purposes	739,698		739,698
Street Capital Projects	5,731,080		5,731,080
Park Capital Projects	453,302		453,302
General Capital Projects	3,515,891		3,515,891
Surface Water Management Purposes		1,926,248	1,926,248
Equipment Replacement	377,084		377,084
Unemployment Insurance Payments	83,575		83,575
Unrestricted	2,494,451		2,494,451
Total Net Assets	\$ 361,142,876	\$ 14,405,433	\$ 375,548,309

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

City of Maple Valley
Statement of Activities
For the Year Ended December 31, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Service (1)	Grants and Contributions Operating	Capital
GOVERNMENTAL ACTIVITIES				
General Government	\$ 2,014,921	\$ 20,548		
Community Development	987,928	475,388		
Human Services	220,294			
Parks and Recreation	1,560,100	476,821		287,165
Public Safety	2,380,537	142,840	75,000	
Public Works	7,719,635	806,329	515,819	44,032,027
Interest on Long-term Debt	282,668			
Total Governmental Activities	15,166,083	1,921,926	590,819	44,319,192
BUSINESS-TYPE ACTIVITIES				
Surface Water Management	657,931	760,361	70,167	588,328
Golf Course Operations	1,667,791	1,447,843		
Total Business-type Activities	2,325,722	2,208,204	70,167	588,328
Total Primary Government	17,491,805	4,130,130	660,986	44,907,520
General Revenues				
Taxes				
Property Taxes				
Sales Taxes				
Utility Taxes				
Real Estate Excise Taxes				
Gambling Taxes				
Franchise Fees (Taxes)				
Intergovernmental Revenue not restricted to specific programs				
State Shared Revenue				
Miscellaneous Revenue				
Investment Earnings				
Other Miscellaneous Revenue and (Expenses)				
Transfers				
Total General Revenues				
Change in Net Assets				
Net Assets - Beginning				
Net Assets - Ending				

(1) Includes other program revenue except grants and contributions
The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (1,994,373)		\$ (1,994,373)
(512,540)		(512,540)
(220,294)		(220,294)
(796,114)		(796,114)
(2,162,697)		(2,162,697)
37,634,540		37,634,540
(282,668)		(282,668)
31,665,854	-	31,665,854
	760,925	760,925
	(219,948)	(219,948)
-	540,977	540,977
31,665,854	540,977	32,206,831
2,971,125		2,971,125
1,865,487		1,865,487
608,851		608,851
528,117		528,117
38,373		38,373
251,766		251,766
321,301		321,301
75,708	20,449	96,157
7,263	1,505	8,768
(82,945)	82,945	-
6,585,046	104,899	6,689,945
38,250,900	645,876	38,896,776
322,891,976	13,759,557	336,651,533
\$ 361,142,876	\$ 14,405,433	\$ 375,548,309

Fund Financial Statements

City of Maple Valley
 Balance Sheet
 Governmental Funds
 December 31, 2009

	Special Revenue		
	General	Street	Transportation Impact Fee
ASSETS			
Cash and Cash Equivalents	\$ 1,570,784	\$ 320,971	\$ 3,459,664
Cash with Fiscal Agents			
Investments	1,055,684	215,716	2,325,153
Receivables (net of uncollectibles)			
Taxes	492,132	203,011	
Accounts	53,015		
Accrued Interest	44,267		
Assessments			760,101
Due from Other Funds			140,478
Due from Other Governments	29,789		
Prepaid Items	37,517		
Total Assets	\$ 3,283,188	\$ 739,698	\$ 6,685,396
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 81,427		
Payroll Payable	130,563		
Due to Other Funds			
Due to Other Governments	222,097		
Deposits and Deferred Revenue	198,952		954,316
Total Liabilities	\$ 633,039	-	954,316
Fund Balances			
Fund Balances:			
Nonspendable:			
Prepaid Items	\$ 37,517		
Restricted:			
Street Purposes		739,698	
Street Capital Projects			5,731,080
Park Capital Projects			
1st .25% Capital Purposes			
2nd .25% Capital Purposes			
Unassigned	2,612,632		
Total Fund Balances	\$ 2,650,149	739,698	5,731,080
Total Liabilities and Fund Balances	\$ 3,283,188	\$ 739,698	\$ 6,685,396

Amounts reported for governmental activities in the Statement of Net Assets are different because:

- Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. (Note 6)
- Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (Note 8)
 - Accrued Interest on General Obligation Bonds Payable
 - Compensated Absences
 - Contracts, Loans, and Bonds Payable
- Restricted net assets of internal service funds are included in governmental activities in the Statement of Net Assets.

Net assets of Governmental activities

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

Special Revenue		Capital Projects		Total
Park Development	Real Estate Excise Tax	Capital Improvement Plan		
\$ 271,102	\$ 1,985,567	\$ 112,810	\$ 7,720,898	
		475,218	475,218	
182,200	1,334,450	75,817	5,189,020	
			695,143	
			53,015	
			44,267	
			760,101	
	140,478		280,956	
	55,396	395,708	480,893	
			37,517	
\$ 453,302	\$ 3,515,891	\$ 1,059,553	\$ 15,737,028	

		\$ 727,171	\$ 808,598
			130,563
		280,956	280,956
		51,426	273,523
			1,153,268
-	-	1,059,553	2,646,908

			37,517
			739,698
			5,731,080
453,302			453,302
	1,225,942		1,225,942
	2,289,949		2,289,949
			2,612,632
453,302	3,515,891	-	13,090,120
\$ 453,302	\$ 3,515,891	\$ 1,059,553	

355,392,109

(23,816)
(131,882)
(7,644,314)
460,659
\$ 361,142,876

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

	<u>Special Revenue</u>		
	General	Street	Transportation Impact Fee
REVENUES			
Taxes			
Property	\$ 2,768,113	\$ 203,012	
Sales	1,865,487		
Utility	608,851		
Real Estate Excise			
Gambling	38,373		
Licenses & Permits	510,479		
Intergovernmental Revenue	455,446	456,674	
Charges for Service	661,361		542,846
Fines & Forfeits	105,261		
Miscellaneous Revenue	253,297	6,376	73,647
Total Revenues	7,266,668	666,062	616,493
EXPENDITURES			
Current			
General Government	1,807,379		
Community Development	987,742		
Human Services	220,294		
Parks and Recreation	1,370,579		
Public Safety	2,376,542		
Public Works	976,389		
Capital Outlay	39,340		
Debt Service			
Principal			
Interest on Long-term Debt			
Total Expenditures	7,778,265	-	-
Excess (deficiency) of revenues over (under) expenditures	(511,597)	666,062	616,493
Other Financing Sources (Uses)			
Contracts & Loans Issued			
Transfers In	886,989	-	
Transfer (Out)	(570,441)	(713,228)	(464,713)
Total Other Financing Sources (Uses)	316,548	(713,228)	(464,713)
Net Change in Fund Balances	(195,049)	(47,166)	151,780
Fund Balance, January 1	2,845,198	786,864	5,579,300
Fund Balance, December 31	\$ 2,650,149	\$ 739,698	\$ 5,731,080

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

Special Revenue		Capital Projects		Total
Park Development	Real Estate Excise Tax	Capital Improvement Plan		
				\$ 2,971,125
				1,865,487
				608,851
	528,117			528,117
				38,373
				510,479
37,897		965,836		1,915,853
18,776		-		1,222,983
				105,261
4,339	38,749	15,000		391,408
61,012	566,866	980,836		10,157,937
		92,248		1,899,627
				987,742
				220,294
		16,472		1,387,051
				2,376,542
		351,630		1,328,019
		2,044,427		2,083,767
		524,621		524,621
		276,956		276,956
-	-	3,306,354		11,084,619
61,012	566,866	(2,325,518)		(926,682)
		-		-
		2,325,518		3,212,507
-	(1,197,070)	-		(2,945,452)
-	(1,197,070)	2,325,518		267,055
61,012	(630,204)	-		(659,627)
392,290	4,146,095	-		13,749,747
\$ 453,302	\$ 3,515,891	\$ -		\$ 13,090,120

City of Maple Valley

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2009

Amounts reported for governmental activities in the Statement of Activities (pages 44 and 45) are different because:

Net Change in Fund Balances - total Governmental Funds (page 51) \$ (659,627)

In the Statement of Revenues, Expenditures, and Changes in Fund Balances, non-cash contributions of capital assets from entities outside the government are not reported. In the Statement of Activities, the fair value of these assets is recorded as a contribution.

Developer Contributions 43,334,580

In the Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds report capital outlays as expenditures. In the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense.

Capital Outlay				
City Expenditures				2,083,767
	<u>Depreciation</u>	<u>Retirement</u>		
General Government	\$ 17,610	\$ -		
Community Development	186	-		
Parks & Recreation	173,049	-		
Public Safety	3,995	-		
Public Works	6,383,720	7,896		
	<u>\$ 6,578,560</u>	<u>\$ 7,896</u>		(6,586,456)

In the Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds recognize that the issuance of long-term debt provides current financial resources, while the repayment of principal of long-term debt consumes current financial resources. In the Statement of Activities these changes in long-term liabilities do not have any effect on net assets.

Reduction in Accrued Interest on Long-term Debt				
Increase in Compensated Absences			(5,712)	
Repayment of Long-term Debt			(42,527)	
			<u>524,621</u>	476,382

Internal service funds are used by the City to charge the costs of vehicle rental, central services, and unemployment insurance to individual funds. The net revenue of certain activities in internal service funds is reported with governmental activities.

Internal Service Funds - Operating Income				
Internal Service Funds - Non-operating Income			(60,723)	
Investment Earnings			7,411	
Capital Contribution from Surface Water Management Fund			5,566	
Transfer to General Fund			(350,000)	
				<u>(397,746)</u>

Change in Net Assets of Governmental Activities (page 45) \$ 38,250,900

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

City of Maple Valley
 General Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes				
Property Taxes	\$ 2,770,583	\$ 2,770,583	\$ 2,768,113	\$ (2,470)
Sales Taxes				
Locally Generated	1,612,734	1,612,734	1,446,497	(166,237)
.1% Criminal Justice	509,373	509,373	418,990	(90,383)
Utility Taxes	653,113	653,113	608,851	(44,262)
Gambling Taxes	38,232	38,232	38,373	141
Total Taxes	5,584,035	5,584,035	5,280,824	(303,211)
Licenses & Permits				
Special Licenses	960	960	1,060	100
Franchise Fees	276,809	276,809	273,154	(3,655)
Development Permits	272,288	272,288	236,265	(36,023)
Total Licenses & Permits	550,057	550,057	510,479	(39,578)
Intergovernmental Revenue				
State and County Grants	51,780	57,790	134,145	76,355
Local Government Assistance	76,464	76,464	74,975	(1,489)
State Shared Revenue	306,929	306,929	246,326	(60,603)
Total Intergovernmental Revenue	435,173	441,183	455,446	14,263
Charges for Service				
Development Charges	334,406	374,406	391,315	16,909
Miscellaneous Charges	264,863	264,863	270,046	5,183
Total Charges for Service	599,269	639,269	661,361	22,092
Fines & Forfeits	123,013	123,013	105,261	(17,752)
Miscellaneous Revenue				
Investment Earnings	90,220	90,220	29,732	(60,488)
Rents, Leases, and Concessions	275,319	275,319	189,487	(85,832)
Other Miscellaneous Revenue	9,880	9,880	34,078	24,198
Total Miscellaneous Revenue	375,419	375,419	253,297	(122,122)
Total Revenues	\$ 7,666,966	\$ 7,712,976	\$ 7,266,668	\$ (446,308)

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

City of Maple Valley
 General Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
General Government				
City Council	\$ 124,104	\$ 124,104	\$ 105,539	\$ 18,565
City Manager	624,765	624,765	408,894	215,871
City Clerk	375,560	375,560	555,026	(179,466)
City Attorney	588,682	588,682	307,433	281,249
Finance	467,576	467,576	430,487	37,089
Total General Government	2,180,687	2,180,687	1,807,379	373,308
Community Development				
Community Development	1,290,207	1,295,207	987,742	307,465
Total Community Development	1,290,207	1,295,207	987,742	307,465
Human Services	284,705	279,705	220,294	59,411
Parks and Recreation				
Administration	154,262	154,262	107,959	46,303
Parks Maintenance	343,661	343,661	222,783	120,878
Lake Wilderness Lodge	407,064	410,191	369,960	40,231
Capital		-	1,689	(1,689)
Recreation and Events	524,020	525,746	598,419	(72,673)
Capital		-	6,613	(6,613)
Community Service Agencies	67,766	72,766	71,458	1,308
Total Parks	1,496,773	1,506,626	1,378,881	127,745
Public Safety				
Police	2,298,694	2,298,694	2,189,949	108,745
Capital	15,000	21,010	19,412	1,598
Jail	81,750	81,750	70,355	11,395
Court	135,000	135,000	116,238	18,762
Total Public Safety	2,530,444	2,536,454	2,395,954	140,500
Public Works				
Administration	412,012	421,788	91,710	330,078
Transportation Planning	67,731	107,731	116,870	(9,139)
Street Maintenance	585,354	551,606	625,609	(74,003)
Capital		-	11,626	(11,626)
Waste Reduction & Recycling	91,792	91,792	84,648	7,144
Lake Management	105,453	105,453	57,552	47,901
Total Public Works	1,262,342	1,278,370	988,015	290,355
Total Expenditures	\$ 9,045,158	\$ 9,077,049	\$ 7,778,265	\$ 1,298,784

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

City of Maple Valley

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues over (under) Expenditures	\$ (1,378,192)	\$ (1,364,073)	\$ (511,597)	\$ 852,476
Other Financing Sources (Uses)				
Transfer in from Street Fund	479,437	479,437	479,437	-
Transfer in from Surface Water Management Fund	105,453	105,453	57,552	(47,901)
Transfer in from Vehicle Rental Fund	300,000	300,000	300,000	-
Transfer in from Unemployment Trust Fund	50,000	50,000	50,000	-
Transfer out to Capital Improvement Plan Fund	(575,453)	(575,453)	(474,037)	101,416
Transfer out to Lake Wilderness Golf Course	(206,346)	(206,346)	(96,404)	109,942
Total Other Financing Sources (Uses)	153,091	153,091	316,548	163,457
Net Change in Fund Balances	(1,225,101)	(1,210,982)	(195,049)	1,015,933
Fund Balance, January 1	2,845,197	2,845,197	2,845,198	1
Fund Balance, December 31	\$ 1,620,096	\$ 1,634,215	\$ 2,650,149	\$ 1,015,934

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

City of Maple Valley
Street Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes				
Property Tax				
Diverted County Road Tax			\$ 203,012	\$ 203,012
Total Taxes	-	-	203,012	203,012
Intergovernmental Revenue				
State Shared Revenue				
Motor Vehicle Fuel Tax - Street General	479,437	479,437	456,674	(22,763)
Total Intergovernmental Revenue	479,437	479,437	456,674	(22,763)
Miscellaneous Revenue				
Investment Earnings	23,922	23,922	6,476	(17,446)
Other Miscellaneous Revenue		-	(100)	(100)
Total Miscellaneous Revenue	23,922	23,922	6,376	(17,546)
Total Revenues	503,359	503,359	666,062	162,703
Other Financing Sources (Uses)				
Transfer out to General Fund	(479,437)	(479,437)	(479,437)	-
Transfer out to Capital Improvement Plan Fund	(233,791)	(233,791)	(233,791)	-
Total Other Financing Sources (Uses)	(713,228)	(713,228)	(713,228)	-
Net Change in Fund Balances	(209,869)	(209,869)	(47,166)	162,703
Fund Balance, January 1	786,864	786,864	786,864	-
Fund Balance, December 31	\$ 576,995	\$ 576,995	\$ 739,698	\$ 162,703

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

City of Maple Valley
 Transportation Impact Fee Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Services				
Transportation Impact Fees	\$ 545,182	\$ 545,182	\$ 542,846	\$ (2,336)
Developer Contributions			-	-
Total Charges for Services	545,182	545,182	542,846	(2,336)
Miscellaneous Revenue				
Investment Earnings	180,781	180,781	73,647	(107,134)
Total Miscellaneous Revenue	180,781	180,781	73,647	(107,134)
Total Revenues	725,963	725,963	616,493	(109,470)
Other Financing Sources (Uses)				
Transfer out to Capital Improvement Plan Fund	(4,170,278)	(4,170,278)	(464,713)	3,705,565
Total Other Financing Sources (Uses)	(4,170,278)	(4,170,278)	(464,713)	3,705,565
Net Change in Fund Balances	(3,444,315)	(3,444,315)	151,780	3,596,095
Fund Balance, January 1	5,579,300	5,579,300	5,579,300	-
Fund Balance, December 31	\$ 2,134,985	\$ 2,134,985	\$ 5,731,080	\$ 3,596,095

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

City of Maple Valley
 Park Development Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenue				
King County Open Space & Trails Levy	\$ 37,702	\$ 37,702	\$ 37,897	\$ 195
Total Intergovernmental Revenue	37,702	37,702	37,897	195
Charges for Services				
Park Impact Fees	70,350	70,350		(70,350)
Contribution in lieu of Parks		-	18,776	18,776
Total Charges for Services	70,350	70,350	18,776	(51,574)
Miscellaneous Revenue				
Investment Earnings	13,624	13,624	4,339	(9,285)
Total Miscellaneous Revenue	13,624	13,624	4,339	(9,285)
Total Revenues	121,676	121,676	61,012	(60,664)
Other Financing Sources (Uses)				
Transfer out to Capital Improvement Plan Fund	(461,520)	(461,520)		461,520
Total Other Financing Sources (Uses)	(461,520)	(461,520)	-	461,520
Net Change in Fund Balances	(339,844)	(339,844)	61,012	400,856
Fund Balance, January 1	392,291	392,291	392,290	(1)
Fund Balance, December 31	\$ 52,447	\$ 52,447	\$ 453,302	\$ 400,855

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

City of Maple Valley
Real Estate Excise Tax Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes				
Real Estate Excise Tax	\$ 838,838	\$ 838,838	\$ 528,117	\$ (310,721)
Total Taxes	838,838	838,838	528,117	(310,721)
Miscellaneous Revenue				
Investment Earnings	110,633	110,633	38,565	(72,068)
Other Miscellaneous Revenue	230	230	184	(46)
Total Miscellaneous Revenue	110,863	110,863	38,749	(72,114)
Total Revenues	949,701	949,701	566,866	(382,835)
Other Financing Sources (Uses)				
Transfer out to Capital Improvement Plan Fund	(4,824,580)	(4,824,580)	(1,152,977)	3,671,603
Transfer out to Lake Wilderness Golf Course Fund	(80,547)	(80,547)	(44,093)	36,454
Total Other Financing Sources (Uses)	(4,905,127)	(4,905,127)	(1,197,070)	3,708,057
Net Change in Fund Balances	(3,955,426)	(3,955,426)	(630,204)	3,325,222
Fund Balance, January 1	4,146,095	4,146,095	4,146,095	-
Fund Balance, December 31	\$ 190,669	\$ 190,669	\$ 3,515,891	\$ 3,325,222

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

City of Maple Valley
Statement of Net Assets
Proprietary Funds
December 31, 2009

	Business-type Activities		
	Enterprise Funds		
	Surface Water Management	Lake Wilderness Golf Course	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 1,136,670	\$ 44,225	\$ 1,180,895
Investments	763,927	29,722	793,649
Receivables (net of uncollectibles)			
Accounts	47,479	3,797	51,276
Due from Other Governments	12,522		12,522
Inventory		54,146	54,146
Total Current Assets	1,960,598	131,890	2,092,488
Noncurrent Assets			
Capital Assets:			
Land	7,469,673	2,280,218	9,749,891
Other Capital Assets	937,680	2,306,062	3,243,742
Less: Accumulated Depreciation	(202,910)	(311,538)	(514,448)
Total Noncurrent Assets	8,204,443	4,274,742	12,479,185
Total Assets	10,165,041	4,406,632	14,571,673
LIABILITIES			
Current Liabilities			
Accounts Payable	26,785	79,916	106,701
Due to Other Governments	183	755	938
Deposits and Deferred Revenue	7,382	51,219	58,601
Total Current Liabilities	34,350	131,890	166,240
NET ASSETS			
Net Assets Invested in Capital Assets	8,204,443	4,274,742	12,479,185
Restricted	1,926,248	-	1,926,248
Total Net Assets	\$ 10,130,691	\$ 4,274,742	\$ 14,405,433

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

**Governmental-
type Activities
Internal
Service
Funds**

\$ 297,110
199,681

496,791

924,227
(749,745)

174,482

671,273

29,199
6,933

36,132

174,482
460,659

\$ 635,141

City of Maple Valley
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
For the Year Ended December 31, 2009

	Business-type Activities		
	Enterprise Funds		Total
	Surface Water Management	Lake Wilderness Golf Course	
Operating Revenues			
Charges for Service			
Surface Water Management Fees	\$ 753,471		\$ 753,471
Golf Operations		726,373	726,373
Restaurant Operations		720,886	720,886
Other Services	6,890	584	7,474
Total Operating Revenues	760,361	1,447,843	2,208,204
Operating Expenses			
Cost of Services	624,908	1,557,242	2,182,150
Depreciation	27,457	110,549	138,006
Total Operating Expenses	652,365	1,667,791	2,320,156
Operating Income	107,996	(219,948)	(111,952)
Nonoperating Revenue (Expenses)			
Intergovernmental Revenue	70,167		70,167
Investment Earnings	19,948	501	20,449
Other Interest Earnings (Expense)	1,505		1,505
Total Nonoperating Revenue (Expenses)	91,620	501	92,121
Income before Contributions and Transfers	199,616	(219,447)	(19,831)
Contributions and Transfers			
Capital Contributions from Developers	588,328		588,328
Capital Contributions from General Fund			-
Capital Contributions from (to) Other Funds	(5,566)		(5,566)
Transfers from (to) General Fund	(57,552)	96,404	38,852
Transfers from (to) Other Funds	-	44,093	44,093
Total Contributions and Transfers	525,210	140,497	665,707
Change in Net Assets	724,826	(78,950)	645,876
Total Net Assets - January 1	9,405,865	4,353,692	13,759,557
Total Net Assets - December 31	\$ 10,130,691	\$ 4,274,742	\$ 14,405,433

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

**Governmental-
type Activities
Internal
Service
Funds**

808,244

808,244

758,941

110,026

868,967

(60,723)

7,411

-

7,411

(53,312)

15,566

5,566

(350,000)

-

(328,868)

(382,180)

1,017,321

\$ 635,141

City of Maple Valley
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2009

	Business-type Activities		
	Enterprise Funds		
	Surface Water Management	Lake Wilderness Golf Course	Total
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 738,458	\$ 1,448,192	\$ 2,186,650
Cash Paid to Suppliers for Goods and Services	(624,747)	(1,549,443)	(2,174,190)
Net Cash Flows from Operating Activities	113,711	(101,251)	12,460
Cash Flows from Non-Capital Financing Activities			
Intergovernmental Revenue	70,167		70,167
Transfers to (from) Other Funds	(57,552)	108,898	51,346
Net Cash Flows from Non-Capital Financing Activities	12,615	108,898	121,513
Cash Flows from Capital and Related Financing Activities			
Capital Assets Purchased for Own Use	(112,032)	(31,599)	(143,631)
Transfers to (from) Other Funds		31,599	31,599
Capital Assets Purchased for Other Funds	(5,566)		(5,566)
Net Cash Flows from Capital and Related Financing Activities	(117,598)	-	(117,598)
Cash Flows from Investing Activities			
Purchase of Investments	(260,850)	(12,024)	(272,874)
Proceeds from Investment Maturities			-
Interest on Investments	21,453	501	21,954
Net Cash Flows from Investing Activities	(239,397)	(11,523)	(250,920)
Net Change in Cash and Cash Equivalents	(230,669)	(3,876)	(234,545)
Cash and Cash Equivalents, January 1	1,367,339	48,101	1,415,440
Cash and Cash Equivalents, December 31	\$ 1,136,670	\$ 44,225	\$ 1,180,895
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income	\$ 107,996	\$ (219,948)	\$ (111,952)
Adjustments to Reconcile Operating Income to Net Cash Provided:			
Depreciation Expense	27,457	110,549	138,006
Change in Receivables (net of uncollectibles)	(5,280)	(3,797)	(9,077)
Change in Due from Other Governments	(12,394)	-	(12,394)
Change in Inventory		9,762	9,762
Change in Accounts Payable	23,167	13,120	36,287
Change in Due to Other Governments	(23,006)	(5,321)	(28,327)
Changes in Deposits and Deferred Revenue	(4,229)	(5,616)	(9,845)
Net Cash Flows from Operating Activities	\$ 113,711	\$ (101,251)	\$ 12,460
Non Cash Investing, Capital and Financing Activities			
Capital Contributions from Developers	\$ 588,328		\$ 588,328
Capital Contributions from General Fund	-	-	-
Retirement of Internal Service Fund Capital Assets			-
Total Non Cash Investing, Capital and Financing	\$ 588,328	\$ -	\$ 588,328

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

**Governmental-
type Activities
Internal
Service
Funds**

\$ 808,244
(740,597)
67,647

-

(66,162)

(350,000)
(416,162)

(29,724)
55,409
7,411
33,096

(315,419)

612,528

\$ 297,110

\$ (60,723)

110,026

16,212
2,132

\$ 67,647

15,566
19,607
\$ 35,173

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The City of Maple Valley is a municipal corporation that operates under the Council / Manager form of government. The City has a non-partisan elected seven-member council that chooses from among its members a Mayor and Deputy Mayor. The Council appoints a professional City Manager. The accompanying financial statements of the City of Maple Valley have been prepared in conformity with generally accepted accounting principals (GAAP). The significant accounting policies applicable to the City of Maple Valley are described below.

The City's comprehensive annual financial report (CAFR) includes all activity for which the City of Maple Valley is considered to be financially accountable. Financial accountability is determined based on budget adoption, spending authority, taxing authority, and outstanding debt secured by revenues or general obligations of the City. There are no non-reported activities meeting any of these criteria.

B. GENERAL ACCOUNTING STANDARDS

In June 1999 the Governmental Accounting Standards Board (GASB) issued Statement 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments. The statement included significant financial reporting changes and allowed for a phased implementation based on the size of the government. The statement established new accounting and financial reporting standards for general purpose external financial reporting by governments. It established specific standards for basic financial statements, management's discussion and analysis, and other required supplementary information. The basic financial statements include government wide financial statements, fund financial statements, and notes to the financial statements. Required implementation for the City of Maple Valley with revenues between 10 million and 100 million was 2003. The City implemented the new reporting model early, for the fiscal year end December 31, 2000.

GASB 34 also mandated the inclusion of the government's infrastructure assets (roads, bridges, traffic signals, etc.) as governmental assets in the financial statements. With information obtained from a pavement management survey conducted in 2001, the City had the data needed to value its infrastructure and record it in the financial statements for year ended December 31, 2004, the required implementation.

Since the issuance of GASB 34, the GASB has issued other statements that amend, clarify or provide certain specific guidance on governmental financial reporting. The City has adopted all applicable statements through GASB Statement No. 58. With respect to the new GASB statements effective for the first time this fiscal year, GASB Statement No. 53 through GASB Statement No. 58, only GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, is applicable to the City of Maple Valley.

Governments have the option of consistently implementing private-sector guidance issued after November 30, 1989, for both business-type activities and enterprise funds, provided the standards so adopted do not conflict with or contradict the GASB's own guidance. The City of Maple Valley does not believe any private-sector guidance is relevant to the City of Maple Valley's business-type and enterprise funds, so the option has not been selected.

C. GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all activities of the City of Maple Valley. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent, on fees and charges for support.

The effect of interfund activities has been removed from the government-wide financial statements. These statements also include certain adjustments to present the information with a measurement focus and basis of accounting applicable to business-type funds. See discussion below on measurement focus and basis of accounting. The adjustments are shown in reconciliations on pages 48 and 49 and page 52.

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

Separate financial statements are provided for governmental and proprietary funds. The City does not have any fiduciary funds. For governmental funds, the City does not distinguish between major and non-major funds, but reports each individual governmental fund in a separate column in the fund financial statements. For proprietary funds, the City reports in a separate column each enterprise fund, and in another column its combined internal service funds.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements and the business-type funds are reported using the economic resources measurement focus and the full accrual basis of accounting. With the economic resources measurement focus, the focus is on measuring net assets and changes in net assets. All assets and liabilities (both current and non-current) are included on the balance sheets and the net assets are segregated based on source and restrictions. Net assets are increased by revenues and decreased by expenses. With the full accrual basis of accounting, revenues are recognized as soon as they are earned and expenses are recognized as soon as the liability is incurred.

Business-type funds segregate revenue and expenses into operating and non-operating categories. Operating revenue is considered to be the revenue generated from the purpose of the fund, in other words, what is paid by those who receive the service. Non-operating revenue is revenue received by other means, primarily investment earnings, but also intergovernmental revenue that is not received related to services rendered.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With the current financial resources measurement focus, the focus is on current assets and current liabilities and changes in financial position rather than changes in net assets. Fund balance, current assets less current liabilities, measures increases (revenues and other financing sources) and decreases (expenditures and other financing uses) and is considered a measure of available spendable resources. With the modified accrual basis of accounting, revenues are recognized only to the extent they are available to finance expenditures of the current fiscal period with debt service expenditures not accounted for until due. Revenue received within two months of year-end, meeting the above criteria, is considered for accrual.

The following revenue accrual policies apply to primary revenue sources. Property taxes are recognized as revenues in the year for which they are levied. Sales and use taxes are recognized as revenues in the year they are collected from the consumer assuming they are paid to the collecting agent, the Washington State Department of Revenue (DOR), in time for distribution to the City by the end of February of the following year (DOR's normal practice). Utility taxes, real estate excise taxes, and gambling taxes are recognized as revenue in the year collected from the consumer assuming the collecting agent remits them to the City by the end of February. Non-tax revenue is recognized as earned.

E. ACCOUNTING SYSTEM

The City operates its accounting system on a fund structure as prescribed by generally accepted accounting principles applicable to governmental entities. Each fund is considered a separate accounting entity. Each is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, and revenues and expenditures or expenses, as appropriate. The City's resources are allocated to and accounted for in individual funds depending on the expenditure restrictions of individual resources. The following describes the City's fund structure.

GOVERNMENTAL FUNDS

General Fund - The General Fund is the principal operating fund of the City. It accounts for the financial resources of the City that are not accounted for in any other fund. The principal sources of revenue are: property, sales, and utility taxes; licenses and permits; State-shared revenue; development and recreation charges for services; fines and forfeitures; and investment earnings. The General Fund accounts for all operating expenditures of the City except those accounted for in the business-type funds. Primary expenditures are for: general government, community development, human services, parks and recreation, public safety, and public works.

Special Revenue Funds - Special Revenue Funds account for specific revenue sources that would otherwise be accounted for in the General Fund, but for which there exist certain legal restrictions. The revenue is segregated into individual special revenue funds to ensure expenditure for a specific purpose. The City of Maple Valley has the following special revenue funds.

- **Street Fund** – to account for motor vehicle fuel taxes restricted for street purposes,
- **Transportation Impact Fee Fund** – to account for transportation impact fees and other developer contributions restricted for transportation capital improvements,
- **Real Estate Excise Tax Fund** – to account for real estate excise taxes restricted for capital improvements, and
- **Park Development Fund** – to account for contributions from developers for park capital improvements.

Capital Projects Funds - Capital Projects Funds account for the financing of major capital acquisitions and construction projects other than those financed by business-type funds. Sources of revenue are typically: grants, bond proceeds, and transfers from other funds. The City maintains a single **Capital Improvement Plan Fund**. All capital expenditures not financed by business-type funds are accounted for in the Capital Improvement Plan Fund. The Capital Improvement Plan Fund provides separate accounting for each individual capital project. At year-end, completed projects and construction in progress are capitalized.

BUSINESS-TYPE FUNDS

Enterprise Funds - Enterprise funds account for activity for which a fee is charged to external users with the intent of covering all or a significant portion of expenses including depreciation. Enterprise funds are required if debt is issued that is backed solely by enterprise fund fees, or if there is a legal requirement, or policy decision to recover all direct costs. The City of Maple Valley has the following enterprise funds.

- **Surface Water Management Fund** – to account for the revenue generated by surface water management fees and their expenditure for operating and capital purposes. At this time there is no outstanding debt, but a policy decision has been made to recover all direct costs.
- **Lake Wilderness Golf Course Fund** – to account for the revenue generated by golf and restaurant charges and their expenditure for operating and capital purposes. The City acquired the golf course with cash on November 30, 2006 to save it from development. The City has an agreement with Premier Golf Centers LLC to manage the facility through December 31, 2010.

Internal Service Funds - Internal service funds account for the financing of centralized services, performed within the City, for departments of the City. Charges to the departments cover the cost of operations and include funding for future equipment replacement or for the accumulation of reserves for unforeseen future events. In the government-wide financial statements, the transactions between these funds and other City funds are eliminated. The City of Maple Valley has the following internal service funds.

- **Vehicle Rental Fund** - to account for the operation of the City's vehicle fleet,
- **Central Services Fund** - to account for liability and property insurance, building services, office services, and information technology services; and
- **Unemployment Trust Fund** - to account for unemployment compensation payments.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. INTERNAL CONTROL SYSTEM

City management is responsible for establishing and maintaining an internal control system. The system is designed to ensure that the assets of the City are protected from loss, theft, or misuse, and that adequate accounting data is available to prepare financial statements in conformity with generally accepted accounting principles. The internal control system is designed to provide reasonable but not absolute assurance that these objectives are met. Reasonable assurance recognizes that: (1) the cost of controls should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

B. BUDGET AND SPENDING CONTROL

Budgets serve as control mechanisms for the operations of governmental units. Legal budgetary (expenditure) control in the City of Maple Valley is at the fund level, but budget and actual information are maintained at the fund, project, department, and object classification. The budget is adopted on the basis of accounting consistent with generally accepted accounting principles for each fund type.

The City of Maple Valley does not use encumbrance accounting. Governmental funds require expenditure budgetary control when compared to the annual budget. Unexpended budgeted amounts lapse at year-end unless specifically re-appropriated by Council action, which is only typically for capital project. Proprietary funds require budgetary control at the revenue over (under) expenditure level, excluding depreciation. In 2009, there were no violations of budgetary control.

State law requires that the City adopt its annual budget by December 31st of the preceding fiscal year. The first step in the budget process is the identification by the Council of its priorities for the following year. This usually occurs in the early summer at a Council retreat. The second step involves the forecasting of the revenue and the establishment of a baseline budget to carry existing programs into the next year. This step includes a six-year financial forecast to ensure that current budget decisions can be funded long term. The third step involves development by the senior management staff of detailed departmental budget requests for presentation to and discussion with the City Manager. The City Manager then develops a recommended budget that is presented to the City Council by the first of November.

The City Council holds public hearings and reviews the recommended budget document during November and early December. The City Council then adopts, by State law by year-end, a budget

ordinance appropriating funds at the fund level for the following year. An additional budget ordinance adopted in late February of the budget year, re-appropriates Council approved prior year unexpended budgeted amounts, usually for capital projects only, and adjusts beginning fund balances to actual previous year end amounts. This information including prior year actual data is included in the printed final budget document. The resulting budget becomes the original budget as shown by fund beginning on page 53 and for non General and non-Special Revenue Funds on page 99.

Supplemental appropriations that amend total fund expenditures require a budget amendment ordinance approved by City Council. The City prepares monthly financial reports and reviews them with the City Council on a quarterly basis. The quarterly reports include a budget amendment ordinance if City Council actions during the quarter require one. The presentation of the year-end quarterly report includes the re-appropriating budget amendment ordinance as discussed above.

NOTE 3 CASH AND INVESTMENTS

Cash and cash equivalents include petty cash, a demand deposit checking account, and overnight investment in the State of Washington Local Government Investment Pool (LGIP). The petty cash accounts are included in the cash and cash equivalent amount of the General Fund. The other cash and cash equivalents along with other investments are accounted for within an internal City investment pool. Each City fund has equity in the pool. The beginning and ending month end equity positions are used to allocate monthly investment earnings.

Deposits to the City's checking account include: (1) City Hall deposits for development permits and fees, utility tax payments, and miscellaneous fees, including those from the Park and Recreation Department; (2) golf deposits made directly to the City's account by the golf contractor; and (3) King County automated clearing house makes deposits to the City's account for property taxes, surface water management fees, and real estate excise taxes. State deposits are made directly to the City's investment account at the State of Washington Local Government Investment Pool (LGIP). The State deposits include amounts for sales taxes, State-shared revenues, and LGIP investment earnings. In addition to the automated investment deposits, the City invests its excess cash in the LGIP.

Both checking and LGIP accounts are insured by the Federal Deposit Insurance Commission (FDIC) to a maximum of \$250,000, and above \$250,000 by the Washington Public Deposit Protection Commission (PDPC). The LGIP was created by the Washington State Legislature in 1986 and is overseen by the Office of the State Treasurer. The State Finance Committee is the administrator of the statute that created the LGIP and they adopt appropriate rules. In addition the State Treasurer appoints an advisory committee that provides advice on the operation of the pool. The fair value of the City's position in the LGIP is the same as the value of its LGIP shares.

The LGIP is an un-rated 2a-7 like pool, as defined by GASB 31. The decision to be un-rated was made by the LGIP advisory committee because they felt doing so would improve yields to participants. Participant balances in the LGIP are not subject to interest rate risks, as the weighted average maturity of the portfolio will not exceed 90 days. The credit risk of the LGIP is limited as investments are either

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U.S. government obligations or agencies or government sponsored corporations, or repurchase agreements of government sponsored corporations which are “AAA” rated, or certificates of deposit insured by the PDPC. The investments are either insured or held by a third-party custody provider in the LGIP’s name.

In addition to investments in the LGIP, the City has other investments. Based upon the City’s policy and State law, allowable investments outside the LGIP are: repurchase agreements, U.S. government obligations or agencies, banker’s acceptances, commercial paper, and certificates of deposit. Though all investments are allowable, the City’s investment policy provides additional security. The City has a safekeeping agreement with a third party custody bank under a contract approved by the State Treasurer. All investments, outside the LGIP and any certificates of deposits, are held by this independent third party in its trust department. In addition to addressing custodial credit risk, the City’s policy requires a portfolio that is diversified by maturity, default risk, and liquidity risk. The following summarizes these aspects of the City’s investment policy.

1. Maturity - No more than 50% of the portfolio may be invested beyond 12 months and the average maturity of the portfolio may not exceed two years.
2. Default risk - No more than 15% of the portfolio may be invested in a single security and no more than 25% of the portfolio may be invested in the securities of a single issuer; except for the LGIP, to which no limit applies. Also per State law, no more than 3% of the portfolio shall be invested in commercial paper.
3. Liquidity risk – At least 10% of the portfolio must be invested in overnight instruments or in marketable instruments that can be sold to raise cash on one day’s notice.

These criteria address common deposit and investment risks as identified in GASB Statement 40 related to custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. The following summarizes the City’s cash and investment activity at December 31, 2009.

	Beginning Balance	Receipts and Investments Purchased	Disbursements and Investments Sold	Ending Balance
Cash & Cash Equivalents				
Petty Cash	\$ 7,460		\$ 500	\$ 6,960
Demand Deposits	18,564	25,844,131	25,785,038	77,657
Investments (LGIP)	11,207,554	8,776,732	10,870,000	9,114,286
Total Cash & Cash Equivalents	\$ 11,233,578	\$ 34,620,863	\$ 36,655,538	\$ 9,198,903
Cash with Fiscal Agents	\$ 516,487		\$ 41,269	\$ 475,218
Investments				
Certificates of Deposit	\$ -	\$ 1,000,000		\$ 1,000,000
Other Investments	4,133,102	4,148,201	3,098,953	5,182,350
Total Investments	\$ 4,133,102	\$ 5,148,201	\$ 3,098,953	\$ 6,182,350

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All investments, except certificates of deposit insured by the PDPC, are delivered to the City’s custody bank and payment is not released until the investments are received. The custody bank holds the investment and remits interest payments to the City. The following shows the investments held by the custody bank at year-end. They are shown both at cost and at fair value in the table that follows.

	<u>Amortized Cost</u>	<u>Fair Market Value</u>
Other Investments		
U.S. Government Securities	<u>\$ 5,137,419</u>	<u>\$ 5,182,350</u>

NOTE 4 RECEIVABLES AND OTHER SHORT-TERM ASSETS

Receivable and other short-term asset amounts at year-end totaled \$2,188,880, down \$1,052,474 from the prior year amount of \$3,241,354. The primary reason for the change was in due from other governments where capital project expenditures in late 2009 created a much smaller grant receivable than in the previous year. The following table summarizes the year-end receivables and short-term assets and compares the amounts to the prior year. All receivables are listed as net of allowances for uncollectible amounts, but no amounts are considered uncollectible.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2009	2008	2009	2008	2009	2008
Receivables (net of uncollectibles)						
Taxes	\$ 695,143	\$ 504,275	\$ -	\$ -	\$ 695,143	\$ 504,275
Accounts	53,015	65,356	51,276	42,199	104,291	107,555
Accrued Interest	44,267	54,143			44,267	54,143
Assessments	760,101	760,101			760,101	760,101
Due from Other Gov'ts	480,893	1,735,429	12,522	128	493,415	1,735,557
Inventory			54,146	63,908	54,146	63,908
Prepaid Items	37,517	15,815	-	-	37,517	15,815
Total Receivables & Short-term Assets	\$ 2,070,936	\$ 3,135,119	\$ 117,944	\$ 106,235	\$ 2,188,880	\$ 3,241,354

The taxes receivable amount of \$695,143 is categorized as follows: property taxes, \$289,794; sales taxes, \$259,841; utility taxes, \$71,744; gambling taxes, \$9,246; and cable TV franchise fee \$64,518. The property tax amount includes two components, the regular levy receivable of \$86,783 and a one time only amount of \$203,011 for diverted county road tax for the Maple Ridge Highlands annexation completed in July of 2009 for which the City was entitled to receive the property taxes that the County collected for road purposes during the time it was annexed to City of Maple Valley.

The regular property tax amounts are billed and collected by King County and remitted to the City daily as collected. Of the regular property taxes receivable amount, 70% is from 2009 delinquencies, 25% is from 2008 delinquencies, with 5% from prior years. Of the year end property tax receivable amount, the entire diverted county road tax amount was collected on February 10, 2010. Of the remaining of \$86,783, \$10,392 was collected by February 28, 2010. If amounts are not collected in seven years, properties are sold to pay the taxes. For the other taxes receivable, amounts are actual collections within the first two months of the 2010.

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The accounts receivable amount of \$104,291 is categorized as follows. In governmental activities \$53,015 is for receivables from individuals, businesses, grantors, and developers. In business-type activities, the accounts receivable amount of \$47,479 is for surface water management fees and \$3,797 is for Lake Wilderness Golf Course credit card for New Year's Eve transactions not processed until January 1, 2010.

Most of the accounts receivable in governmental activities is \$51,493 in overspent developer deposits. The City establishes deposit accounts for developer projects. When charges exceed the deposit amounts, the developers are billed. If developer receivables are not collected, the developer projects are put on hold. Of the remaining governmental activities accounts receivable of \$1,522, \$1,440 is for fire permits billed the end of December 2009. All but \$160 was collected by the end of February 2010. In business-type activities, surface water management fee receivables are billed by King County with the property tax billing and are very collectible.

The assessments receivable of \$760,101 are on seven properties bordering the Four Corner's (SR 169 – SR 516 to SE 264th) transportation improvement project. The assessments are due at the time improvements on the underdeveloped properties are permitted, but lapse if no improvements are permitted by 2016. \$390,753 was collected in 2008 on six properties that took out development permits. It is anticipated the majority of the current receivable amount may be collected in 2010. Because of the uncertainty, though, the entire uncollected amount of the assessment is deferred.

The due from other governments amount of \$480,893 is categorized as follows: from the State of Washington, \$395,708, from King County, \$79,437; from the City of Enumclaw, \$18,262; from the International City Manager's Association (ICMA), \$8.

The \$395,708 due from the State of Washington is for a reimbursable grant. A State Community Trade and Economic Development grant is being used to fund the design of the SR 169 from SE 264th Street to SE 258th Street. The grant was authorized in 2007, but the paperwork completing acceptance and award was not finalized until early 2009. \$512,407 was billed in May 2009 and received in June 2009. The amount outstanding represents accumulated costs since May 2009. Receipt is expected in April 2010.

Of the amount due from King County, \$55,396 is for real estate excise taxes collected by the County in December and remitted to the City in early January and \$13,420 is for property taxes and surface water management fees collected the last few days of 2009 and remitted to the City in early January. Also due from King County is \$10,621 based on a reconciliation process on the King County Sheriff's contract. The King County Sheriff's contract is billed to the City monthly based on the budget. After year end closing, the Sheriff's Office computes a reconciliation of budget to actual for certain accounts and adjusts the first billing of the current year based on the results of the reconciliation of the prior year.

The amount due from the City of Enumclaw is for December court revenue. The City of Enumclaw administers the City of Maple Valley municipal court and remits total monthly collections within the first week of the following month. The amount due from the ICMA is the undistributed forfeited 401a employee retirement plan contributions of former employees. The balance in the account is distributed

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annually. The distribution is made near year end, so the account has a minimal balance. An equal offsetting amount is shown in payroll payable.

In governmental activities, the prepaid item amount of \$37,517 is for the January lease payment for City Hall office space and the rental of a storage unit. On January 8, 2010, the City Hall moved from one leased space to another larger and newer space and at year end had pre paid amounts at both location. In business-type activities, the inventory amount of \$54,146 is for pro shop merchandise and food and beverage inventory at the Lake Wilderness Golf Course. A physical inventory is taken at year end with expenditures adjusted to reflect the change in inventory from the preceding year.

NOTE 5 INTERFUND ACTIVITY

For the most part, the City does not use interfund receivables or payables. At December 31, 2009, a deficit cash position in the Capital Improvement Plan Fund resulted from a delay in receipt of the reimbursement grant from the State of Washington as described in Note 4 above in the amount of \$395,708. To cover the deficit, the Transportation Improvement Fee Fund Real Estate Excise Tax Fund recorded the interfund receivable and the Capital Improvement Plan Fund recorded the interfund payable. Because the sources of the interfund payable are project funding sources, there was no interest on the loan.

Other activity between funds is handled as cash transfers. The General Fund pays for Internal Service Fund costs incurred during the month, by month end cash transfers. These transfers are shown as expenditures in the General Fund and as revenue in the Internal Service Funds with amounts eliminated in the government-wide financial statements.

The General Fund received transfers from the Street Fund, \$479,437 to partially fund street maintenance expenditures, from the Surface Water Management Fund, \$57,552 to fund lake management expenditures, from the Vehicle Rental Fund, \$300,000 for the remittance of a surplus, and from the Unemployment Trust Fund, \$50,000 for the remittance of a surplus.

The Capital Improvement Plan Fund received transfers, as funds are budgeted and expended for capital projects: from the General Fund, \$474,037; from the Street Fund, \$233,791; from the Transportation Impact Fee Fund, \$464,713; and from the Real Estate Excise Tax Fund, \$1,152,977.

The Lake Wilderness Golf Course Fund received transfers from the General Fund, \$96,404 to fund a Lake Wilderness Golf Course Fund operating deficit of \$38,823 and to fund the cost associated with the establishment of a special assessment district to recover some of the initial Lake Wilderness Golf Course acquisition costs, \$57,581 and from the Real Estate Excise Tax Fund, \$44,093 to make certain capital improvements.

The table that follows summarizes the 2009 transfer activity between funds:

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	Transfers	
	In	Out
General Fund	\$ 886,989	\$ 570,441
Street Fund		713,228
Transportation Impact Fee Fund		464,713
Real Estate Excise Tax Fund		1,197,070
Capital Improvement Plan Fund	2,325,518	
Surface Water Management Fund		57,552
Lake Wilderness Golf Course Fund	140,497	
Vehicle Rental Fund		300,000
Unemployment Fund		50,000
	\$ 3,353,004	\$ 3,353,004

NOTE 6 CAPITAL ASSETS

The capital assets include land, buildings, improvements other than buildings, machinery and equipment, and construction in progress. Infrastructure assets (roads and related improvements), including both those constructed since January 1, 2000 at actual cost and those constructed before January 1, 2000 at estimated costs, are included on the face of the financial statements in improvements other than buildings.

The City defines capital assets as items of a capital nature with a useful life of more than three years and a cost of more than \$1,000. If purchased or constructed, such capital assets are recorded at cost. Contributed capital assets are recorded at estimated fair market value at the time of acquisition. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as construction in progress until the projects are completed.

In 2009 the City had net capital asset additions of \$39,389,877. The amount is the combination of capital asset additions of \$46,216,468 offset by increases in accumulated depreciation of \$6,826,591. The largest additions are related to the Maple Ridge annexation and developer contributions of land and infrastructure improvements. These amounts are streets and related infrastructure and surface water management facilities. The annexation and other developer contributions are for 11.9 lane miles of new streets with a land value of \$21,437,764 and an improvement value of \$21,896,816. They include 9.5 lane miles from the Maple Ridge annexation with a land value of \$15,565,516 and an improvement value of \$14,458,635. The streets in the annexed area were built in 2001. Their initial to the City has been reduced by an estimated amount of accumulated depreciation. In addition to the street value the improvements include curb and gutters, sidewalks, and street lighting. Amounts are estimated based on local construction costs per lane foot. The surface water management facility additions totaled \$588,328 for three ponds with 4.2 acres. The total amount is considered land. In addition to the developer contributions, the City constructed a drainage improvement project with a total cost of \$112,032.

The construction in progress additions totaled \$2,044,427 for ten projects in various stages of completion at the end of 2009. The major project work in 2009 was the Lake Wilderness Lodge

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renovation project where \$808,975 was spent in 2009. The project that began in 2007 was completed in 2009 thanks to substantial funding by a State Washington Community & Economic Development grant of \$1,500,000. Final closeout is pending a parking lot repaving to be completed as soon as possible in 2010. The remaining construction in progress additions for 2009 totaled \$1,235,452 for seven transportation improvement projects and two park and recreation projects. Of the ten projects, three should be completed and closed in 2010 and two others in the final stages of design should be put out to bid.

Machinery and equipment additions totaled \$142,667 including a \$5,566 contribution from the Surface Water Management Fund to the Central Service Fund. The additions were as follows:

- Restaurant equipment and three used mowers were acquired for the Lake Wilderness Golf Course at a total cost of \$31,599. The acquisition was funded by the Real Estate Excise Tax Fund.
- A mini excavator, a de-icer storage tank, and some road sanding equipment were acquired for the Public Works department at a total cost of \$42,724. The mini excavator was purchased by the Vehicle Rental Fund. The other equipment was purchased by the General Fund and contributed to the Vehicle Rental Fund.
- Computer upgrades were acquired at a total cost of \$44,570. \$35,064 was purchased with replacement funds in the Central Service Fund. Of the remaining \$9,506, \$3,940 purchased two radar units for the Police department by the General Fund and contributed to the Central Service Fund and \$5,566 purchased some geographic information software by the Surface Water Management Fund and contributed to the Central Service Fund.
- Ten “urban” rifles were acquired by the Police department at a total cost of \$15,472. The Park and Recreation department acquired a portable bar for the Lake Wilderness Lodge, \$1,689; a speaker system for the Lake Wilderness Lodge, \$4,623; and a pop up tent for the Recreation division for outside events. These items were purchased by the General Fund and are accounted for in the General Fixed Assets Group of Accounts.

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The table that follows summarizes the City's capital asset activity during 2009.

	Beginning Balance	Additions	Contribtns	Retirmnts	Ending Balance
Governmental Activities					
Capital Assets not being depreciated					
Land	\$ 173,638,357	\$ 21,437,764	\$ -	\$ -	\$ 195,076,121
Construction in Progress	20,794,717	2,044,427	-	7,896	22,831,248
Total	194,433,074	23,482,191	-	7,896	217,907,369
Capital Assets being depreciated					
Buildings	6,408,142	-	-	-	6,408,142
Imprmts Other Than Bldngs	198,761,047	21,896,816	-	-	220,657,863
Machinery & Equipment	177,638	39,340	(15,566)	-	201,412
Mach & Equip (IS Funds)	856,538	66,162	21,132	19,607	924,227
Total	206,203,365	22,002,318	5,566	19,607	228,191,644
Accumulated Depreciation					
Buildings	(949,815)	(160,203)	-	-	(1,110,018)
Imprmts Other Than Bldngs	(82,298,567)	(6,399,065)	-	-	(88,697,632)
Machinery & Equipment	(130,217)	(19,292)	-	-	(149,509)
Mach & Equip (IS Funds)	(659,326)	(110,026)	-	(19,607)	(749,745)
Total	(84,037,925)	(6,688,586)	-	(19,607)	(90,706,904)
Net Capital Assets being depreciated	122,165,440	15,313,732	5,566	-	137,484,740
Governmental Activities, Net Capital Assets	\$ 316,598,514	\$ 38,795,923	\$ 5,566	\$ 7,896	\$ 355,392,109
Business-type Activities					
Capital Assets not being depreciated					
Land	\$ 9,161,563	\$ 588,328	-	-	\$ 9,749,891
Total	9,161,563	588,328	-	-	9,749,891
Capital Assets being depreciated					
Buildings	1,047,800	-	-	-	1,047,800
Imprmts Other Than Bldngs	1,817,848	112,032	-	-	1,929,880
Machinery & Equipment	234,463	31,599	-	-	266,062
Total	3,100,111	143,631	-	-	3,243,742
Accumulated Depreciation					
Buildings	(53,755)	(26,195)	-	-	(79,950)
Imprmts Other Than Bldngs	(240,365)	(60,595)	-	-	(300,960)
Machinery & Equipment	(82,323)	(51,215)	-	-	(133,538)
Total	(376,443)	(138,005)	-	-	(514,448)
Net Capital Assets being depreciated	2,723,668	5,626	-	-	2,729,294
Business-type, Net Capital Assets	\$ 11,885,231	\$ 593,954	\$ -	\$ -	\$ 12,479,185

Capital assets, except land and construction in progress, are depreciated using the straight-line method over the following estimated lives:

<u>Capital Asset Types</u>	<u>Lives in Years</u>
Buildings	40
Improvements Other Than Buildings	
Leasehold Improvements	7
Infrastructure Improvements	30
Machinery and Equipment	
Computers & Equipment	5

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Vehicles	7
Furniture	15
Heavy Duty Equipment	20

The depreciation of general capital assets used in the operation of governmental funds reduces the capital asset balances and is shown as an expense by program on the Statement of Activities. The depreciation associated with the capital assets of the proprietary funds is shown on financial statements of the respective proprietary funds. The following table shows the amount of depreciation charged to each governmental function.

	Governmental Funds	Internal Service Funds	Total
General Government	\$ 17,610	\$ 110,026	\$ 127,636
Community Development	186		186
Parks & Recreation	173,049		173,049
Public Safety	3,995		3,995
Public Works	6,383,720		6,383,720
	\$ 6,578,560	\$ 110,026	\$ 6,688,586

NOTE 7 PAYABLES AND OTHER SHORT-TERM LIABILITIES

Payables and other short-term liabilities at year-end totaled \$2,568,324, down \$112,015 from the prior year amount of \$2,680,339. The following table summarizes the year-end payables and short-term liabilities and compares the amounts to the prior year.

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Accounts Payable	\$ 837,797	\$ 867,625	\$ 106,701	\$ 70,414	\$ 944,498	\$ 938,039
Payroll Payable	130,563	115,185			130,563	115,185
Due to Other Gov'ts	280,456	448,894	938	29,265	281,394	478,159
Deposits and Deferred Revenue	1,153,268	1,080,510	58,601	68,446	1,211,869	1,148,956
Total Payables & Short-term Liabilities	\$ 2,402,084	\$ 2,512,214	\$ 166,240	\$ 168,125	\$ 2,568,324	\$ 2,680,339

The accounts payable increase of \$6,459 and the payroll payable increase of \$15,378 are normal annual fluctuations. The due to other government's decrease of \$196,765 is predominately attributable to a \$179,450 payment made to King County for a 2008 street overlay project. The payment was outstanding at the end of 2008 and was paid on January 13, 2009.

The deposits and deferred revenue increased \$62,913. The account category has seven components: the deferral of the Four Corner's transportation project assessments, \$760,101; deferred revenue from developers, \$194,215; developer deposits, \$104,654; deferred revenue from the Lake Wilderness Golf Course, \$51,219; deferred revenue from the Lake Wilderness Lodge, \$41,786; deferred revenue for jail purposes, \$55,774, and miscellaneous, \$4,120.

The deferral of the Four Corner's transportation project assessments as previously discussed in Note 4 relates to the fact that the assessments aren't due until building permits on the affected properties are

City of Maple Valley
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taken out and the assessments lapse if no improvements are permitted by 2016. The deferred revenue from developers is for amounts collected from developers for their portion of the cost of future transportation improvement projects. Six amounts between \$5,196 and \$135,568 are being held to help complete City projects identified in the transportation plan. There was no 2009 change in either the project assessments or the deferred revenue from developers.

The developer deposits are collected from applicants at the beginning of a development project. The amount decreased \$11,968 from the 2008 amount of \$116,622 to \$104,654 as a continuing slowing in the housing market impacted the number of projects under review at year end. The amount of the developer deposit depends on the type of development and is based on the anticipated cost of project review. The City tracks staff time and consultant costs against the deposit amounts. Deposits that are overdrawn are billed. At year-end, overdrawn deposits are reclassified to accounts receivables as described in Note 4. The non-receivable amounts remain in the deposit account until all charges have occurred and the project is complete at which time the remaining balance is refunded.

Deferred revenue for the Lake Wilderness Golf Course is for memberships, \$23,700; tournament and banquet deposits, \$15,217; and gift cards, \$12,301. Deferred revenue for the Lake Wilderness Lodge is for rental deposits collected in 2009 for events to be held in 2010. The deferred revenue for jail purposes is the City of Maple Valley share of the sale price of a piece of property that was intended for the construction of a suburban cities jail for use by all cities in King County. When the steering committee took a different direction, it was decided that the property would be sold with distributions to cities for jail purposes. The miscellaneous amount defers two unspent donations, \$2,253; a monthly franchise fee collected in advance, \$1,784; and a small assessment receivable, \$82.

NOTE 8 LONG-TERM LIABILITIES

Long-term liabilities at year-end totaled \$7,800,012, down \$476,382 from the prior year amount of \$8,276,394. All of the City’s long term liabilities are associated with the governmental activities. There are no long term liabilities for business-type activities. The following table summarizes the year-end payables and short-term liabilities and compares the amounts to the prior year.

	<u>Governmental Activities</u>	
	<u>2009</u>	<u>2008</u>
Accrued Interest Payable	\$ 23,816	\$ 18,104
Compensated Absences	131,882	89,355
Contracts & Loans - Current	184,621	147,697
General Obligation Bonds - Current	360,000	340,000
Contracts & Loans Payable	2,584,693	2,806,238
GO Bonds Payable	4,515,000	4,875,000
Total Long-term Debt	\$ 7,800,012	\$ 8,276,394

The accrued interest payable amount represents the interest due from December 1, 2009 to December 31, 2009 on both the contracts and loans payable and the City’s general obligation bond issues. The increase includes for the first time the accrued interest on the contracts and loans payable.

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With respect to compensated absences, the City's policy allows employees to accumulate vacation leave to an amount up to the number of hours they can earn in one year and sick leave with no maximum. At year-end vacation and compensatory time hours and sick leave hours, calculated at 25% and at the likelihood of being paid off at retirement from the State retirement system, are valued at the individual employee's year-end wage rate. The compensated absences payable amount is adjusted at year-end for any change in the amount of the liability. The vacation and compensatory time portion of the liability is \$103,840 and is assumed to be due within one year since the maximum vacation year end balance is a one year accrual and the maximum amount of compensatory time is 40 hours. The sick leave pay out portion of the liability is \$28,042. It is also assumed to be current as the larger balances are for individuals who will be retiring in 2010 or shortly thereafter. In prior years the liability has been liquidated by the General Fund and that is the intent in future years.

On June 26, 2000 the City issued general obligation bonds totaling \$6,710,000. The bonds were issued so the City could purchase a 54-acre site that the Council considered a legacy opportunity. The bond issue was structured so that half of the 54-acre site was purchased with bond proceeds and half was purchased with other City funds. In structuring the bonds in this manner, half of the site is unencumbered by bond restrictions, offering greater development flexibility. The other half of the bond issue proceeds was allocated to fund other land purchases and for street improvements. All bond proceeds were spent by December 31, 2004, during a period of declining investment interest rates, so no arbitrage calculation was needed.

The 2000 bonds were dated and bear interest from June 1, 2000. The bonds pay interest semiannually on June 1st and December 1st and principal annually on December 1st. The bonds have coupon rates from 5.00% to 5.80%. The bonds maturing in years 2001 through 2010, inclusive are not redeemable prior to maturity. The bonds maturing in years 2011 through 2020 can be redeemed at the option of the City in whole or in part on any date, on or after December 1, 2010.

On April 21, 2005, the City issued \$4,815,000 of general obligation refunding bonds to refund the callable portion of its 2000 general obligation bonds, bonds maturing in years 2011 through 2020. The refunding proceeds have been placed in escrow to completely retire the 2000 bonds in 2010. The refunding bonds have coupon rates from 3.00% to 4.25%. At the time of the refunding the outstanding general obligation bonded debt was increased by \$500,000 from \$5,995,000 to \$6,495,000, but the refunding provided a debt service savings of \$283,776 with a net present value of \$218,372 or 5.1%.

In addition to bonded debt, the City at December 31, 2009 had State infrastructure loans payable of \$2,769,314. State infrastructure loans outstanding are for two projects: the Four Corner's (SR 169 – SR 516 to SE 264th Street) project and the SR 516 – 228th Avenue to Witte Road project. The City began borrowing funds for both projects in 2005. The final borrowing was done in 2008. Final interest rate on the loans was determined in 2009. Because the City had a 15% match, it qualified for the lowest interest rate, 0.5%. The following shows the changes in long-term liabilities and the amount due within one year.

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	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Accrued Interest Payable	\$ 18,104	\$ 5,712		\$ 23,816	\$ 23,816
Compensated Absences	89,355	42,527		131,882	131,882
State Infrastructure Loan	2,953,935		184,621	2,769,314	184,621
2000 GO Bonds	620,000		300,000	320,000	320,000
2005 GO Refunding Bonds	4,595,000		40,000	4,555,000	40,000
Total Long-term Debt	\$ 8,276,394	\$ 48,239	\$ 524,621	\$ 7,800,012	\$ 700,319

The remaining debt service schedule to maturity for this general obligation debt is shown in the table below.

Year	Governmental Activities		
	Principal	Interest	Total
2010	544,621	216,558	761,179
2011	559,621	197,475	757,096
2012	579,621	181,552	761,173
2013	589,621	164,829	754,449
2014	609,621	147,705	757,326
2015-19	3,303,105	454,703	3,757,808
2020-24	1,458,105	36,584	1,494,689
Total	\$ 7,644,314	\$ 1,399,405	\$ 9,043,720

In addition to the above debt, the City has other potential long term liabilities related to non-cancelable operating leases for City Hall. The City's lease of its old city hall expired July 31, 2009, but was extended to January 31, 2010 as the City prepared to move to its new leased space. The City's lease of its new city hall expires December 31, 2019. For the year-ended December 31, 2009, the City expended \$186,440 up from \$160,599 for its office space lease.

NOTE 9 FUND EQUITIES

The fund equities on the fund financial statements are divided into four categories:

- invested in capital assets, net of related debt representing the City's ownership of its capital assets, net of accumulated depreciation;
- non-spendable for funds already spent like inventories and prepaid items;
- restricted for funds constrained for specific purposes by external parties, constitutional provisions or enabling legislation; and
- unassigned for funds that can be spent for anything allowable.

The General Fund's fund equity is unassigned except for a non-spendable amount for prepaid rent on City Hall. The City has a policy requiring a fund balance of at least 10% of operating expenditures. At December 31, 2009, General Fund's unassigned fund balance was 33% of 2009 General Fund expenditures.

The Special Revenue Funds are restricted State legislation which requires the segregation of resources for specific purposes. When these funds are combined and consolidated to produce the basic financial statements, the segregations are maintained by restricting the fund equities.

- Unspent Street funds are restricted for street operating and capital purposes.
- Unspent Transportation Impact Fee funds are restricted for street capital purposes.
- Unspent Real Estate Excise Tax funds are restricted for capital purposes.
- Unspent Park Development funds are restricted for open space and park capital purposes.

The Proprietary Funds are restricted for the purposes designated by the establishment of the funds.

- Unspent Surface Water Management funds are restricted for surface water management operating and capital purposes.
- Unspent Lake Wilderness Golf Course funds are restricted for golf operating and capital purposes. As of December 31, 2009, the Lake Wilderness Golf Course had no unspent funds as a transfer from the General Fund was needed to eliminate a deficit financial position.
- Unspent Vehicle Rental and Central Service funds are restricted for vehicle and equipment replacement.
- Unspent Unemployment Trust funds are restricted for unemployment compensation payments.

NOTE 10 PROPERTY TAXES

On an annual basis before December 31st, the City Council establishes the property tax levy amount for the following calendar year. The maximum allowable levy is established by increasing the highest levy of the last three years by no more than the lesser of 1% or the rate of inflation as measured by the implicit price deflator (IPD) as of September of each year, adding the value of new construction at the prior year's levy rate, and adding any unused banked capacity created by not levying the maximum amount in previous years. At the present time the City has no unused banked capacity. Once the levy amount is determined, it is divided by the assessed value to determine a levy rate. The levy rate must be below the maximum regular property tax levy rate as established by State law, except that levies approved by the voters can exceed the maximum regular property tax levy.

For all cities in Washington, the maximum regular property tax levy rate is \$3.60 per thousand dollars of assessed value. This maximum amount is not entirely available to the City of Maple Valley as it has separate fire or library districts serving its residents. At incorporation, the citizens of Maple Valley voted to annex to both Fire District No. 43 and the King County Library District, with maximum regular property tax levy rates of \$1.50 and \$.50, respectively. For 2009, the City's maximum levy rate was \$1.73 per thousand dollars of assessed valuation (\$3.60 per thousand dollars of assessed valuation, less the fire district operating levy (\$1.45) and library district operating levy (\$.42)). As noted below though the City only levied \$1.08 per thousand dollars of assessed valuation.

The King County Assessor establishes the property values at 100 percent of the fair market value and consolidates property tax levy rates for all overlapping taxing districts. All property is revalued on an annual basis; once every five years by a site visit; and all other years by statistical modeling. Tax rates

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are applied to the prior year property value including the value of new construction as of July 31st. Taxes are levied annually on January 1st and become a lien on the property on that day.

Tax bills are mailed on February 14th and are due on April 30th. Payments may be made in two equal installments by April 30th and October 31st, but if the first half is not paid by April 30th, the full amount becomes delinquent with penalties and interest being applied. Payments are made to the County Treasurer who segregates collections by taxing district for distribution to taxing districts by automated clearinghouse within a few days of receipt.

For 2009 property taxes, the City levied \$2,768,113 up \$87,359 or 3% from the 2008 levy of \$2,680,754. The levy amount produced a City levy rate of \$1.08 per thousand dollars of assessed valuation, down from \$1.17 the previous year. Of the adjusted amount levied for 2009, \$61,048 or 2.2% remained outstanding at December 31, 2009. The outstanding amount for all prior year levies totals \$25,735. These outstanding amounts become property liens. If not collected within seven years, the property is sold to pay the taxes. This and other property tax data is shown in the Statistical Section on pages 128 and 129.

NOTE 11 EMPLOYEE BENEFITS

A. VACATION AND SICK LEAVE BENEFITS

Eligible employees, depending on years of service, earn up to twelve hours of vacation leave and eight hours of sick leave per month. Vacation leave can be accumulated to a maximum of one year's accrual and used after a six-month trial service period. Sick leave can be accumulated in an unlimited amount but is only paid off at retirement from the State of Washington Public Employees' Retirement System (PERS) at 25% of its value. The accrual for unpaid vacation, including compensated time, and sick leave at December 31, 2009 is \$131,882 up from the 2008 amount of \$89,355. Of the total \$131,882, \$28,042 is the estimated value of the sick leave accrual based on the likelihood of employees retiring from PERS within the next 10 years.

B. RETIREMENT BENEFITS

The City retirement program includes: the Medicare portion of Social Security, a 401(a) Substitute Social Security Plan, a State of Washington administered Public Employees' Retirement System (PERS), and a non-City contributory 457 plan. These retirement benefits are based on payroll dollars. The payroll dollars for the last three years are as follows:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total Payroll	\$ 2,733,294	\$ 2,545,547	\$ 2,472,490
PERS Payroll	2,394,462	2,300,823	2,254,548

The total payroll exceeds the PERS payroll by the payroll for temporary employees who do not qualify for PERS participation. The required and paid employer contributions to these retirement benefit programs for the last three years are as follows:

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	<u>2009</u>	<u>2008</u>	<u>2007</u>
Medicare portion of Social Security	\$ 39,186	\$ 36,602	\$ 35,851
Substitute Social Security Plan (401(a))	141,902	132,369	128,569
Public Employees Retirement System (PERS)	162,012	165,386	130,787
	<u>\$ 343,100</u>	<u>\$ 334,357</u>	<u>\$ 295,207</u>

401(a) Plan

The 401(a) plan is social security replacement plan that defers federal income tax on employee contributions and allows employees to choose from a number of investment options for both their contributions and the employer's contributions. The 401(a) plan is a defined contribution plan. Contributions into the plan are 5.2% of payroll for the employer and 6.2% of payroll for the employee. The plan is administered by the International City/County Management Association Retirement Corporation (ICMA-RC), which also administers the City's 457 Plan. With some exceptions based on age, employees become vested in the employer portion of the plan at 20% per year on their hiring date anniversary.

(1) PERS Plan

All City of Maple Valley full-time and qualifying part-time employees participate in one of the statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communication Unit, P.O. Box 48380, Olympia, WA 98504-8380; or it may be downloaded from the DRS website at www.drs.wa.gov. The following disclosures are made pursuant to *GASB Statement No. 27, Accounting for Pensions by State and Local Government Employers* and *No. 50 Pensions Disclosures, an amendment of GASB Statements No.25 and No.27*.

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 college employees; 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, 2002 for local government employees, are Plan 2 members unless they

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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 age 60 with 5 years of service, or at age 55 with 25 years of service. The annual benefit is 2 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 actuarial reduced benefits. A cost-of-living allowance (COLA) is granted at age 66 based upon years of service times the COLA amount, which is increased 3 percent annually. Plan 1 members may also elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 2 members are vested after 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 2 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 3 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 3 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 1 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. PERS 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 10 years of service. PERS Plan 3 members who retire prior to age 65 receive reduced benefits. If retirement

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is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. 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 plans of June 30, 2008:

	<u>Members</u>
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	<u>56,456</u>
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 6 percent for state agencies and local government employees, and at 7.5 percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employees 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 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.

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The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2009 are as follows:

	<u>PERS Plan 1</u>	<u>PERS Plan 2</u>	<u>PERS Plan 3</u>
Employer (1)	5.31%	5.31%	5.31% (2)
Employee	6.00%	3.90%	(3)

- (1) The employer rates include the employer administrative expense fee, currently set at 0.16%.
- (2) Plan 3 defined benefit portion only.
- (3) Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.

Both the City of Maple Valley and the employees made the required contributions. The City of Maple Valley's required contributions for the three years ending December 31, 2009 were as follows:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
PERS 1	\$ 7,119	\$ 2,086	\$ 2,272
PERS 2	149,712	157,153	123,719
PERS 3	5,181	6,147	4,795
	<u>\$ 162,012</u>	<u>\$ 165,386</u>	<u>\$ 130,787</u>

C. OTHER EMPLOYEE BENEFITS

In addition to leave and retirement benefits, the City provides: a Worker's Compensation program through the Washington State Department of Labor and Industries; and medical, dental, vision, group life, and disability programs through the Association of Washington Cities (AWC). The medical program includes an employee assistance program. The group life insurance program payout is equal to an employee's annual salary, and the disability program is at 60% of salary after 90 days. The cost of these benefits programs to the City for the last three years is as follows:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Worker's Compensation	\$ 39,059	\$ 37,746	\$ 30,497
Medical, Dental and Vision	436,095	425,754	397,289
Group Life and Long-term Disability	12,016	16,992	16,792
	<u>\$ 487,170</u>	<u>\$ 480,492</u>	<u>\$ 444,579</u>

The City is a participating employer in the Association of Washington Cities Employee Benefit Trust "Trust", a cost-sharing multiple-employer welfare benefit plan administered by the Association of Washington Cities. Under Article VII of the Trust document, the Trustees have the authority and power to amend the amount and the nature of the medical and other benefits provided by the Trust. The Trust issues a publicly available financial report that includes financial statements and required supplementary information for the Trust. That report, along with a copy of the Trust document, may be obtained by writing to the Trust at 1076 Franklin Street SE, Olympia, WA 98501-1346 or by calling 1-80-562-8981.

Participating employers are contractually required to contribute at a rate assessed each year by the Trust, currently 16 percent of annual covered payroll. The City's contributions to the Trust for the year ended December 31, 2009, \$436,095, equaled the required contributions for the year.

D. OTHER (NON-PENSION) POST EMPLOYMENT BENEFITS

The Trust provides medical benefits to certain eligible retired employees of participating employers and their eligible family members. The Trust provides that contribution requirements of participating retirees and other beneficiaries, if any, are established and may be amended by the Board of Trustees of the Trust. To receive medical benefits from the Trust, the following are the minimum contributions:

- Retirees not on Medicare Parts A & B contribute directly to the Trust \$558.70 per month,
- Retirees on Medicare Parts A & B contribute directly to the Trust \$299.10 per month,
- Spouses not on Medicare Parts A & B contribute directly to the Trust \$558.70 per month,
- Spouses on Medicare Parts A & B contribute directly to the Trust \$299.10 per month.
- First dependent contributes directly to the Trust \$157.00 per month, and
- Second and all other dependents contribute directly to the Trust \$124.00 per month.

NOTE 12 RISK MANAGEMENT

The city of Maple Valley 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 sub-limits in the excess layers. The Board of Directors determines the limits and terms of coverage annually.

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

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

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

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

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

In addition to insurance coverage described above through the WCIA, the City of Maple Valley is self insured for unemployment compensation. This coverage is provided through an internal service fund, the Unemployment Compensation Trust Fund. Charges are made to departments at the State established rates with claims paid by the State and reimbursed by the City. The following is a brief history of unemployment contributions and claims paid.

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contributions	\$ -	\$ -	\$ 30,269
Claims Paid	21,138	11,594	2,037

In the City's 2007 and prior experience, contributions to the Unemployment Trust Fund had always exceeded claims paid. Based on this experience, the City stopped making contributions in 2008 and in 2009 budgeted to transfer \$50,000 to the General Fund. Net unrestricted assets at December 31, 2009 totaled \$83,575 down \$69,789 from the December 31, 2008 amount of \$153,364. The large decrease was the result of a transfer of \$50,000 to the General Fund and reduced investment earnings not offsetting higher than normal claim activity.

NOTE 13 COMMITMENTS

In the opinion of management, the City has recorded in its financial statements all known liabilities and the City's insurance coverage is adequate to pay all potential claims. At year-end the City had six capital projects in design or under construction and had outstanding design and construction commitments totaling \$596,105. The major commitments were outstanding design commitments on the SR 169 – SE 264th to SE 258th Street project totaling \$352,159 and on SR 169 Witte to 228th project totaling, \$209,331. The 2010 capital budget of over \$15,000,000 includes funding for these commitments.

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Supplemental Information
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This part of the City of Maple Valley's Comprehensive Annual Financial Report presents detailed financial information required for management of City operations.

Page Number

Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Proprietary Funds

These schedules provide budget and actual information that is useful to management but not required financial reporting.

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Internal Service Fund Statements

These statements provide the detailed financial statements for the individual internal service funds.

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Capital Assets Used in Operation of Governmental Funds

These schedules provide detailed information about governmental capital assets, their source of funding, and depreciation information.

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Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

City of Maple Valley
 Capital Improvement Plan Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenue				
Federal Grants	\$ 143,762	\$ 143,762	\$ 166,474	\$ 22,712
State and County Grants	1,611,788	1,611,788	799,362	(812,426)
Total Intergovernmental Revenue	1,755,550	1,755,550	965,836	(789,714)
Miscellaneous Revenue				
Other Miscellaneous Revenue		-	15,000	15,000
Total Miscellaneous Revenue	-	-	15,000	15,000
Total Revenues	1,755,550	1,755,550	980,836	(774,714)
EXPENDITURES				
General Government				
Capital Expenditures	200,000	200,000	-	200,000
Operating Expenditures			92,248	(92,248)
Total General Government	200,000	200,000	92,248	107,752
Public Works				
Transportation				
Capital Expenditures	9,679,230	9,679,230	1,176,105	8,503,125
Operating Expenditures		-	351,630	(351,630)
Total Public Works	9,679,230	9,679,230	1,527,735	8,151,495
Parks and Community Services				
Parks & Recreation				
Capital Expenditures	1,469,457	1,469,457	858,486	610,971
Community Facilities				
Capital Expenditures	70,000	70,000	9,836	60,164
Operating Expenditures		-	16,472	(16,472)
Total Parks and Community Services	1,539,457	1,539,457	884,794	654,663
Debt Service				
Principal	519,621	519,621	524,621	(5,000)
Interest	282,864	282,864	276,956	5,908
Total Debt Service	802,485	802,485	801,577	908
Total Expenditures	\$ 12,221,172	\$ 12,221,172	\$ 3,306,354	\$ 8,914,818

City of Maple Valley
 Capital Improvement Plan Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues over (under) Expenditures	\$ (10,465,622)	\$ (10,465,622)	\$ (2,325,518)	\$ 8,140,104
Other Financing Sources (Uses)				
Transfer in from General Fund	575,453	575,453	474,037	(101,416)
Transfer in from Street Fund	233,791	233,791	233,791	-
Transfer in from Transportation Impact Fee Fund	4,170,278	4,170,278	464,713	(3,705,565)
Transfer in from Real Estate Excise Tax Fund	4,824,580	4,824,580	1,152,977	(3,671,603)
Transfer in from Surface Water Management Fund	200,000	200,000	-	(200,000)
Total Other Financing Sources (Uses)	10,465,622	10,465,622	2,325,518	(7,678,584)
Net Change in Fund Balances	-	-	-	-
Fund Balance, January 1	-	-	-	-
Fund Balance, December 31	\$ -	\$ -	\$ -	\$ -

City of Maple Valley
 Capital Improvement Plan Fund
 Detail Schedule of Project Life to Date Budget and Expenditures
 From Inception and for the Year Ended December 31, 2009

	Total Project Budget	Prior Years' Actual	2009 Final Budget	2009 Actual	Project Life to Date Actual
Governmental Activities					
City Facilities					
F1 City Hall Office Space	\$ 480,980	\$ 280,980	\$ 200,000	\$ 92,248	\$ 373,228
F3 Maple Valley Place Legacy Project	6,943,448	6,943,448	-	-	6,943,448
	7,424,428	7,224,428	200,000	92,248	7,316,676
Public Works					
Transportation					
T6 SR 169 - SR 516 to SE 264th St	12,847,914	12,650,592	197,322	108,247	12,758,839
T7 SR 169 - Witte Rd to 228th Ave SE	1,477,777	396,958	1,080,819	116,501	513,459
T12 Witte Rd & SE 248th Intersection	5,712,838	555,988	5,156,850	251,313	807,301
T15 SR 516 & 216th Ave Intersection	699,267	224,549	474,718	122,646	347,195
T23 Annual Asphalt Overlay Program	1,579,556	1,279,556	300,000	288,641	1,568,197
T24 Miscellaneous Street Improvements	405,747	305,747	100,000	62,445	368,192
T28 Witte Rd & SE 254th St Intersection	205,820	-	205,820	-	-
T29 SE 271st - SR 169 to SR 516	209,409	76,829	132,580	544	77,373
T31 SR 169 - SE 264th St to SE 258th St	1,510,000	380,190	1,129,810	530,973	911,163
T32 Lake Wilderness Trail	128,000	-	128,000	16,631	16,631
T33 SE 276th St & 240th Ave SE	888,932	115,621	773,311	29,794	145,415
	25,665,260	15,986,030	9,679,230	1,527,735	17,513,765
Parks and Community Services					
Parks & Recreation					
P3 Summit Ballfields	1,013,943	813,943	200,000	49,511	863,454
P5 Lake Wilderness Lodge	2,959,112	2,089,655	869,457	808,975	2,898,630
P6 Lake Wilderness Park	603,766	203,766	400,000	-	203,766
Community Facilities					
A1 Public Art	41,285	31,285	10,000	-	31,285
C1 Community Center	1,041,826	1,001,826	40,000	9,836	1,011,662
N1 Neighborhood Reinvestment	276,023	256,023	20,000	16,472	272,495
	5,935,955	4,396,498	1,539,457	884,794	5,281,292
Debt Service Program					
D2 2000 Bond Issue Debt Service	4,129,699	3,796,989	332,710	332,710	4,129,699
D4 Infrastructure Loan Debt Service	691,334	448,510	242,824	241,916	690,426
D5 2005 Bond Refunding Debt Service	1,132,385	905,434	226,951	226,951	1,132,385
	5,953,418	5,150,933	802,485	801,577	5,952,510
Total Governmental Funds	\$ 44,979,061	\$ 32,757,889	\$ 12,221,172	\$ 3,306,354	\$ 36,064,243

City of Maple Valley
 Surface Water Management Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenue				
State and County Grants	\$ 70,167	\$ 70,167	\$ 70,167	\$ -
Total Intergovernmental Revenue	70,167	70,167	70,167	-
Charges for Service				
Surface Water Management Fees	770,651	770,651	753,471	(17,180)
Miscellaneous Charges	7,000	7,000	6,890	(110)
Total Charges for Service	777,651	777,651	760,361	(17,290)
Miscellaneous Revenue				
Investment Earnings	63,177	63,177	19,948	(43,229)
Other Miscellaneous Revenue		-	1,505	1,505
Total Miscellaneous Revenue	63,177	63,177	21,453	(41,724)
Total Revenues	910,995	910,995	851,981	(59,014)
EXPENDITURES				
Public Works				
Operating	530,173	530,173	624,908	(94,735)
Depreciation			27,457	(27,457)
Capital				
Purchased for Own Use	193,011	213,011	112,032	100,979
Contributed to Other Funds			5,566	(5,566)
Total Public Works	723,184	743,184	769,963	(26,779)
Total Expenditures	723,184	743,184	769,963	(26,779)
Revenues over (under) Expenditures	187,811	167,811	82,018	(85,793)
Other Financing Sources (Uses)				
Depreciation Addback			27,457	27,457
Transfer out to General Fund	(105,453)	(105,453)	(57,552)	47,901
Transfer out to Capital Improvement Plan Fund	(200,000)	(200,000)		200,000
Total Other Financing Sources (Uses)	(305,453)	(305,453)	(30,095)	275,358
Net Change in Fund Balances	(117,642)	(137,642)	51,923	189,565
Fund Balance, January 1	1,874,324	1,874,324	1,874,324	-
Fund Balance, December 31	\$ 1,756,682	\$ 1,736,682	\$ 1,926,247	\$ 189,565

City of Maple Valley
 Lake Wilderness Golf Course Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Service				
Green Fees	\$ 520,000	\$ 520,000	\$ 521,148	\$ 1,148
Cart Rentals	145,000	145,000	141,539	(3,461)
Merchandise Sales	62,788	62,788	63,686	898
Food & Beverage Revenue	803,666	803,666	712,064	(91,602)
Facility Rentals	20,310	20,310	8,822	(11,488)
Total Charges for Service	1,551,764	1,551,764	1,447,259	(104,505)
Miscellaneous Revenue				
Investment Earnings	1,000	1,000	501	(499)
Other Miscellaneous Revenue		-	584	584
Total Miscellaneous Revenue	1,000	1,000	1,085	85
Total Revenues	1,552,764	1,552,764	1,448,344	(104,420)
EXPENDITURES				
Parks and Community Services				
Operating	1,686,335	1,686,335	1,557,242	129,093
Depreciation			110,549	(110,549)
Capital	153,322	153,322		153,322
Purchased for Own Use			31,599	(31,599)
Total Parks and Community Services	1,839,657	1,839,657	1,699,390	140,267
Total Expenditures	1,839,657	1,839,657	1,699,390	140,267
Revenues over (under) Expenditures	(286,893)	(286,893)	(251,046)	35,847
Other Financing Sources (Uses)				
Depreciation Addback		-	110,549	110,549
Transfer in from General Fund	206,346	206,346	96,404	(109,942)
Transfer in from Real Estate Excise Tax Fund	80,547	80,547	44,093	(36,454)
Total Other Financing Sources (Uses)	286,893	286,893	251,046	(35,847)
Net Change in Fund Balances	-	-	-	-
Fund Balance, January 1	-	-	-	-
Fund Balance, December 31	\$ -	\$ -	\$ -	\$ -

City of Maple Valley
 Vehicle Rental Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Service				
Charges to Departments	\$ 120,177	\$ 120,177	\$ 124,089	\$ 3,912
Total Charges for Service	120,177	120,177	124,089	3,912
Miscellaneous Revenue				
Investment Earnings	12,188	12,188	2,469	(9,719)
Total Miscellaneous Revenue	12,188	12,188	2,469	(9,719)
Total Revenues	132,365	132,365	126,558	(5,807)
EXPENDITURES				
General Government				
Operating	38,244	38,244	36,782	1,462
Depreciation		-	54,755	(54,755)
Capital	38,000	38,000		38,000
Purchased for Own Use			31,098	(31,098)
Total General Government	76,244	76,244	122,635	(46,391)
Total Expenditures	76,244	76,244	122,635	(46,391)
Revenues over (under) Expenditures	56,121	56,121	3,923	(52,198)
Other Financing Sources (Uses)				
Depreciation Addback			54,755	(54,755)
Transfer out to General Fund	(300,000)	(300,000)	(300,000)	-
Total Other Financing Sources (Uses)	(300,000)	(300,000)	(245,245)	(54,755)
Net Change in Fund Balances	(243,879)	(243,879)	(241,322)	2,557
Fund Balance, January 1	350,739	350,739	350,739	-
Fund Balance, December 31	\$ 106,860	\$ 106,860	\$ 109,417	\$ 2,557

City of Maple Valley
 Central Services Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Service				
Charges to Departments	\$ 711,786	\$ 711,786	\$ 684,155	\$ (27,631)
Total Charges for Service	711,786	711,786	684,155	(27,631)
Miscellaneous Revenue				
Investment Earnings	11,066	11,066	3,593	(7,473)
Total Miscellaneous Revenue	11,066	11,066	3,593	(7,473)
Total Revenues	722,852	722,852	687,748	(35,104)
EXPENDITURES				
General Government				
Operating	632,034	632,034	701,021	(68,987)
Depreciation	-	-	55,271	(55,271)
Capital	329,000	329,000	-	(329,000)
Purchased for Own Use	-	-	35,064	(35,064)
Total General Government	961,034	961,034	791,356	(488,322)
Total Expenditures	961,034	961,034	791,356	(488,322)
Revenues over (under) Expenditures	(238,182)	(238,182)	(103,608)	(523,426)
Other Financing Sources (Uses)				
Depreciation Addback	-	-	55,271	(55,271)
Total Other Financing Sources (Uses)	-	-	55,271	(55,271)
Net Change in Fund Balances	(238,182)	(238,182)	(48,337)	189,845
Fund Balance, January 1	316,006	316,006	316,006	-
Fund Balance, December 31	\$ 77,824	\$ 77,824	\$ 267,669	\$ 189,845

City of Maple Valley
 Unemployment Trust Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous Revenue				
Investment Earnings	\$ 5,360	\$ 5,360	\$ 1,349	\$ (4,011)
Total Miscellaneous Revenue	5,360	5,360	1,349	(4,011)
Total Revenues	5,360	5,360	1,349	(4,011)
EXPENDITURES				
General Government				
Operating	10,620	25,620	21,138	4,482
Total General Government	10,620	25,620	21,138	4,482
Total Expenditures	10,620	25,620	21,138	4,482
Revenues over (under) Expenditures	(5,260)	(20,260)	(19,789)	471
Other Financing Sources (Uses)				
Transfer out to General Fund	(50,000)	(50,000)	(50,000)	-
Total Other Financing Sources (Uses)	(50,000)	(50,000)	(50,000)	-
Net Change in Fund Balances	(55,260)	(70,260)	(69,789)	471
Fund Balance, January 1	153,364	153,364	153,364	-
Fund Balance, December 31	\$ 98,104	\$ 83,104	\$ 83,575	\$ 471

Internal Service Funds

City of Maple Valley
Internal Service Funds
Combining Statement of Net Assets
December 31, 2009

	Vehicle Rental	Central Service	Unemployment Trust	Total Current Year
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 65,437	\$ 177,544	\$ 54,129	\$ 297,110
Investments	43,979	119,323	36,379	199,681
Total Current Assets	109,416	296,867	90,508	496,791
Noncurrent Assets:				
Capital Assets:				
Machinery and Equipment	466,803	457,424		924,227
Less: Accumulated Depreciation	(383,318)	(366,427)		(749,745)
Total Capital Assets (net of Accumulated Depreciation)	83,485	90,997	-	174,482
Total Assets	192,901	387,864	90,508	671,273
LIABILITIES				
Current Liabilities:				
Accounts Payable		29,199		29,199
Due to Other Governments			6,933	6,933
Total Current Liabilities	-	29,199	6,933	36,132
Total Liabilities	-	29,199	6,933	36,132
NET ASSETS				
Net Assets Invested in Capital Assets	83,485	90,997	-	174,482
Restricted	109,416	267,668	83,575	460,659
Total Net Assets	\$ 192,901	\$ 358,665	\$ 83,575	\$ 635,141

City of Maple Valley
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended December 31, 2009

	Vehicle Rental	Central Service	Unemployment Trust	Total Current Year
Operating Revenues				
Charges for Sales and Services	\$ 124,089	\$ 684,155	\$ -	\$ 808,244
Total Operating Revenue	124,089	684,155	-	808,244
Operating Expenses				
Cost of Sales and Services	36,782	701,021	21,138	758,941
Depreciation	54,755	55,271		110,026
Total Operating Expenses	91,537	756,292	21,138	868,967
Operating Income	32,552	(72,137)	(21,138)	(60,723)
Nonoperating Revenues (Expenses)				
Investment Earnings	2,469	3,593	1,349	7,411
Total Nonoperating Revenue (Expenses)	2,469	3,593	1,349	7,411
Income before Contributions and Transfers	35,021	(68,544)	(19,789)	(53,312)
Contributions and Transfers				
Capital Contributions from General Fund	11,626	3,940		15,566
Capital Contributions from Other Funds		5,566		5,566
Transfers from (to) General Fund	(300,000)		(50,000)	(350,000)
Total Contributions and Transfers	(288,374)	9,506	(50,000)	(328,868)
Change in Net Assets	(253,353)	(59,038)	(69,789)	(382,180)
Total Net Assets, January 1	446,254	417,703	153,364	1,017,321
Total Net Assets, December 31	\$ 192,901	\$ 358,665	\$ 83,575	\$ 635,141

City of Maple Valley
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2009

	Vehicle Rental	Central Service	Unemployment Trust	Total Current Year
Cash Flows from Operating Activities				
Cash Received from User Departments	\$ 124,089	\$ 684,155	\$ -	\$ 808,244
Cash Paid to Suppliers for Goods and Services	(36,782)	(688,941)	(14,874)	(740,597)
Net Cash From Operating Activities	87,307	(4,786)	(14,874)	67,647
Cash Flows from Capital and Related Financing Activities				
Capital Assets Purchased for Own Use	(31,098)	(35,064)		(66,162)
Capital Contribution from (to) Other Funds	(300,000)		(50,000)	(350,000)
Net Cash From Capital and Related Financing Activities	(331,098)	(35,064)	(50,000)	(416,162)
Cash Flows from Investing Activities				
Purchase of Investments		(29,724)		(29,724)
Proceeds from Investment Maturities	50,358		5,051	55,409
Interest on Investments	2,469	3,593	1,349	7,411
Net Cash From Investing Activities	52,827	(26,131)	6,400	33,096
Net Change in Cash and Cash Equivalents	(190,964)	(65,981)	(58,474)	(315,419)
Cash and Cash Equivalents, January 1	256,401	243,525	112,603	612,528
Cash and Cash Equivalents, December 31	\$ 65,437	\$ 177,544	\$ 54,129	\$ 297,110
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income	\$ 32,552	\$ (72,137)	\$ (21,138)	\$ (60,723)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	54,755	55,271	-	110,026
Change in Accounts Payable	-	16,881	(669)	16,212
Change in Due to Other Governments	-	(4,801)	6,933	2,132
Net Cash Provided by Operating Activities	\$ 87,307	\$ (4,786)	\$ (14,874)	\$ 67,647
Noncash Capital and Related Financing Activities				
Capital Contributions from General Fund	\$ 11,626	\$ 3,940		\$ 15,566
Capital Contributions from Other Funds		5,566		5,566
Retirement of Internal Service Fund Capital Assets		19,607		19,607
Total Noncash Investing, Capital, and Financing	\$ 23,252	\$ 29,113	\$ -	\$ 52,365

Capital Assets Used in Operation of Governmental Funds

City of Maple Valley
Capital Assets Used in the Operation of Governmental Funds
December 31, 2009

	<u>2009</u>	<u>2008</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 195,076,121	\$ 173,638,357
Buildings	6,408,142	6,408,142
Less: Accumulated Depreciation	(1,110,018)	(949,815)
Improvements Other Than Buildings	220,657,863	198,761,047
Less: Accumulated Depreciation	(88,697,632)	(82,298,567)
Machinery & Equipment	201,412	177,638
Less: Accumulated Depreciation	(149,509)	(130,217)
Construction in Progress	22,831,248	20,794,717
Total Governmental Funds Capital Assets	<u>\$ 355,217,627</u>	<u>\$ 316,401,302</u>

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE		
Contributions from King County	\$ 175,326,515	\$ 150,125,046
Contributions from State & Federal Grants	13,218,136	12,252,300
Contributions from Developers	142,338,621	130,564,471
General Fund Revenues	1,636,672	1,807,661
Street Fund Revenues	1,818,944	1,785,153
Transportation Impact Fee Fund Revenue	5,444,504	5,216,900
Real Estate Excise Tax Fund Revenue	4,695,574	3,911,110
Surface Water Management Revenue	277,000	277,000
General Obligation Bonds & Loans	10,461,661	10,461,661
Total Investments in Governmental Funds Capital Assets by Source	<u>\$ 355,217,627</u>	<u>\$ 316,401,302</u>

City of Maple Valley
 Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes by Function and Activity
 For the Year Ended December 31, 2009

	Beginning of Year	Additions	Transfers from (to) Other Funds	Retirements	End of Year
LAND					
Parks and Community Services	\$ 22,285,208	\$ -	-		\$ 22,285,208
Public Works	151,353,149	21,437,764	-		172,790,913
Total Land	173,638,357	21,437,764	-	-	195,076,121
BUILDINGS					
Parks and Community Services	6,408,142	-	-	-	6,408,142
Total Buildings	6,408,142	-	-	-	6,408,142
IMPROVEMENTS OTHER THAN BUILDINGS					
General Government	198,679	-	-	-	198,679
Parks and Community Services	954,125	-			954,125
Public Works					
Infrastructure Purchased	8,934,339				8,934,339
Infrastructure Contributed	188,673,904	21,896,816	-	-	210,570,720
Total Improvements Other than Bldgs	198,761,047	21,896,816	-	-	220,657,863
MACHINERY & EQUIPMENT					
General Government	13,875	-	-	-	13,875
Community Development	2,786	-	-	-	2,786
Public Safety	7,231	19,412	(3,940)	-	22,703
Public Works	25,432	11,626	(11,626)	-	25,432
Parks and Community Services	128,314	8,302	-	-	136,616
Total Machinery & Equipment	177,638	39,340	(15,566)	-	201,412
CONSTRUCTION IN PROGRESS					
	20,794,717	2,044,427		(7,896)	22,831,248
TOTAL CAPITAL ASSETS					
	\$ 399,779,901	\$ 45,418,347	\$ (15,566)	\$ (7,896)	\$ 445,174,786
CAPITAL ASSET SOURCES					
Contributions from King County	\$ 211,249,130	\$ -	\$ -	\$ -	\$ 211,249,130
Contributions from State & Federal Grants	12,252,300	965,836	-	-	13,218,136
Contributions from Developers	150,035,721	43,334,580	-	-	193,370,301
General Fund Revenues	4,590,926	64,176	(15,566)	-	4,639,536
Street Fund Revenues	1,785,153	33,791	-	-	1,818,944
Transportation Impact Fee Fund Revenue	4,408,386	231,551	-	(3,947)	4,635,990
Witte Road Fund Revenue	808,514	-	-	-	808,514
Real Estate Excise Tax Fund Revenue	3,911,110	788,413	-	(3,949)	4,695,574
Surface Water Management Revenue	277,000	-			277,000
General Obligation Bonds & Loans	10,461,661	-	-	-	10,461,661
TOTAL CAPITAL ASSET SOURCES	\$ 399,779,901	\$ 45,418,347	\$ (15,566)	\$ (7,896)	\$ 445,174,786

Depreciation

Accumulated Beginning of Year	Current Year	End of Year
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-	-	-
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949,815	160,203	1,110,018
949,815	160,203	1,110,018

171,619	16,845	188,464
177,802	-	177,802

1,796,862	353,939	2,150,801
80,152,284	6,028,281	86,180,565
82,298,567	6,399,065	88,697,632

5,363	765	6,128
1,115	186	1,301
6,427	3,995	10,422
25,641	1,500	27,141
91,671	12,846	104,517
130,217	19,292	149,509

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\$ 83,378,599	\$ 6,578,560	\$ 89,957,159
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\$ 61,124,084	\$ 4,822,682	\$ 65,946,765
-	-	-
19,471,250	1,536,279	21,007,529
2,783,266	219,599	3,002,865
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

\$ 83,378,599	\$ 6,578,560	\$ 89,957,159
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This part of the City of Maple Valley's Comprehensive Annual Financial Report presents analytical information, much of it over the last ten years, that provides a context for understanding the city's overall financial health.

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City of Maple Valley
Net Assets by Component
From Implementation of Statement 34
(accrual basis of accounting)

	2001	2002	2003
Net Assets, December 31			
Governmental Activities			
Invested in Capital Assets, net of Related Debt	\$ 2,818,320	\$ 5,017,405	\$ 29,433,647
Restricted	7,919,512	7,376,644	7,921,609
Unrestricted	1,372,338	2,909,547	2,827,435
Total Governmental Activities Net Assets	12,110,170	15,303,596	40,182,691
Business-Type Activities			
Invested in Capital Assets, net of Related Debt	1,069,146	1,336,341	4,754,701
Restricted	633,892	798,049	870,536
Total Business-Type Activities Net Assets	1,703,038	2,134,390	5,625,237
Primary Government			
Invested in Capital Assets, net of Related Debt	3,887,466	6,353,746	34,188,348
Restricted	8,553,404	8,174,693	8,792,145
Unrestricted	1,372,338	2,909,547	2,827,435
Total Primary Government Net Assets	\$ 13,813,208	\$ 17,437,986	\$ 45,807,928

	2004	2005	2006	2007	2008	2009
\$	172,087,756	\$ 239,032,092	\$ 240,060,893	289,946,247	308,429,579	347,747,795
	7,229,443	10,627,215	9,685,787	9,750,610	11,724,658	10,900,630
	3,407,442	4,198,312	2,529,970	3,204,325	2,737,739	2,494,451
	182,724,641	253,857,619	252,276,650	302,901,182	322,891,976	361,142,876
	4,985,105	6,356,273	11,289,673	11,768,973	11,885,231	12,479,185
	838,891	1,110,475	1,381,725	1,567,684	1,874,326	1,926,248
	5,823,996	7,466,748	12,671,398	13,336,657	13,759,557	14,405,433
	177,072,861	245,388,365	251,350,566	301,715,220	320,314,810	360,226,980
	8,068,334	11,737,690	11,067,512	11,318,294	13,598,984	12,826,878
	3,407,442	4,198,312	2,529,970	3,204,325	2,737,739	2,494,451
\$	188,548,637	\$ 261,324,367	\$ 264,948,048	\$ 316,237,839	\$ 336,651,533	\$ 375,548,309

City of Maple Valley
Changes in Net Assets
From Implementation of Statement 34
(accrual basis of accounting)

	2001	2002	2003
Expenses			
Governmental Activities			
General Government	\$ 762,155	\$ 935,019	\$ 1,060,259
Community Development	533,314	612,865	629,254
Human Services			
Parks and Recreation	53,285	181,511	1,006,927
Public Safety	1,658,865	1,824,402	1,799,270
Public Works	719,731	1,003,775	886,191
Interest on Long-term Debt	369,608	365,206	355,944
Total Governmental Activities Expenses	4,096,958	4,922,778	5,737,845
Business-Type Activities			
Surface Water Management	235,182	372,366	432,839
Golf Course Operations			
Total Business-Type Activities Expenses	235,182	372,366	432,839
Total Primary Government Expenses	4,332,140	5,295,144	6,170,684
Program Revenue			
Governmental Activities			
Charges for Services			
General Government	7,964	16,322	21,909
Community Development	686,125	852,254	1,006,830
Parks and Recreation	1,772	2,914	29,256
Public Safety	113,925	120,746	98,427
Public Works	1,006,380	1,103,360	1,843,248
Operating Grants and Contributions	425,162	453,604	296,342
Capital Grants and Contributions	150,133	394,125	639,901
Total Governmental Activities Program Revenue	2,391,461	2,943,325	3,935,913
Business-Type Activities			
Charges for Services			
Surface Water Management	518,587	553,826	579,336
Golf Course Operations			
Capital Grants and Contributions		75,000	
Surface Water Management			
Total Business-Type Activities Program Revenue	518,587	628,826	579,336
Total Primary Government Program Revenue	2,910,048	3,572,151	4,515,249
Net (Expense) Revenue			
Governmental Activities	(1,705,497)	(1,979,453)	(1,801,932)
Business-Type Activities	283,405	256,460	146,497
	\$ (1,422,092)	\$ (1,722,993)	\$ (1,655,435)

	2004	2005	2006	2007	2008	2009
\$	1,292,655	\$ 1,333,375	\$ 1,531,693	\$ 1,540,862	\$ 1,985,141	\$ 2,014,921
	843,128	725,856	820,144	850,516	953,115	987,928
		136,619	171,770	212,019	200,799	220,294
	1,136,701	1,130,616	1,288,862	1,595,110	1,571,438	1,560,100
	1,845,988	2,032,716	2,133,701	2,293,963	2,332,012	2,380,537
	1,390,860	5,715,662	7,622,944	7,769,571	8,518,674	7,719,635
	344,972	207,684	286,421	280,554	283,968	282,668
	6,854,304	11,282,528	13,855,535	14,542,595	15,845,147	15,166,083
	423,934	360,715	398,040	322,363	420,178	657,931
			86,004	1,616,237	1,680,058	1,667,791
	423,934	360,715	484,044	1,938,600	2,100,236	2,325,722
	7,278,238	11,643,243	14,339,579	16,481,195	17,945,383	17,491,805
	21,639	29,190	40,847	50,072	24,425	20,548
	1,064,642	1,270,024	983,899	673,511	499,210	475,388
	126,522	245,907	352,884	432,970	522,833	476,821
	99,609	83,441	113,946	105,056	156,284	142,840
	1,573,107	2,379,306	1,993,138	1,855,260	1,398,665	806,329
	350,507	377,697	513,165	570,996	572,302	590,819
	1,461,002	505,403	4,003,483	4,220,929	30,455,712	44,319,192
	4,697,028	4,890,968	8,001,362	7,908,794	33,629,431	46,831,937
	606,211	649,004	675,034	693,419	719,886	760,361
			61,576	1,327,390	1,461,769	1,447,843
			400,249	-	210,598	588,328
	606,211	649,004	1,136,859	2,020,809	2,392,253	2,796,532
	5,303,239	5,539,972	9,138,221	9,929,603	36,021,684	49,628,469
	(2,157,276)	(6,391,560)	(5,854,173)	(6,633,801)	17,784,284	31,665,854
	182,277	288,289	652,815	82,209	292,017	470,810
\$	(1,974,999)	(6,103,271)	(5,201,358)	(6,551,592)	18,076,301	\$ 32,136,664

City of Maple Valley
Changes in Net Assets
From Implementation of Statement 34
(accrual basis of accounting)

	2001	2002	2003
General Revenue and Other Changes in Net Assets			
Governmental Activities			
Taxes			
Regular Property Taxes	\$ 1,422,891	\$ 1,659,356	\$ 1,840,959
Sales Taxes	1,493,347	1,641,536	1,777,238
Utility Taxes	359,134	360,332	355,142
Real Estate Excise Taxes	728,973	819,360	1,258,505
Gambling Taxes	25,866	21,472	28,489
Franchise Fees (Taxes)	98,702	103,738	124,777
Intergovernmental Revenue not restricted to specific programs			
State Shared Revenue	471,698	490,586	186,464
Miscellaneous Revenue			
Investment Earnings	223,609	213,570	74,537
Other Miscellaneous Revenue and (Expenses)	67,284	942	113,879
Transfers	(143,683)	(138,014)	112,619
Total Governmental Activities	4,747,821	5,172,878	5,872,609
Business-Type Activities			
Non Operating Revenue			
Intergovernmental Revenue			
Investment Earnings	31,377	36,878	13,880
Other Miscellaneous Revenue and (Expenses)	(1,697)		
Transfers	143,683	138,014	(112,619)
Total Business-Type Activities	173,363	174,892	(98,739)
Total Primary Government	4,921,184	5,347,770	5,773,870
Change in Net Assets Before Extraordinary Items			
Governmental Activities	3,042,324	3,193,425	4,070,677
Business-Type Activities	456,768	431,352	47,758
Total Primary Government	3,499,092	3,624,777	4,118,435
Extraordinary Items			
Governmental Activities			
Issuance of 2005 General Obligation Refunding Bonds			
Defeasance of 2000 General Obligation Bonds			
Capital Contributions			20,808,419
Total Governmental Activities	-	-	20,808,419
Business-Type Activities			
Capital Contributions			3,443,089
Total Business-Type Activities	-	-	3,443,089
Total Primary Government	-	-	24,251,508
Change in Net Assets			
Governmental Activities	3,042,324	3,193,425	24,879,096
Business-Type Activities	456,768	431,352	3,490,847
Total Primary Government	3,499,092	3,624,777	28,369,943
Net Assets, January 1	10,314,116	13,813,208	17,437,985
Net Assets, December 31	\$ 13,813,208	\$ 17,437,985	\$ 45,807,928

	2004	2005	2006	2007	2008	2009
\$ 1,996,286	\$ 2,157,260	\$ 2,351,509	\$ 2,547,157	\$ 2,678,139	\$ 2,971,125	
2,034,736	2,035,201	2,258,415	2,313,211	2,119,678	1,865,487	
393,283	454,941	520,273	573,486	597,819	608,851	
1,389,636	1,931,398	1,880,733	1,252,081	761,174	528,117	
26,476	27,688	30,446	36,555	39,204	38,373	
144,573	165,143	191,178	221,845	241,080	251,766	
189,110	191,579	290,987	332,767	301,277	321,301	
113,809	226,556	499,058	382,992	262,532	75,708	
3,269	120	8,243	6,372	11,817	7,263	
	8,279	(4,491,689)	99,170	(63,529)	(82,945)	
6,291,178	7,198,165	3,539,153	7,765,636	6,949,191	6,585,046	
			15,776	4,833	70,167	
16,482	23,033	60,490	86,962	60,812	20,449	
	1,266	(344)	1,444	1,709	1,505	
-	(8,279)	4,491,689	(99,170)	63,529	82,945	
16,482	16,020	4,551,835	5,012	130,883	175,066	
6,307,660	7,214,185	8,090,988	7,770,648	7,080,074	6,760,112	
4,133,902	806,605	(2,315,020)	1,131,835	24,733,475	38,250,900	
198,759	304,309	5,204,650	87,221	422,900	645,876	
4,332,661	1,110,914	2,889,630	1,219,056	25,156,375	38,896,776	
	\$ (4,815,000)					
	4,315,000					
138,408,048	70,826,373	734,051	49,492,697	(4,742,681)	-	
138,408,048	70,326,373	734,051	49,492,697	(4,742,681)	-	
	1,338,443		578,038	-	-	
-	1,338,443	-	578,038	-	-	
138,408,048	71,664,816	734,051	50,070,735	(4,742,681)	-	
142,541,950	71,132,978	(1,580,969)	50,624,532	19,990,794	38,250,900	
198,759	1,642,752	5,204,650	665,259	422,900	645,876	
142,740,709	72,775,730	3,623,681	51,289,791	20,413,694	38,896,776	
45,807,928	188,548,637	261,324,367	264,948,048	316,237,839	336,651,533	
\$ 188,548,637	\$ 261,324,367	\$ 264,948,048	\$ 316,237,839	\$ 336,651,533	\$ 375,548,309	

City of Maple Valley
Changes in Fund Balances - Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2000	2001	2002	2003
REVENUES				
Taxes				
Regular Property Tax	\$ 1,325,449	\$ 1,422,891	\$ 1,659,356	\$ 1,840,959
Sales Tax	1,383,329	1,493,347	1,641,536	1,777,238
Utility Tax	283,192	359,134	360,332	355,142
Real Estate Excise Tax	654,084	728,973	819,360	1,258,505
Gambling Tax	32,417	25,866	21,472	28,489
Total Taxes	3,678,471	4,030,211	4,502,056	5,260,333
Licenses & Permits	288,766	453,302	680,919	868,544
Intergovernmental Revenue	923,071	992,843	1,309,211	1,085,988
Charges for Service	717,987	1,207,807	1,176,512	2,007,711
Fines & Forfeitures	65,374	76,077	85,104	62,888
Miscellaneous Revenue	542,491	515,949	495,139	405,610
TOTAL REVENUES	6,216,160	7,276,189	8,248,941	9,691,074
Percent Growth	10%	17%	13%	17%
EXPENDITURES				
Current				
General Government	683,943	744,989	909,540	1,018,873
Community Development	378,488	529,842	609,101	626,581
Human Services	25,062	32,973	73,138	147,011
Parks & Recreation	24,287	16,979	103,624	698,268
Public Safety	1,555,674	1,658,086	1,824,167	1,798,950
Public Works	516,090	719,204	976,147	796,228
Capital Outlay	7,594,309	1,525,386	2,164,789	3,629,924
Debt Service				
Principal		50,000	210,000	229,725
Interest on Long-term Debt	147,300	528,705	367,080	357,006
TOTAL EXPENDITURES	10,925,153	5,806,164	7,237,586	9,302,566
Percent Growth	241%	-47%	25%	29%
REVENUES OVER (UNDER) EXPENDITURES	(4,708,993)	1,470,025	1,011,355	388,508
OTHER FINANCING SOURCES (USES)				
General Obligation Debt Proceeds	6,710,000		29,175	
Transfer In from (Out to) Enterprise Funds		(141,986)	(138,014)	
TOTAL OTHER FINANCING SOURCES (USES)	6,710,000	(141,986)	(108,839)	-
REVENUE AND OTHER SOURCES OVER (UNDER)	2,001,007	1,328,039	902,516	388,508
FUND BALANCE, January 1	5,815,082	7,816,089	9,144,128	10,046,644
FUND BALANCE, December 31				
Nonspendable - General Fund	4,469	5,375	5,375	7,129
Restricted - Special Revenue Funds	6,430,395	7,771,790	7,137,097	7,607,717
Unassigned - General Fund	1,381,225	1,366,963	2,904,172	2,820,306
TOTAL	\$ 7,816,089	\$ 9,144,128	\$ 10,046,644	\$ 10,435,152
Debt Service as % on non Capital Expenditures	4%	14%	11%	10%
Unassigned Fund Balance as % of Current Expenditures	43%	37%	65%	55%
Total Fund Balance as % of Total Expenditures	72%	157%	139%	112%

	2004	2005	2006	2007	2008	2009
\$	1,996,286	\$ 2,157,260	\$ 2,351,509	\$ 2,547,157	\$ 2,678,139	\$ 2,971,125
	2,034,736	2,035,201	2,258,415	2,313,211	2,119,678	1,865,487
	393,283	454,941	520,273	573,486	597,819	608,851
	1,389,636	1,931,398	1,880,733	1,252,081	761,174	528,117
	26,476	27,688	30,446	36,555	39,204	38,373
	5,840,417	6,606,488	7,041,376	6,722,490	6,196,014	6,011,953
	892,631	1,117,595	871,014	655,476	551,741	510,479
	1,941,261	1,050,231	4,652,946	5,103,822	2,852,527	1,915,853
	1,925,314	2,665,117	2,273,067	2,042,708	1,849,256	1,222,983
	70,007	55,112	92,810	77,701	110,401	105,261
	311,930	573,808	1,059,597	935,003	751,135	391,408
	10,981,560	12,068,351	15,990,810	15,537,200	12,311,074	10,157,937
	13%	10%	33%	-3%	-21%	-17%
	1,180,666	1,312,478	1,399,934	1,641,869	1,965,539	1,899,627
	805,102	725,670	819,959	850,330	952,929	987,742
	121,475	136,619	171,770	212,019	200,799	220,294
	853,933	926,017	1,109,681	1,424,527	1,366,646	1,387,051
	1,843,032	2,022,313	2,132,254	2,294,699	2,331,111	2,376,542
	1,033,301	1,126,804	890,639	974,976	1,282,523	1,328,019
	4,777,283	2,603,108	7,017,380	8,223,123	2,433,960	2,083,767
	244,725	369,725	369,803	418,595	474,668	524,621
	345,785	211,646	288,814	282,200	285,170	276,956
	11,205,302	9,434,380	14,200,234	16,322,338	11,293,345	11,084,619
	20%	-16%	51%	15%	-31%	-2%
	(223,742)	2,633,971	1,790,576	(785,138)	1,017,729	(926,682)
		1,421,250		1,396,500	479,250	-
		8,279	(4,491,689)	99,170	(31,561)	267,055
	-	1,429,529	(4,491,689)	1,495,670	447,689	267,055
	(223,742)	4,063,500	(2,701,113)	710,532	1,465,418	(659,627)
	10,435,152	10,211,410	14,274,910	11,573,797	12,284,329	13,749,747
	10,876	11,871	11,871	12,267	15,815	37,517
	6,803,969	10,076,599	9,043,827	8,994,595	10,904,549	10,439,971
	3,396,565	4,186,440	2,518,099	3,277,467	2,829,383	2,612,632
\$	10,211,410	\$ 14,274,910	\$ 11,573,797	\$ 12,284,329	\$ 13,749,747	\$ 13,090,120
	9%	9%	9%	9%	9%	9%
	58%	67%	39%	44%	35%	32%
	91%	151%	82%	75%	122%	118%

City of Maple Valley
Property Tax Data
Last Ten Years

	2000	2001	2002	2003
ASSESSED VALUE				
Assessed Value (2)	\$ 1,023,765,917	\$ 1,138,923,995	\$ 1,271,293,437	\$ 1,406,494,280
Increase in Assessed Valuation	9%	11%	12%	11%
Includes Local New Construction of	33,101,557	45,791,154	77,204,588	87,971,762
Includes Increased Public Utility Value	318,481	441,795	688,929	433,429
Total New Construction	33,420,038	46,232,949	77,893,517	88,405,191
PROPERTY TAX RATES (1)				
Direct Regular and Special				
City of Maple Valley	1.36	1.40	1.46	1.45
Overlapping Regular and Special				
State School Fund	3.30	3.15	2.99	2.90
King County General	1.69	1.55	1.45	1.35
King County Road	N/A	N/A	N/A	N/A
Port of Seattle	0.22	0.19	0.19	0.26
Emergency Medical Services (EMS)	0.27	0.25	0.25	0.24
Ferry District				
King County Flood Zone				
Rural Library District	0.59	0.56	0.53	0.55
Tahoma School District Special Levy	2.76	2.98	2.85	2.72
Tahoma School District Bond & Bldg	2.04	2.10	1.86	1.86
Fire District # 43	1.69	1.65	1.66	1.59
Sub Total Overlapping	12.56	12.42	11.78	11.46
Total Property Tax Levy	13.92	13.82	13.24	12.91
PROPERTY TAXES LEVIED AND COLLECTED (1)				
Property Taxes Levied				
Original Levy (2)	1,283,469	1,434,064	1,662,647	1,848,227
Adjustments	(5,125)	(1,473)	(2,368)	(5,419)
Revised Levy	1,278,344	1,432,591	1,660,279	1,842,808
Percent of Levy Change from Prior Year (PY)	3.4%	12.1%	15.9%	11.0%
% of Levy Change from PY Related to New Construction	2.4%	11.1%	14.9%	10.0%
Property Taxes Collected				
Collections as of the End of the Levy Year	1,245,822	1,399,809	1,622,764	1,803,855
Percent Collected as of the End of the Levy Year	97.5%	97.7%	97.7%	97.9%
Collections in Subsequent Years	32,522	32,782	37,515	38,953
Total Collections to Date	1,278,344	1,432,591	1,660,279	1,842,808
Percent Collected to Date	100.0%	100.0%	100.0%	100.0%
Current Amount Outstanding	-	-	-	-
Percent of Current Amount Outstanding by Year	0.0%	0.0%	0.0%	0.0%
Single Family Residential (SFR) Property Taxes				
Average Value of SFR		218,643	227,015	237,194
City Share of Property Taxes per SFR on PY Value		-	319	329
Total Property Taxes per SFR on PY Value			2,894	2,931
Percent Change from Prior Year (PY)				1.3%

(1) Tax rates are expressed in terms of dollars of tax per thousand dollars of assessed value. Tax rates are applied to previous year's assessed value to determine levy amount. Tax rates are for majority of City property tax parcels. Less than 5% of City parcels are in Public Hospital District #1 with an additional levy rate of \$.53 per \$1,000 of assessed valuation.

(2) 2009 includes the annexation of Maple Ridge with an initial assessed valuation of \$262,137,000 and tax levy of \$341,046.

	2004	2005	2006	2007	2008	2009
\$	1,576,123,000	\$ 1,794,055,783	\$ 2,015,609,742	\$ 2,293,057,004	\$ 2,579,005,968	\$ 2,446,394,927
	12%	14%	12%	14%	12%	-5%
	102,016,810	124,302,118	128,460,703	84,356,197	51,762,393	45,038,436
	218,001	-	-	2,261,297	-	-
	102,234,811	124,302,118	128,460,703	86,617,494	51,762,393	45,038,436
	1.42	1.37	1.31	1.26	1.17	1.08
	2.76	2.69	2.50	2.33	2.13	1.96
	1.43	1.38	1.33	1.29	1.21	1.10
	N/A	N/A	N/A	N/A	N/A	N/A
	0.25	0.25	0.23	0.23	0.22	0.20
	0.24	0.23	0.22	0.21	0.30	0.27
					0.06	0.05
					0.10	0.09
	0.54	0.53	0.53	0.50	0.45	0.42
	2.65	2.54	2.47	2.46	2.32	2.22
	1.85	1.26	1.21	1.71	1.55	1.44
	1.64	1.68	1.61	1.67	1.57	1.45
	11.37	10.56	10.09	10.40	9.91	9.20
	12.79	11.94	11.41	11.66	11.08	10.27
	1,995,604	2,161,149	2,353,676	2,547,157	2,680,754	2,768,113
	1,163	(2,200)	(1,139)	881	(773)	4,359
	1,996,767	2,158,949	2,352,537	2,548,038	2,679,980	2,772,472
	8.4%	8.1%	9.0%	8.3%	5.2%	3.5%
	7.4%	7.1%	8.0%	7.3%	4.2%	2.5%
	1,956,389	2,119,819	2,313,515	2,493,940	2,610,891	2,711,425
	98.0%	98.2%	98.3%	97.9%	97.4%	97.8%
	40,378	39,130	38,469	50,536	47,469	
	1,996,767	2,158,949	2,351,984	2,544,476	2,658,360	2,711,425
	100.0%	100.0%	100.0%	99.9%	99.2%	97.8%
	-	-	553	3,561	21,621	61,048
	0.0%	0.0%	0.6%	4.1%	24.9%	70.3%
	255,842	285,080	357,241	364,409	346,837	300,261
	336	351	374	452	426	373
	3,033	3,054	3,252	4,166	4,038	3,563
	3.5%	0.7%	6.5%	28.1%	-3.1%	-11.8%

**City of Maple Valley
Sales Tax Data
Last Ten Years**

	SIC Group	2000	2001	2002	2003
Sales Tax Revenue (Locally generated) (1)					
Retail Trade	441-454	\$ 346,966	\$ 360,489	\$ 400,307	\$ 418,633
Construction	236-238	256,715	348,913	443,631	497,249
Food Services, Drinking Places	722	100,752	106,397	113,214	125,845
Wholesale Trade	423-425	84,957	89,260	86,822	103,816
Telecommunication	517	57,046	58,460	53,775	63,298
Repair & Maintenance	811	33,668	36,818	33,215	38,284
Public Administration	922-926				
Rental & Leasing	532	35,488	45,448	46,451	50,504
Administrative and Support Services	561	37,231	31,079	39,625	44,082
Professional, Scientific & Technical Services	541				
Manufacturing	311-339	13,241	9,042	9,097	12,070
Arts Entertainment & Recreation	711-713	32,999	33,453	32,402	29,261
Finance and Insurance	521-525	16,075	30,577	36,738	37,239
All Other		104,004	62,424	67,841	70,616
		\$ 1,119,142	\$ 1,212,360	\$ 1,363,118	\$ 1,490,897
Overall Annual Percent Growth		15%	8%	12%	9%
Construction Percent Growth		2%	36%	27%	12%
Non Construction Percent Growth		19%	0%	6%	8%
Sales Tax Revenue (2)					
Maple Valley Storefront Businesses					
Businesses		136	137	140	149
Sales Tax		517,833	569,794	612,201	656,572
Maple Valley Home Occupancies					
Businesses		82	72	70	83
Sales Tax		22,846	21,440	21,446	29,154
Maple Valley Construction Contractors					
Businesses		83	93	115	121
Sales Tax		68,745	62,040	62,137	53,410
Other Construction Contractors					
Businesses		1,061	1,080	1,192	1,305
Sales Tax		187,970	286,873	381,494	443,839
Non Maple Valley Businesses					
Businesses		1,554	1,637	1,720	1,895
Sales Tax		321,748	272,213	285,840	307,922
Total					
Businesses		2,916	3,019	3,237	3,553
Sales Tax		\$ 1,119,142	\$ 1,212,360	\$ 1,363,118	\$ 1,490,897

- (1) Locally generated grouped by Standard Industrial Code (SIC). Additional sales tax is generated county-wide and distributed
(2) Maple Valley categorization by where business is located

	2004	2005	2006	2007	2008	2009	% of 2009	
\$	450,406	\$ 496,540	\$ 566,306	\$ 591,788	\$ 575,516	\$ 559,551	39%	
	647,361	554,219	576,577	503,399	376,299	235,090	16%	
	144,271	156,558	175,413	176,899	176,353	165,598	11%	
	110,161	108,060	110,603	119,020	100,462	88,004	6%	TRM
	67,923	80,797	74,846	80,193	80,524	78,691	5%	
	44,475	38,204	41,362	52,180	51,633	56,436	4%	Auto Services
					12,486	45,587	3%	Vehicle Leasing
	37,333	46,610	55,800	73,537	69,803	42,512	3%	Equip Leasing, Videos
	57,302	48,407	56,009	82,943	53,296	37,830	3%	Landscaping
		13,068	15,982	23,772	20,446	27,336	2%	
	12,979	16,134	25,006	13,898	21,651	26,429	2%	Construction Accessories
	26,639	27,481	26,016	18,443	32,936	21,480	1%	Golf Courses, Fitness
	30,786	32,682	30,294	27,820	18,814	15,395	1%	
	96,250	73,188	99,217	79,300	53,139	46,558	3%	
\$	1,725,886	\$ 1,691,948	\$ 1,853,431	\$ 1,843,192	\$ 1,643,358	\$ 1,446,497	100%	
	16%	-2%	10%	-1%	-11%	-12%		
	30%	-14%	4%	-13%	-25%	-38%		
	9%	5%	12%	5%	-5%	-4%		
								Average Change Last Ten Years
	164	161	168	163	152	148	1%	
	668,774	691,398	741,513	760,774	714,708	655,892	3%	
	92	95	110	130	138	126	5%	
	23,650	22,755	31,925	39,021	26,660	13,609	-4%	
	113	106	102	109	110	100	2%	
	66,733	90,614	45,760	57,542	44,955	22,847	-7%	
	1,440	1,413	1,384	1,521	1,435	1,401	3%	
	580,628	463,605	530,817	498,841	342,598	231,106	2%	
	2,053	2,170	2,300	2,570	3,508	3,887	15%	Vehicle sales, Leasing,
	386,101	423,576	503,416	487,014	514,437	523,043	6%	Telephone, Internet
	3,862	3,945	4,064	4,493	5,343	5,662	9%	
\$	1,725,886	\$ 1,691,948	\$ 1,853,431	\$ 1,843,192	\$ 1,643,358	\$ 1,446,497	3%	

‡ based on population for criminal justice programs

City of Maple Valley
Private Development Activity
Last Ten Years

	Type	Lots	Sq Ft	Preliminary	Project	2000	2001	2002	2003
				Plat	Completed				
Projects Completed in 2009									
Pebble Creek	SF	134		Sep-00	Jun-09				38
Total Projects Completed in 2009	-	134	-			-	-	-	38
City Approved Projects In Progress									
Iddings	SF	16		Mar-00				10	
Highlands @ Cedar Downs	SF	65		Mar-03					
Meadows @ Rock Creek	SF	241		May-03					
Glacier Point	SF	29		Dec-04					
Woodridge	SF	168		Dec-04					
Arbutus	SF	61		Jan-05					
Wilderness Point	SF	34		Feb-05					
Greenbrier Crest	SF	50		Feb-05					
Ridge @ Lake Wilderness	SF	11		Feb-05					
Whispering Meadows	SF	22		Apr-05					
Wilderness Hills Division 2	SF	22		Apr-05	Foreclosed				
Sun Ridge @ Elk Run Meadows 3	SF	75		May-05					
Chinquapin Junction	SF	30		May-05					
Haley's Terrace	SF	49		May-05					
Rogneby	SF	42		May-05					
Hathaway Glen	SF	46		Jul-05					
Logbrook	SF	60		Sep-05					
Maple Valley Gardens	SF	9		May-06					
Jakyla Place	SF	5		Jun-06					
Meadows @ Rock Creek Division 3	SF	34		Aug-06					
Mystic Meadows	SF	25		Sep-06					
Green Valley	SF	17		Sep-06					
Greenbrier Crest 2	SF	29		Oct-06					
Glacier Trails	SF	17		Dec-06					
Wylderness Heights	SF	6		Dec-06					
Arbors @ Rock Creek	SF	184		Jul-07					
Jordan's Crossing	SF	18		Jul-07	Foreclosed				
South Fork Maple Plat	SF	10		Jul-07	Foreclosed				
Malloy	SF	44		Oct-07					
Wilderness Hills 3	SF	22		Dec-07					
Four Corners Square	NC		152,403	May-08					
Wilderness Hills 4	SF	16		Sep-08					
Hayes Modular Office	NC		3,696	Mar-09					
Key Bank	NC		4,318	Dec-09					
Maple Valley Town Square	NC		258,116						
TRM Wood Products	NC		23,620						
JR Hayes Office Building	NC		46,800						
Other Previously Approved Plats	SF	221		Pre-Incorporation		7	14	16	18
Total Projects In Progress	41	1,766	488,953			7	14	26	18
Projects Completed in Prior Years	74	1,986	631,590			139	153	319	359
Total Projects Completed and in Progress	115	3,886	1,120,543			146	167	345	415
Last Ten Years						146	313	658	1,073

FR Single (SF) & Multi (MF) Family Residential
NC New Commercial

Housing Units						FR Preliminary
2004	2005	2006	2007	2008	2009	Plat Lots
36	16		2	41	1	-
36	16	-	2	41	1	-

Projects Completed in 2009

Pebble Creek

Total Projects Completed in 2009

City Approved Projects In Progress

						6	Iddings
		15	16	5		29	Highlands @ Cedar Downs
2	186	50			2	1	Meadows @ Rock Creek
		1	15	1	4	8	Glacier Point
		23	10	29	23	83	Woodridge
		1	36	12	6	6	Arbutus
		18	2		11	3	Wilderness Point
			7			43	Greenbrier Crest
			4			7	Ridge @ Lake Wilderness
						22	Whispering Meadows
						22	Wilderness Hills Division 2
				2	9	64	Sun Ridge @ Elk Run Meadows 3
		4	12	5	5	4	Chinquapin Junction
				1	4	44	Haley's Terrace
						42	Rogneby
						46	Hathaway Glen
						60	Logbrook
						9	Maple Valley Gardens
					4	1	Jakyla Place
						34	Meadows @ Rock Creek Division 3
						25	Mystic Meadows
					3	14	Green Valley
					4	25	Greenbrier Crest 2
					12	5	Glacier Trails
			1		1	4	Wylderness Heights
						184	Arbors @ Rock Creek
						18	Jordan's Crossing
						10	South Fork Maple Plat
						44	Malloy
						22	Wilderness Hills 3
						-	Four Corners Square
						16	Wilderness Hills 4
						-	Hayes Modular Office
						-	Key Bank
						-	Maple Valley Town Square
						-	TRM Wood Products
						-	JR Hayes Office Building
13	12	6	8	2	4	-	Other Previously Approved Plats
15	198	118	111	57	92	901	Total Projects In Progress
327	238	151	41	-	-	-	
378	452	269	154	98	93	901	
1,451	1,903	2,172	2,326	2,424	2,517		Total Projects Completed and in Progress Last Ten Years

City of Maple Valley
Principal Property Taxpayers & Employers
Ten Years Ago Compared to 2009
Latest Available Information

Taxpayer	Type	1999 (1)			2009		
		Assessed Valuation	Rank	% of AV	Assessed Valuation	Rank	% of AV
Four Corners LLC	Retail	\$ 13,950,350	1	1.5%	\$ 20,288,723	1	0.8%
Wilderness Village Apartments	Apartments	9,894,300	2	1.1%	17,109,000	2	0.7%
KRG Four Corner Square LLC	Developer				12,490,600	3	0.5%
Westlake / Maple Crossing	Apartments	9,955,400	4&5	1.1%	11,311,000	4	0.5%
Schneider Homes	Developer	2,417,000	10	0.3%	10,257,000	5	0.4%
Four Corners Northeast LFP	Developer				9,281,100	6	0.4%
CMBA No. 6/7	Retail	3,211,720	9	0.3%	8,332,500	7	0.3%
Puget Sound Energy	Utility	6,290,543	3	0.7%	8,073,866	8	0.3%
Hogate Properties	Retail	3,782,000	6	0.4%	7,997,000	9	0.3%
Wilderness Village Properties	Retail	3,730,000	7	0.4%	6,979,185	10	0.3%
Nickel & Company LLC	Retail	3,720,755	8	0.4%			
Subtotal - Ten Largest Taxpayers		56,952,068		6.1%	112,119,974		4.6%
All Other City Taxpayers		878,676,822		93.9%	2,334,274,953		95.4%
Total City Taxpayers		\$ 935,628,890		100.0%	\$ 2,446,394,927		100.0%

Major Employers

		<u>Employees</u>
Tahoma School District	Government	688
Safeway	Retail	200
JR Hayes & Sons, Inc	Construction	100
Quality Food Centers	Retail	87
MV Fire & Life Safety	Government	61
Western Asphalt	Construction	45
City of Maple Valley	Government	38
Gloria's Restaurant	Retail	37
Goodwill	Retail	31
Johnson's Home & Garden	Retail	30

City of Maple Valley
 Computation of Legal Debt Margin
 December 31, 2009

	Assessed Value	Rate	Debt Capacity	Debt Outstanding	Debt Margin
ASSESSED VALUE	\$ 2,446,394,927				
GENERAL PURPOSES					
Non-Voted Only					
Maximum Debt as a percent of Assessed Value		1.5%			
Non-Voted General Obligation Debt Capacity			36,695,924		
Less: Outstanding Non-Voted Debt				7,644,314	
Plus: Amount Available in Special Revenue for Debt Retirement					
Remaining Non-Voted Debt Capacity					29,051,610
Total Voted and Non Voted					
Maximum Debt as a percent of Assessed Value		2.5%			
Voted General Obligation Debt Capacity			61,159,873		
Less: Outstanding Voted Debt					
Less: Outstanding Non-Voted Debt				7,644,314	
Plus: Amount Available in Special Revenue for Debt Retirement				-	
Remaining Voted Debt Capacity					53,515,559
TOTAL GENERAL PURPOSES			61,159,873	7,644,314	53,515,559
UTILITY PURPOSES					
Voted					
Maximum Debt as a percent of Assessed Value		2.5%			
Voted General Obligation Debt Capacity			61,159,873		
Less: Outstanding Voted Debt					
Remaining Voted Debt Capacity					61,159,873
TOTAL UTILITY PURPOSES			61,159,873	-	61,159,873
PARKS AND OPEN SPACE AND CAPITAL FACILITIES ASSOCIATED WITH ECONOMIC DEVELOPMENT PURPOSES					
Voted					
Maximum Debt as a percent of Assessed Value		2.5%			
Voted General Obligation Debt Capacity			61,159,873		
Less: Outstanding Voted Debt					
Remaining Voted Debt Capacity					61,159,873
PARKS AND OPEN SPACE AND CAPITAL FACILITIES ASSOCIATED WITH ECONOMIC DEVELOPMENT PURPOSES			61,159,873	-	61,159,873
TOTAL CAPACITY			183,479,620		
CAPACITY UTILIZED				7,644,314	
LEGAL DEBT MARGIN					\$ 175,835,305

City of Maple Valley
 Computation of Direct and Overlapping Debt with Bonded Debt Ratios
 December 31, 2009

	Assessed Valuation	Debt	Percent Applicable to Maple Valley	Debt Applicable to Maple Valley
DIRECT DEBT				
City of Maple Valley	\$ 2,446,394,927			
General Obligation Bonds Payable		4,875,000		
Other General Obligation Debt		2,769,314		
Total General Long Term Debt		<u>7,644,314</u>		
Less: Amount Available in Special Revenue Fund for Debt Retirement		<u>-</u>		
Net Direct Debt		<u>7,644,314</u>	100.0%	<u>7,644,314</u>
OVERLAPPING DEBT				
King County	341,971,517,465	1,040,881,000	0.72%	7,480,191
Port of Seattle	341,971,517,465	357,315,000	0.72%	2,567,810
King County Library District	206,956,965,411	129,221,246	1.19%	1,534,459
Hospital District # 1	36,720,140,397	41,270,000	0.12%	50,258
Kent School District	18,187,738,178	233,140,531	0.10%	224,010
Tahoma School District	4,697,422,460	33,735,977	51.94%	17,524,109
Fire District # 43	4,663,420,373	<u>5,476,622</u>	52.70%	<u>2,886,089</u>
Total net overlapping debt		<u>1,841,040,376</u>		<u>32,266,926</u>
Total net direct and overlapping debt		<u>\$ 1,848,684,690</u>		<u>\$ 39,911,241</u>

Source: King County Assessor's Office and Finance Department

**City of Maple Valley
Comparative Regional Statistics
2000 Census Bureau Data (1)**

	City of Maple Valley	State of Washington	King County
Population	14,209	5,894,121	1,737,034
Median Age	32.3	35.3	35.7
Median Household Income	\$ 67,159	\$ 45,776	\$ 53,157
Unemployment Rate	2.59%	6.24%	4.48%
School Enrollment	32%	28%	27%
Bachelor's Degree or higher, % age 25+	32%	28%	40%

	Neighboring Cities of			
	Auburn	Kent	Renton	Covington
Population	40,279	79,325	49,894	13,768
Median Age	34.1	31.8	34.0	32.1
Median Household Income	\$ 39,208	\$ 46,046	\$ 45,820	\$ 63,711
Unemployment Rate	6.08%	5.69%	4.82%	4.58%
School Enrollment	25%	27%	24%	35%
Bachelor's Degree or higher, % age 25+	16%	24%	28%	25%

(1) Information obtained from US Census Bureau with help from King County Demographer

**City of Maple Valley
Maple Valley Statistics & Ratios
Last Ten Years**

	2000	2001	2002	2003
Population (April 1)	14,209	14,590	15,040	15,934
Personal Income (Estimate)				
Median Household Income Estimate (King County) (1)	56,677	57,495	58,673	59,400
Persons per Household	2.98	2.98	2.98	2.98
Per Capita Personal Income	19,019	19,294	19,689	19,933
Assessed Valuation	\$ 1,023,765,917	\$ 1,138,923,995	\$ 1,271,293,437	\$ 1,406,494,280
Net Direct Bonded Debt	\$ 6,709,137	\$ 6,660,000	\$ 6,450,000	\$ 6,455,700
Net Overlapping Debt	29,634,086	30,387,468	30,712,801	30,315,704
Total Net Direct & Overlapping Debt	\$ 36,343,223	\$ 37,047,468	\$ 37,162,801	\$ 36,771,404
City Employees	19.25	21.50	26.25	32.50
City and Contract Employees	28.46	31.96	34.34	39.32
Ratios				
Assessed value per capita	\$ 72,051	\$ 78,062	\$ 84,527	\$ 88,270
Net direct bonded debt per capita	\$ 472	\$ 456	\$ 429	\$ 405
Net direct and overlapping debt per capita	\$ 2,558	\$ 2,539	\$ 2,471	\$ 2,308
Ratio of net direct debt per capita to per capita personal inc	2.5%	2.4%	2.2%	2.0%
Ratio of net total debt per capita to per capita personal inco	13.4%	13.2%	12.5%	11.6%
Ratio of net direct bonded debt to assessed value	0.7%	0.6%	0.5%	0.5%
Ratio of net direct & overlapping debt to assessed value	3.5%	3.3%	2.9%	2.6%
City employees per 1000 population	1.4	1.5	1.7	2.0
City and Contract Employees 1000 population	2.0	2.2	2.3	2.5

	2004	2005	2006	2007	2008	2009
	16,280	17,870	19,140	20,020	20,480	22,794
	64,445	64,095	66,936	65,981	64,714	62,810
	2.95	2.95	2.95	2.96	2.96	2.96
	21,846	21,727	22,690	22,291	21,863	21,220
	\$ 1,576,123,000	\$ 1,794,055,783	\$ 2,015,609,742	\$ 2,293,057,004	\$ 2,579,005,968	\$ 2,446,394,927
	\$ 6,148,800	\$ 7,627,896	\$ 7,186,447	\$ 8,164,447	\$ 8,168,935	\$ 7,644,314
	32,689,103	32,768,001	32,768,001	32,550,412	33,469,125	32,266,926
	\$ 38,837,903	\$ 40,395,897	\$ 39,954,448	\$ 40,714,859	\$ 41,638,060	\$ 39,911,241
	35.50	38.20	39.20	38.10	38.00	39.00
	45.53	47.61	50.35	50.79	49.59	49.75
	\$ 96,813	\$ 100,395	\$ 105,309	\$ 114,538	\$ 125,928	\$ 107,326
	\$ 378	\$ 427	\$ 375	\$ 408	\$ 399	\$ 335
	\$ 2,386	\$ 2,261	\$ 2,087	\$ 2,034	\$ 2,033	\$ 1,751
	1.7%	2.0%	1.7%	1.8%	1.8%	1.6%
	10.9%	10.4%	9.2%	9.1%	9.3%	8.3%
	0.4%	0.4%	0.4%	0.4%	0.3%	0.3%
	2.5%	2.3%	2.0%	1.8%	1.6%	1.6%
	2.2	2.1	2.0	1.9	1.9	1.7
	2.8	2.7	2.6	2.5	2.4	2.2

**City of Maple Valley
Full Time Employee Equivalent History
Last Ten Years**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Employee Data										
City Employees										
City Manager	1.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00
City Attorney								1.00	1.00	1.00
City Clerk	2.50	3.50	3.50	3.75	4.25	4.50	4.50	4.50	4.50	4.50
Community Development	5.00	6.00	6.00	6.00	8.00	8.00	8.00	8.00	8.00	9.00
Finance	2.25	2.75	3.00	3.50	3.50	4.00	3.70	3.70	3.50	3.50
Parks & Recreation				2.00	5.75	6.00	4.50	5.50	4.60	5.00
Public Safety						1.00	1.00	1.00	1.00	1.00
Public Works	5.00	5.00	7.00	9.00	9.00	9.00	13.50	12.50	12.50	11.00
Total City Employees	15.75	19.25	21.50	26.25	32.50	35.50	38.20	39.20	38.10	38.00
Contractees										
City Attorney	0.75	0.75	0.80	0.87	0.84	0.91	0.96			
Municipal Court Judge	0.08	0.08	0.09	0.10	0.09	0.10	0.09	0.09	0.09	0.10
Court Clerks	0.68	0.68	0.75	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Police Officers (1)	11.00	11.00	11.00	11.00	11.00	10.00	10.00	10.00	10.00	10.00
Information Services Consultant	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.60	0.50	0.75
Total Full Time Equivalent Employees	28.46	31.96	34.34	39.32	45.53	47.61	50.35	50.79	49.59	49.75

City of Maple Valley
Operating Indicators by Function
Available from Last Ten Years

Function	2004	2005	2006	2007	2008	2009
Community Development						
Inspections	12,900	11,618	9,254	4,595	3,712	2,616
Parks & Recreation						
Events at Lake Wilderness Lodge	130	252	290	656	835	725
Park Rentals & Permits	87	125	129	125	479	681
City wide Community Events	7	8	9	10	9	11
Classes, Leagues, & Programs	3	7	16	23	25	25
Public Safety						
Dispatched Calls for Service	3,449	3,367	3,406	3,300	2,878	3,100
Crimes (Part 1 & 2)	1,067	929	918	943	914	1,200
Cases Closed	120	94	76	78	94	150

Sources: Various City Departments
Note: Indicators are not available for:
General Government
Human Services
Public Works

City of Maple Valley
Capital Asset Statistics by Function
Available from Last Ten Years

Function	2004	2005	2006	2007	2008	2009
Parks & Recreation						
Acres of Parks	127	127	288	288	288	288
Public Works						
Lane Miles	100	108	112	115	118	130
Surface Water Facilities	123	131	135	141	144	147

Sources: Various City Departments

Note: Indicators are not available for:

General Government

Community Development

Human Services

Public Safety - Service under contract, all assets owned by King County