

Washington State Auditor's Office
Financial Statements Audit Report

City of Woodland
Cowlitz County

Audit Period
January 1, 2009 through December 31, 2010

Report No. 1007398

Issue Date
March 26, 2012



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

March 26, 2012

Mayor and City Council
City of Woodland
Woodland, Washington

Report on Financial Statements

Please find attached our report on the City of Woodland's financial statements.

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

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Cowlitz County
January 1, 2009 through December 31, 2010**

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

**City of Woodland
Cowlitz County
January 1, 2009 through December 31, 2010**

Mayor and City Council
City of Woodland
Woodland, Washington

We have audited the financial statements of the City of Woodland, Cowlitz County, Washington, as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated February 27, 2012.

We conducted our audits 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.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

COMPLIANCE AND OTHER MATTERS

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

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

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

A handwritten signature in black ink, appearing to read "Brian Sonntag". The signature is fluid and cursive, with a large initial "B" and "S".

BRIAN SONNTAG, CGFM
STATE AUDITOR

February 27, 2012

Independent Auditor's Report on Financial Statements

City of Woodland Cowlitz County January 1, 2009 through December 31, 2010

Mayor and City Council
City of Woodland
Woodland, Washington

We have audited the accompanying financial statements of the City of Woodland, Cowlitz County, Washington, for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

As described in Note 1b to the financial statements, the City prepares its financial statements on the basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the City of Woodland, for the years ended December 31, 2010 and 2009, on the basis of accounting described in Note 1b.

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

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedules of Long-Term Debt are presented for

purposes of additional analysis as required by the prescribed BARS manual. These schedules are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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

BRIAN SONNTAG, CGFM
STATE AUDITOR

February 27, 2012

Financial Section

**City of Woodland
Cowlitz County
January 1, 2009 through December 31, 2010**

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2010
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2010
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Notes to Financial Statements – 2010 and 2009

SUPPLEMENTAL INFORMATION

Schedule of Long-Term Debt – 2010
Schedule of Long-Term Debt – 2009

Fund Resources and Uses Arising from Cash Transactions

For the Year Ended December 31, 2010

BARS CODE		Total for	001	105
		All Funds 1/	General Fund 001,002,003,101,102, 104,224,300,301,303, 304,305,307,%312, 319,320,321,322,323	Document Recording Fee
		Total Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
308.10	Reserved	\$1,408,348.36	\$830,985.13	\$0.00
308.80	Unreserved	\$2,546,915.69	\$1,275,482.82	\$13,511.82
388.80 or 588.80	Prior Period Adjustments	\$0.00	\$0.00	\$0.00
Revenues and Other Sources				
310	Taxes	\$2,832,781.94	\$2,801,385.28	\$6,000.00
320	Licenses and Permits	\$153,111.51	\$153,111.51	\$0.00
330	Intergovernmental	\$690,623.31	\$428,312.44	\$0.00
340	Charges for Goods and Services	\$2,826,342.90	\$270,010.76	\$0.00
350	Fines and Penalties	\$115,525.59	\$115,525.59	\$0.00
360	Miscellaneous	\$155,558.32	\$71,178.82	\$133.04
370	Capital Contributions	\$0.00	\$0.00	\$0.00
390	Other Financing Sources	\$2,238,894.83	\$1,896,170.83	\$0.00
Total Revenues and Other Financing Sources		\$9,012,838.40	\$5,735,695.23	\$6,133.04
Total Resources		\$12,968,102.45	\$7,842,163.18	\$19,644.86
Operating Expenditures:				
510	General Government	\$1,121,592.63	\$1,121,592.63	\$0.00
520	Public Safety	\$2,156,415.93	\$2,154,009.37	\$0.00
530	Physical Environment	\$2,101,196.24	\$18,708.91	\$0.00
540	Transportation	\$659,712.04	\$659,490.19	\$0.00
550	Economic Environment	\$276,570.25	\$227,570.25	\$10,000.00
560	Mental and Physical Health	\$1,296.48	\$1,296.48	\$0.00
570	Culture and Recreational	\$118,873.18	\$118,873.18	\$0.00
Total Operating Expenditures		\$6,435,656.75	\$4,301,541.01	\$10,000.00
591-593	Debt Service	\$715,947.04	\$322,737.88	\$0.00
594-595	Capital Outlay	\$635,848.34	\$250,215.45	\$0.00
Total Expenditures		\$7,787,452.13	\$4,874,494.34	\$10,000.00
597-599	Other Financing Uses	\$2,235,394.83	\$1,207,717.33	\$0.00
Total Expenditures and Other Financing Uses		\$10,022,846.96	\$6,082,211.67	\$10,000.00
Excess (Deficit) of Resources Over Uses		\$2,945,255.49	\$1,759,951.51	\$9,644.86
380	Nonrevenues (Except 384)	\$655,477.43	\$124,986.07	\$0.00
580	Nonexpenditures (Except 584)	\$796,852.03	\$323,514.12	\$0.00
Ending Cash and Investments:				
508.10	Reserved	\$1,163,350.41	\$768,561.78	\$0.00
508.80	Unreserved	\$1,640,530.48	\$792,861.68	\$9,644.86

1/ This column summarizes ALL reported funds, not just funds listed on this page

The Accompanying Notes Are An Integral Part Of This Statement.

City of Woodland
Fund Resources and Uses Arising from Cash Transactions

For the Year Ended December 31, 2010

BARS CODE		107	108	225
		Hotel/Motel Tax	Criminal Justice Funding	CLID#94-01/94-02
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
308.10	Reserved	\$22,354.91	\$15,190.85	\$206,222.36
308.80	Unreserved	\$0.00	\$0.00	\$275,695.50
388.80 or 588.80	Prior Period Adjustments	\$0.00	\$0.00	\$0.00
Revenues and Other Sources				
310	Taxes	\$25,396.66	\$0.00	\$0.00
320	Licenses and Permits	\$0.00	\$0.00	\$0.00
330	Intergovernmental	\$0.00	\$6,497.90	\$0.00
340	Charges for Goods and Services	\$0.00	\$0.00	\$0.00
350	Fines and Penalties	\$0.00	\$0.00	\$0.00
360	Miscellaneous	\$243.89	\$159.89	\$53,294.40
370	Capital Contributions	\$0.00	\$0.00	\$0.00
390	Other Financing Sources	\$0.00	\$0.00	\$0.00
Total Revenues and Other Financing Sources		\$25,640.55	\$6,657.79	\$53,294.40
Total Resources		\$47,995.46	\$21,848.64	\$535,212.26
Operating Expenditures:				
510	General Government	\$0.00	\$0.00	\$0.00
520	Public Safety	\$0.00	\$2,406.56	\$0.00
530	Physical Environment	\$0.00	\$0.00	\$0.00
540	Transportation	\$0.00	\$0.00	\$0.00
550	Economic Environment	\$39,000.00	\$0.00	\$0.00
560	Mental and Physical Health	\$0.00	\$0.00	\$0.00
570	Culture and Recreational	\$0.00	\$0.00	\$0.00
Total Operating Expenditures		\$39,000.00	\$2,406.56	\$0.00
591-593	Debt Service	\$0.00	\$0.00	\$259,516.76
594-595	Capital Outlay	\$0.00	\$0.00	\$0.00
Total Expenditures		\$39,000.00	\$2,406.56	\$259,516.76
597-599	Other Financing Uses	\$0.00	\$10,000.00	\$275,695.50
Total Expenditures and Other Financing Uses		\$39,000.00	\$12,406.56	\$535,212.26
Excess (Deficit) of Resources Over Uses		\$8,995.46	\$9,442.08	\$0.00
380	Nonrevenues (Except 384)	\$0.00	\$0.00	\$0.00
580	Nonexpenditures (Except 584)	\$0.00	\$0.00	\$0.00
Ending Cash and Investments:				
508.10	Reserved	\$8,995.46	\$9,442.08	\$0.00
508.80	Unreserved	\$0.00	\$0.00	\$0.00

1/ This column summarizes ALL reported funds, not just funds listed on this page
The Accompanying Notes Are An Integral Part Of This Statement.

City of Woodland
Fund Resources and Uses Arising from Cash Transactions

For the Year Ended December 31, 2010

BARS CODE		316	351	352
		SR-503 Improvements	Impact Fees: Fire	Impact Fees: Park
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
308.10	Reserved	\$62,853.74	\$16,042.98	\$121,005.99
308.80	Unreserved	\$0.00	\$0.00	\$0.00
388.80 or 588.80	Prior Period Adjustments	\$0.00	\$0.00	\$0.00
Revenues and Other Sources				
310	Taxes	\$0.00	\$0.00	\$0.00
320	Licenses and Permits	\$0.00	\$0.00	\$0.00
330	Intergovernmental	\$255,587.97	\$0.00	\$0.00
340	Charges for Goods and Services	\$0.00	\$5,610.00	\$2,232.00
350	Fines and Penalties	\$0.00	\$0.00	\$0.00
360	Miscellaneous	\$409.59	\$103.50	\$1,585.39
370	Capital Contributions	\$0.00	\$0.00	\$0.00
390	Other Financing Sources	\$0.00	\$0.00	\$0.00
Total Revenues and Other Financing Sources		\$255,997.56	\$5,713.50	\$3,817.39
Total Resources		\$318,851.30	\$21,756.48	\$124,823.38
Operating Expenditures:				
510	General Government	\$0.00	\$0.00	\$0.00
520	Public Safety	\$0.00	\$0.00	\$0.00
530	Physical Environment	\$0.00	\$0.00	\$0.00
540	Transportation	\$0.00	\$0.00	\$0.00
550	Economic Environment	\$0.00	\$0.00	\$0.00
560	Mental and Physical Health	\$0.00	\$0.00	\$0.00
570	Culture and Recreational	\$0.00	\$0.00	\$0.00
Total Operating Expenditures		\$0.00	\$0.00	\$0.00
591-593	Debt Service	\$0.00	\$0.00	\$0.00
594-595	Capital Outlay	\$222,254.07	\$0.00	\$0.00
Total Expenditures		\$222,254.07	\$0.00	\$0.00
597-599	Other Financing Uses	\$0.00	\$63,826.00	\$0.00
Total Expenditures and Other Financing Uses		\$222,254.07	\$63,826.00	\$0.00
Excess (Deficit) of Resources Over Uses		\$96,597.23	(\$42,069.52)	\$124,823.38
380	Nonrevenues (Except 384)	\$154,000.00	\$43,000.00	\$0.00
580	Nonexpenditures (Except 584)	\$0.00	\$0.00	\$0.00
Ending Cash and Investments:				
508.10	Reserved	\$250,597.23	\$930.48	\$124,823.38
508.80	Unreserved	\$0.00	\$0.00	\$0.00

1/ This column summarizes ALL reported funds, not just funds listed on this page
The Accompanying Notes Are An Integral Part Of This Statement.

City of Woodland
Fund Resources and Uses Arising from Cash Transactions

For the Year Ended December 31, 2010

BARS CODE		401	402	403
		Water Utility 226, % 302, % 312, 401, 408, % 411	Sewer Utility 227, % 302, % 312, 402, 407, % 411	Garbage Collection
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
308.10	Reserved	\$56,975.01	\$76,717.39	\$0.00
308.80	Unreserved	\$681,162.69	\$271,303.76	\$29,759.10
388.80 or 588.80	Prior Period Adjustments	\$0.00	\$0.00	\$0.00
Revenues and Other Sources				
310	Taxes	\$0.00	\$0.00	\$0.00
320	Licenses and Permits	\$0.00	\$0.00	\$0.00
330	Intergovernmental	\$225.00	\$0.00	\$0.00
340	Charges for Goods and Services	\$850,663.86	\$1,068,753.94	\$629,072.34
350	Fines and Penalties	\$0.00	\$0.00	\$0.00
360	Miscellaneous	\$20,554.74	\$7,329.51	\$565.55
370	Capital Contributions	\$0.00	\$0.00	\$0.00
390	Other Financing Sources	\$11,500.00	\$331,224.00	\$0.00
Total Revenues and Other Financing Sources		\$882,943.60	\$1,407,307.45	\$629,637.89
Total Resources		\$1,621,081.30	\$1,755,328.60	\$659,396.99
Operating Expenditures:			\$0.00	
510	General Government	\$0.00	\$0.00	\$0.00
520	Public Safety	\$0.00	\$0.00	\$0.00
530	Physical Environment	\$650,293.82	\$891,155.62	\$541,037.89
540	Transportation	\$110.93	\$110.93	\$0.00
550	Economic Environment	\$0.00	\$0.00	\$0.00
560	Mental and Physical Health	\$0.00	\$0.00	\$0.00
570	Culture and Recreational	\$0.00	\$0.00	\$0.00
Total Operating Expenditures		\$650,404.75	\$891,266.55	\$541,037.89
591-593	Debt Service	\$56,975.01	\$76,717.39	\$0.00
594-595	Capital Outlay	\$70,633.26	\$92,745.56	\$0.00
Total Expenditures		\$778,013.02	\$1,060,729.50	\$541,037.89
597-599	Other Financing Uses	\$281,761.00	\$315,051.00	\$81,344.00
Total Expenditures and Other Financing Uses		\$1,059,774.02	\$1,375,780.50	\$622,381.89
Excess (Deficit) of Resources Over Uses		\$561,307.28	\$379,548.10	\$37,015.10
380	Nonrevenues (Except 384)	\$166,087.18	\$147,387.09	\$20,017.09
580	Nonexpenditures (Except 584)	\$125,662.76	\$319,066.89	\$28,608.26
Ending Cash and Investments:				
508.10	Reserved	\$0.00	\$0.00	\$0.00
508.80	Unreserved	\$601,731.71	\$207,868.30	\$28,423.93

1/ This column summarizes ALL reported funds, not just funds listed on this page
The Accompanying Notes Are An Integral Part Of This Statement.

City of Woodland

FIDUCIARY FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2010

	Total for		350		412		801		802	
	All Funds 1/	Total Amount	School Impact Fees	Actual Amount	Utility Deposits	Actual Amount	Payroll Clearing Fund	Actual Amount	Claims Clearing Fund	Actual Amount
Beginning Cash and Investments	\$446,919.44	\$446,919.44	\$2,750.00	\$37,730.10	\$0.00	\$0.00	\$135,369.14	\$271,070.20	\$0.00	\$0.00
Prior Period Adjustments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Revenue and Other Financing Sources	\$11,562.49	\$11,562.49	\$11,000.00	\$562.49	\$562.49	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Resources	\$458,481.93	\$458,481.93	\$13,750.00	\$38,292.59	\$38,292.59	\$0.00	\$135,369.14	\$271,070.20	\$0.00	\$0.00
Expenditures And Other Financing Uses	\$13,750.00	\$13,750.00	\$13,750.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Excess (Deficit) of Resources Over Uses	\$444,731.93	\$444,731.93	\$0.00	\$38,292.59	\$38,292.59	\$0.00	\$135,369.14	\$271,070.20	\$0.00	\$0.00
Nonrevenues (Except 384)	\$8,070,061.51	\$8,070,061.51	\$0.00	\$27,334.32	\$27,334.32	\$0.00	\$1,850,931.03	\$6,191,796.16	\$0.00	\$0.00
Nonexpenditures (Except 584)	\$8,048,708.81	\$8,048,708.81	\$0.00	\$11,574.86	\$11,574.86	\$0.00	\$1,842,532.14	\$6,194,601.81	\$0.00	\$0.00
Ending Cash and Investments	\$466,084.63	\$466,084.63	\$0.00	\$54,052.05	\$54,052.05	\$0.00	\$143,768.03	\$268,264.55	\$0.00	\$0.00

1/ This column summarizes ALL reported funds, not just funds listed on this page

The Accompanying Notes Are An Integral Part Of This Statement.

MCAG NO. 0271

CITY OF WOODLAND
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2009

BARS CODE		Fund Number and Name 001/002/003-General		Fund Number and Name 104-Street	
		Budget	Actual	Budget	Actual
Beginning Net Cash and Investments					
308.10	Reserved				
308.80	Unreserved	29,211	29,211	56,255	56,255
Revenues and Other Sources					
310	Taxes	2,121,016	2,071,067	289,343	273,664
320	Licenses and Permits	290,400	227,269	5,000	150
330	Intergovernmental	244,483	225,314	124,450	111,710
340	Charges for Goods and Services	43,235	26,204	60,000	23,447
350	Fines and Forfeits	134,700	134,700	0	0
360	Miscellaneous	53,610	53,787	20,500	1,714
390	Other Financing Sources	1,089,740	1,081,182	230,000	195,044
Total Revenues and Other Sources		3,977,184	3,819,522	729,293	605,728
Total Resources		4,006,395	3,848,733	785,548	661,983
Operating Expenditures:					
510	General Government	1,139,970	1,150,038	0	0
520	Security of Person and Property	2,053,188	1,990,947	0	0
530	Physical Environment	15,637	14,876	0	0
540	Transportation	0	0	449,995	382,482
550	Economic Environment	285,928	241,280	0	0
560	Mental and Physical Health	1,272	1,226	0	0
570	Culture and Recreational	0	0	0	0
Total Operating Expenditures		3,495,995	3,398,366	449,995	382,482
591-93	Debt Service	10,384	10,384	0	0
594-96	Capital Outlay	92,134	84,688	9,300	9,928
Total Expenditures		3,598,513	3,493,439	459,295	392,410
597-599	Other Financing Uses	321,250	267,068	255,494	255,494
Total Expenditures and Other Financing Uses		3,919,763	3,760,506	714,789	647,904
Excess (Deficit) of Resources Over Uses		86,632	88,227	70,759	14,078
380	Nonrevenues (Except 384 & 388.80)	137,064	136,565	0	0
580	Nonexpenditures (Except 584 & 588.80)	171,089	174,963	0	0
Ending Net Cash and Investments					
508.10	Reserved	0	0	0	0
508.80	Unreserved	52,607	49,829	70,759	14,078

The Accompanying Notes are an Integral Part of this Statement

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MCAg NO. 0271

CITY OF WOODLAND
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2009

BARS CODE		Fund Number and Name		Fund Number and Name	
		401 - Water		402 - Sewer	
		Budget	Actual	Budget	Actual
	Beginning Net Cash and Investments				
308.10	Reserved				
308.80	Unreserved	240,990	240,990	246,855	246,855
	Revenues and Other Sources				
310	Taxes				
320	Licenses and Permits				
330	Intergovernmental	450	225		
340	Charges for Goods and Services	865,114	833,668	1,291,465	1,103,245
350	Fines and Forfeits				
360	Miscellaneous	15,200	17,810	21,200	11,987
390	Other Financing Sources	3,500	3,500	121,362	121,362
	Total Revenues and Other Sources	884,264	855,203	1,434,027	1,236,594
	Total Resources	1,125,254	1,096,192	1,680,882	1,483,449
	Operating Expenditures:				
510	General Government				
520	Security of Person and Property				
530	Physical Environment	715,422	634,037	1,014,646	828,907
540	Transportation				
550	Economic Environment				
560	Mental and Physical Health				
570	Culture and Recreational				
	Total Operating Expenditures	715,422	634,037	1,014,646	828,907
591-93	Debt Service	26,200	26,200	37,951	37,951
594-96	Capital Outlay	9,300	3,883	14,500	3,782
	Total Expenditures	750,922	664,120	1,067,097	870,640
597-599	Other Financing Uses	105,035	105,035	205,227	251,627
	Total Expenditures and Other Financing Uses	855,957	769,155	1,272,324	1,122,267
	Excess (Deficit) of Resources Over Uses	269,297	327,038	408,558	361,182
380	Nonrevenues (Except 384 & 388.80)	12,000	9,350	0	0
580	Nonexpenditures (Except 584 & 588.80)	132,510	121,211	276,205	276,206
	Ending Net Cash and Investments				
508.10	Reserved	0	0	0	0
508.80	Unreserved	148,787	215,177	132,353	84,976

The Accompanying Notes are an Integral Part of this Statement

MCAG NO. 0271

CITY OF WOODLAND
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2009

BARS CODE		Fund Number and Name 403 - Garbage		Fund Number and Name	
		Budget	Actual	Budget	Actual
	Beginning Net Cash and Investments				
308.10	Reserved				
308.80	Unreserved	955	955		
	Revenues and Other Sources				
310	Taxes				
320	Licenses and Permits				
330	Intergovernmental				
340	Charges for Goods and Services	616,550	630,771		
350	Fines and Forfeits				
360	Miscellaneous	1,330	1,083		
390	Other Financing Sources				
	Total Revenues and Other Sources	617,880	631,854	0	0
	Total Resources	618,835	632,808	0	0
	Operating Expenditures:				
510	General Government				
520	Security of Person and Property				
530	Physical Environment	524,068	516,095		
540	Transportation				
550	Economic Environment				
560	Mental and Physical Health				
570	Culture and Recreational				
	Total Operating Expenditures	524,068	516,095	0	0
591-93	Debt Service				
594-96	Capital Outlay				
	Total Expenditures	524,068	516,095	0	0
597-599	Other Financing Uses	77,470	77,470		
	Total Expenditures and Other Financing Uses	601,538	593,565	0	0
	Excess (Deficit) of Resources Over Uses	17,297	39,243	0	0
380	Nonrevenues (Except 384 & 388.80)	18,058	17,610		
580	Nonexpenditures (Except 584 & 588.80)	27,306	27,094		
	Ending Net Cash and Investments				
508.10	Reserved	0	0	0	0
508.80	Unreserved	8,049	29,759	0	0

The Accompanying Notes are an Integral Part of this Statement

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS
For the Year Ended December 31, 2009

Fund Type: SPECIAL REVENUE	Fund Number And Name 101 - Park		Fund Number And Name 102 - Library	
	Budget	Actual	Budget	Actual
Beginning Net Cash and Investments	60,469	60,469	38,398	38,398
Revenues and Other Financing Sources	199,570	195,544	1,200	1,367
Total Resources	260,039	256,013	39,598	39,765
Expenditures and Other Financing Uses	209,232	236,871	5,000	0
Excess (Deficit) of Resources Over Uses	50,807	19,142	34,598	39,765
Nonrevenues (Except 384)	5,800	5,235	0	0
Nonexpenditures (Except 584)	4,200	5,550	0	0
Ending Cash and Investments	52,407	18,827	34,598	39,765

Fund Type: SPECIAL REVENUE	Fund Number And Name 105 - Docmnt Record Fee		Fund Number And Name 107 - Hotel/Motel	
	Budget	Actual	Budget	Actual
Beginning Net Cash and Investments	25,612	25,612	36,470	36,470
Revenues and Other Financing Sources	10,200	7,900	42,400	28,885
Total Resources	35,812	33,512	78,870	65,355
Expenditures and Other Financing Uses	20,000	20,000	43,000	43,000
Excess (Deficit) of Resources Over Uses	15,812	13,512	35,870	22,355
Nonrevenues (Except 384)	0	0	0	0
Nonexpenditures (Except 584)	0	0	0	0
Ending Cash and Investments	15,812	13,512	35,870	22,355

Fund Type: SPECIAL REVENUE	Fund Number And Name 108 - Criminal Justice		Fund Number And Name	
	Budget	Actual	Budget	Actual
Beginning Net Cash and Investments	9,722	9,722	0	0
Revenues and Other Financing Sources	6,805	7,440	0	0
Total Resources	16,527	17,162	0	0
Expenditures and Other Financing Uses	8,005	1,971	0	0
Excess (Deficit) of Resources Over Uses	8,522	15,191	0	0
Nonrevenues (Except 384)	0	0	0	0
Nonexpenditures (Except 584)	0	0	0	0
Ending Cash and Investments	8,522	15,191	0	0

The Accompanying Notes Are An Intregal Part of This Statement

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS
For the Year Ended December 31, 2009

Fund Type: DEBT SERVICE	224 - 1994 P WTF Loans		225 - CLID #94-01/94-02	
	Budget	Actual	Budget	Actual
Beginning Net Cash and Investments	32,642	32,642	455,582	455,582
Revenues and Other Financing Sources	134,000	134,730	101,200	129,234
Total Resources	166,642	167,372	556,782	584,816
Expenditures and Other Financing Uses	128,583	128,584	110,100	102,898
Excess (Deficit) of Resources Over Uses	38,059	38,788	446,682	481,918
Nonrevenues (Except 384)	0	0	0	0
Nonexpenditures (Except 584)	0	0	0	0
Ending Cash and Investments	38,059	38,788	446,682	481,918

Fund Type: DEBT SERVICE	Fund Number And Name 226-CERB Loan (Water)		Fund Number And Name 227-CERB Loan (Sewer)	
	Budget	Actual	Budget	Actual
Beginning Net Cash and Investments	5,850	5,850	43	43
Revenues and Other Financing Sources	28,240	28,272	41,885	41,695
Total Resources	34,090	34,122	41,928	41,738
Expenditures and Other Financing Uses	34,150	34,150	41,885	41,883
Excess (Deficit) of Resources Over Uses	-60	-28	43	-146
Nonrevenues (Except 384)	6,200	6,220	20,000	214
Nonexpenditures (Except 584)	6,100	6,100	0	0
Ending Cash and Investments	40	92	20,043	69

Fund Type: CAPITAL PROJECTS	Fund Number And Name 300-Park Acq'n/Reserve		Fund Number And Name 301 - Capital Proj Reserve General	
	Budget	Actual	Budget	Actual
Beginning Net Cash and Investments	500,263	500,263	614,074	614,074
Revenues and Other Financing Sources	25,000	16,534	239,646	218,987
Total Resources	525,263	516,798	853,720	833,062
Expenditures and Other Financing Uses	94,384	94,384	274,127	274,127
Excess (Deficit) of Resources Over Uses	430,879	422,414	579,593	558,935
Nonrevenues (Except 384)	0	0	78,500	77,000
Nonexpenditures (Except 584)	0	0	37,000	27,000
Ending Cash and Investments	430,879	422,414	621,093	608,935

The Accompanying Notes Are An Intregal Part of This Statement

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2009

Fund Type: CAPITAL PROJECTS	Fund Number And Name 302 - Capital Proj Reserve Utilities		Fund Number And Name 303 - Fire Dept Reserve	
	Budget	Actual	Budget	Actual
Beginning Net Cash and Investments	450,366	450,366	67,664	67,664
Revenues and Other Financing Sources	27,850	19,167	55,720	55,237
Total Resources	478,216	469,533	123,384	122,901
Expenditures and Other Financing Uses	167,362	130,362	100,817	99,036
Excess (Deficit) of Resources Over Uses	310,854	339,171	22,567	23,864
Nonrevenues (Except 384)	122,255	127,252	0	0
Nonexpenditures (Except 584)	69,785	69,785	0	0
Ending Cash and Investments	363,324	396,638	22,567	23,864

Fund Type: CAPITAL PROJECTS	Fund Number And Name 304-Equipment Acq'n Reserve		Fund Number And Name 305-Downtown Revitalization	
	Budget	Actual	Budget	Actual
Beginning Net Cash and Investments	50,148	50,148	861	861
Revenues and Other Financing Sources	11,650	10,386	20	31
Total Resources	61,798	60,534	881	892
Expenditures and Other Financing Uses	31,000	0	800	0
Excess (Deficit) of Resources Over Uses	30,798	60,534	81	892
Nonrevenues (Except 384)	0	0	0	0
Nonexpenditures (Except 584)	0	0	0	0
Ending Cash and Investments	30,798	60,534	81	892

Fund Type: CAPITAL PROJECTS	Fund Number And Name 307 - Dike Rd Interchg Drainage		Fund Number And Name 312-Public Works Shop	
	Budget	Actual	Budget	Actual
Beginning Net Cash and Investments	449	449	149,774	149,774
Revenues and Other Financing Sources	3,786	3,838	4,400	3,344
Total Resources	4,235	4,288	154,174	153,118
Expenditures and Other Financing Uses	1,000	0	149,000	145,369
Excess (Deficit) of Resources Over Uses	3,235	4,288	5,174	7,749
Nonrevenues (Except 384)	0	0	0	0
Nonexpenditures (Except 584)	0	0	0	0
Ending Cash and Investments	3,235	4,288	5,174	7,749

The Accompanying Notes Are An Integral Part of This Statement

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2009

Fund Type: CAPITAL PROJECTS	Fund Number And Name 316-SR503 Improvements		Fund Number And Name 319 - Public Safety Facility Bond	
	Budget	Actual	Budget	Actual
Beginning Net Cash and Investments	109,750	109,750	96,129	98,129
Revenues and Other Financing Sources	3,900	3,877	92,226	82,760
Total Resources	113,650	113,627	188,355	180,889
Expenditures and Other Financing Uses	110,330	50,773	100,173	75,151
Excess (Deficit) of Resources Over Uses	3,320	62,854	88,182	105,738
Nonrevenues (Except 384)	0	0	0	0
Nonexpenditures (Except 584)	0	0	6,132	2,303
Ending Cash and Investments	3,320	62,854	82,050	103,435

Fund Type: CAPITAL PROJECTS	Fund Number And Name 320-TIB Sidewalk Project		Fund Number And Name 321 - Horseshoe Lake Trail	
	Budget	Actual	Budget	Actual
Beginning Net Cash and Investments	10,101	10,101	59,811	59,811
Revenues and Other Financing Sources	200	223	1,900	1,300
Total Resources	10,301	10,323	61,711	61,111
Expenditures and Other Financing Uses	10,000	10,000	51,000	51,000
Excess (Deficit) of Resources Over Uses	301	323	10,711	10,111
Nonrevenues (Except 384)	0	0	0	0
Nonexpenditures (Except 584)	0	0	0	0
Ending Cash and Investments	301	323	10,711	10,111

Fund Type: CAPITAL PROJECTS	Fund Number And Name 322 - Goerig Park Project		Fund Number And Name 323-Schurman Way Repair Proj	
	Budget	Actual	Budget	Actual
Beginning Net Cash and Investments	1,554	1,554	660,916	660,916
Revenues and Other Financing Sources	700	13	110,900	110,855
Total Resources	2,254	1,567	771,816	771,771
Expenditures and Other Financing Uses	2,254	1,564	65,254	63,973
Excess (Deficit) of Resources Over Uses	0	3	706,562	707,799
Nonrevenues (Except 384)	0	0	0	0
Nonexpenditures (Except 584)	0	0	0	0
Ending Cash and Investments	0	3	706,562	707,799

The Accompanying Notes Are An Integral Part of This Statement

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2009

Fund Type: CAPITAL PROJECTS	Fund Number And Name 350 - School Impact Fees		Fund Number And Name 351 - Fire Impact Fees	
	Budget	Actual	Budget	Actual
Beginning Net Cash and Investments	0	0	1,573	1,573
Revenues and Other Financing Sources	68,750	24,750	160,200	94,126
Total Resources	68,750	24,750	161,773	95,699
Expenditures and Other Financing Uses	68,750	22,000	69,033	68,995
Excess (Deficit) of Resources Over Uses	0	2,750	92,740	26,704
Nonrevenues (Except 384)	0	0	37,000	27,000
Nonexpenditures (Except 584)	0	0	38,500	37,661
Ending Cash and Investments	0	2,750	91,240	16,043

Fund Type: CAPITAL PROJECTS	Fund Number And Name 352- Park Impact Fees		Fund Number And Name	
	Budget	Actual	Budget	Actual
Beginning Net Cash and Investments	107,083	107,083		
Revenues and Other Financing Sources	7,348	13,923		
Total Resources	114,431	121,006	0	0
Expenditures and Other Financing Uses	109,186	0		
Excess (Deficit) of Resources Over Uses	5,245	121,006	0	0
Nonrevenues (Except 384)	0	0	0	0
Nonexpenditures (Except 584)	0	0	0	0
Ending Cash and Investments	5,245	121,006	0	0

Fund Type: ENTERPRISE FUNDS	Fund Number And Name 407 - Restroom Project		Fund Number And Name 408 - Water Pumping Treatment	
	Budget	Actual	Budget	Actual
Beginning Net Cash and Investments	201,697	201,697	8,966	4,057
Revenues and Other Financing Sources	77,990	78,755	46,060	9,067
Total Resources	279,687	280,452	55,026	13,125
Expenditures and Other Financing Uses	279,687	218,378	54,966	12,069
Excess (Deficit) of Resources Over Uses	0	62,074	60	1,055
Nonrevenues (Except 384)	0	0	0	0
Nonexpenditures (Except 584)	0	0	0	0
Ending Cash and Investments	0	62,074	60	1,055

The Accompanying Notes Are An Integral Part of This Statement

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2009

Fund Type: ENTERPRISE FUNDS	Fund Number And Name 409 - Bond Reserve Fund		Fund Number And Name 411-Water Main Reburb Project	
	Budget	Actual	Budget	Actual
Beginning Net Cash and Investments	27,691	27,691	309,887	309,887
Revenues and Other Financing Sources	1,500	986	7,000	11,025
Total Resources	29,191	28,677	316,887	320,912
Expenditures and Other Financing Uses	5,000	28,677	0	0
Excess (Deficit) of Resources Over Uses	24,191	0	316,887	320,912
Nonrevenues (Except 384)	0	0	0	0
Nonexpenditures (Except 584)	0	0	0	0
Ending Cash and Investments	24,191	0	316,887	320,912

Fund Type: AGENCY FUND	Fund Number And Name 412 - Utility Deposits		Fund Number And Name 641 - Cash Bond Trust	
	Budget	Actual	Budget	Actual
Beginning Net Cash and Investments	32,655	32,655	0	0
Revenues and Other Financing Sources	800	1,295	0	0
Total Resources	33,455	33,950	0	0
Expenditures and Other Financing Uses	0	0	0	0
Excess (Deficit) of Resources Over Uses	33,455	33,950	0	0
Nonrevenues (Except 384)	24,661	25,631	0	0
Nonexpenditures (Except 584)	22,033	21,851	0	0
Ending Cash and Investments	36,083	37,730	0	0

Fund Type: AGENCY FUND	Fund Number And Name 801 - Payroll Clearing		Fund Number And Name 802 - Claims Clearing	
	Budget	Actual	Budget	Actual
Beginning Net Cash and Investments	0	149,813	0	317,244
Revenues and Other Financing Sources	0	0	0	0
Total Resources	0	149,813	0	317,244
Expenditures and Other Financing Uses	0	0	0	0
Excess (Deficit) of Resources Over Uses	0	149,813	0	317,244
Nonrevenues (Except 384)	0	3,137,348	0	4,481,409
Nonexpenditures (Except 584)	0	3,151,793	0	4,527,583
Ending Cash and Investments	0	135,369	0	271,070

The Accompanying Notes Are An Intregal Part of This Statement

CITY OF WOODLAND

NOTES TO FINANCIAL STATEMENTS

January 1, 2009 through December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City reports financial activity using the revenue and expenditure classifications, statements, and schedules contained in the Cash Basis Budgeting, Accounting and Reporting System (BARS) manual. This basis of accounting and reporting is another comprehensive basis of accounting (OCBOA) that is prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW.

The City of Woodland was incorporated on March 26, 1906 and operates under the laws of the State of Washington applicable to optional code cities (Title 35A RCW). All code cities have statutory authorization to exercise the powers of initiative and referendum but must formally adopt these powers before they are available. The City of Woodland formally adopted these powers as set forth in RCW 35A.11 by Ordinance 333 in 1970.

The city is a general purpose government and provides major types of services such as: public safety, fire protection, street improvements, parks, and general administrative services. In addition, the city operates a sewer and water system; and contracts for the garbage service. The City uses single-entry, cash basis of accounting which is a departure from generally accepted accounting principles (GAAP).

A. Fund Accounting

The accounts of the city are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of single-entry accounts that comprises its cash, investments, revenues and expenditures, as appropriate. The city's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types used by the city:

GOVERNMENTAL FUND TYPES:

General Fund

This fund is the primary operating fund of the City. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds (Funds in the 100 series and certain funds in the 400 series)

These funds account for revenues that are legally restricted or designated to finance particular activities of the City.

Debt Service Funds

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

Capital Projects Funds

These funds account for financial resources which are restricted, committed or assigned for the acquisition or construction of capital facilities or other capital assets.

Permanent Funds

These funds account for financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support programs for the benefit of the government or its citizenry.

PROPRIETARY FUND TYPES:

Enterprise Funds

These funds account for operations that provide goods and services to the general public and are supported primarily through user charges for certain types of services, for example, water and sewer.

FIDUCIARY FUND TYPES:

Agency Funds

These funds are used to account for cash and other assets received and held by the city acting in the capacity of custodian.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Revenues are recognized only when cash is received and expenditures are recognized when paid, including those properly chargeable against the report year's budget appropriations as required by state law.

In accordance with state law the City also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased.

The basis of accounting described above represents a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

C. Budgets

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting. The appropriated and actual expenditures for the legally adopted budgets were as follows:

Description	Budget	Fiscal	Balance
001 General Fund	4,095,787.00	4,072,581.54	23,205.46
101 Park	206,748.00	191,024.55	15,723.45
102 Library	41,365.00	2,379.34	38,985.66
104 Street	823,337.00	719,612.20	103,724.80
105 Document Recording Fee	19,612.00	10,000.00	9,612.00
107 Hotel/Motel Tax	56,555.00	39,000.00	17,555.00
108 Criminal Justice	21,941.00	12,406.56	9,534.44
224 PWTF 1994 loans	172,188.00	126,287.73	45,900.27
225 CLID 94-01/94-02	540,873.00	535,212.25	5,660.75
226 CERB Loan: Water	130,700.00	62,358.33	68,341.67
227 CERB Loan: Sewer	130,714.00	83,686.95	47,027.05
300 Park Acqn/Imprvmt	425,914.00	81,950.25	343,963.75
301 Capital Reserve: General	1,066,327.00	811,340.31	254,986.69
302 Capital Reserve: Utilities	544,150.00	323,224.00	220,926.00
303 Fire Reserve	75,764.00	66,700.00	9,064.00
304 Equipment Acqn Reserve	73,559.00	0.00	73,559.00
305 Downtown Revitalization	940.00	0.00	940.00
307 Dike Rd Interchange drainage	5,418.00	0.00	5,418.00
312 Public Works Shop	31,849.00	332.78	31,516.22
316 SR503 Improvements	472,864.00	222,254.07	250,609.93
319 Public Safety Facility	203,204.00	200,831.79	2,372.21
320 Sidewalk Project	300.00	0.00	300.00
320 Horseshoe Lake Park Trail	12,500.00	0.00	12,500.00
323 Schurman Way & Roundabouts	773,100.00	132,907.15	640,192.85
350 Impact Fees: School	13,750.00	13,750.00	0.00
351 Impact Fees: Fire	64,753.00	63,826.00	927.00
352 Impact Fees: Park	126,470.00	0.00	126,470.00
401 Water	1,150,179.00	961,355.52	188,823.48
402 Sewer	1,575,359.00	1,405,680.99	169,678.01
403 Garbage/Recycling	679,399.00	650,990.15	28,408.85
407 Restroom Project	62,474.00	43,756.52	18,717.48
407 Restroom Project	1,065.00	0.00	1,065.00
411 Water Main Street Refurbishment	323,412.00	0.00	323,412.00
412 Utility Deposits	59,330.00	11,574.86	47,755.14
Grand Total	13,981,900.00	10,845,023.84	3,136,876.16

The Clerk-Treasurer is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, or other conditions of employment must be approved by the city council.

D. Cash

It is the city's policy to invest all temporary cash surpluses. The amount is included in the net cash and investments shown on the statements of fund resources and uses arising from cash transactions. The interest on these investments is prorated to the various funds.

E. Deposits

The city's deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission.

F. Investments

As required by state law, all deposits and investments of the city's funds are in the State Treasurer's Investment Pool (LGIP) or deposits with Washington State banks and savings and loan institutions. (See Note #3).

G. Capital Assets

Capital assets are long-lived assets of the city and are recorded as expenditures when purchased.

H. Compensated Absences

Unless otherwise approved by the Mayor, a maximum of one (1) year accrued vacation plus the unused vacation accrual of the current anniversary year may be carried over. However, at the end of any anniversary year, any annual leave balance above the unused vacation accrual of the current anniversary plus a maximum of one (1) year will lapse; that is, an employee at the beginning of any anniversary year shall have no more than two (2) years accrued vacation. It is payable at the current rate of pay upon resignation, retirement or death.

Sick leave is accrued up to 1,600 hours. Sick leave can be used for paid time off for the illness of the employee or a dependent, hospitalization, or outpatient medical care, medical quarantine, personal dental care, or death of a member of the employee's immediate family. Upon resignation, termination, retirement or death, an employee (or a deceased employee's beneficiary) shall receive payment equal to twenty-five percent (25%) of such employee's then accrued and unused sick leave hours at the employee's last hourly rate of pay; provided, however, that under no circumstances may an employee's payment for accumulated sick leave and vacation leave when combined exceed two hundred forty (240) hours.

Compensatory time is earned by union employees with a maximum accrual of 48 hours. It shall be taken within a reasonable amount of time, but no more than twelve months after it is earned, unless the Department Head or Mayor determines that such would be unduly disruptive to the City's operations. In the event of separation of an employee, any accumulated compensatory time shall be paid at the employee's current rate of pay.

Outstanding balances for Compensated Absences that would be due upon separation of service are included on Schedule 9 – Schedule of Long Term Debt. The BARS codes for redemption of these costs vary depending on the department or departments the employee has been assigned to work in and could be allocated to several at the time of payment.

I. Long-Term Debt

See Note #6.

J. Other Financing Sources/Uses

The City's "Other Financing Sources/Uses" consist of the following for 2010 Interfund transactions:

- a. Transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the city.
- b. Transfers to support the operations of other funds are recorded as "Operating Transfers" and classified with "Other Financing Sources or Uses."

K. Risk Management

The City is a member of the Cities Insurance Association of Washington. Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.43 RCW, the Interlocal Cooperative Act. The pool was formed on September 1, 1988 when 34 cities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of August 31, 2010, the CIAW had 88 regular members and 180 associate members. Effective September 1, 2010, all members of the CIAW are full members. The City of Woodland entered into a contract with CIAW and became a member of the pool commencing May 6, 1989.

The pool provides the following forms of joint self-insurance and excess coverage for its members: Property, including automobile comprehensive and collision, equipment breakdown and crime protection, and liability, including general, automobile and wrongful acts, are included to fit members' various needs.

The pool acquires liability insurance through St. Paul Fire & Marine Insurance Company (Travelers) Munich Reinsurance America that is subject to a per-occurrence deductible of \$100,000. Members are responsible for the first \$1,000 of the deductible amount of each claim, while the pool is responsible for the remaining \$99,000. Insurance carriers cover insured losses over \$100,000 to the limits of each policy. Since the pool is a cooperative program, there is a joint liability among the participating members towards the sharing of the \$99,000 portion

of the deductible. The pool also purchases a Stop Loss Policy in the amount of \$3,200,000 to cap the total claims paid by the pool in any one year.

Property insurance is subject to a per-occurrence deductible of \$10,000. Members are responsible for the first \$1,000 of the deductible amount of each claim, while the pool is responsible for the remaining \$9,000.

Boiler and machinery insurance is subject to a per occurrence deductible of \$2,500. Members are responsible for the deductible amount of each claim.

Members contract to remain in the pool for a minimum of one year, and must give notice before August 31 terminating participation for the following September 1. The interlocal Agreement is renewed automatically for each year. In the event of termination, a member is still responsible for contributions to the pool for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

A board of ten members is selected by the membership from three geographic areas of the state on a staggered term basis and is responsible for conducting the business affairs of the pool. The pool has no employees, but has contracted with a third-party administrator, Canfield, to perform the daily administration of the pool, including account education, risk management and loss control, and claims administration.

L. Reserved Fund Balance

The City of Woodland may disclose reserved fund balances on the financial statements in certain funds if needed or required by grant, loans, etc.

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

There have been no material violations of finance-related legal or contractual provisions. There have been no expenditures exceeding legal appropriations in any of the funds of the City.

NOTE 3 - INVESTMENTS

The City's investments are either insured, registered or held by the city or its agent in the city's name. The investments are presented at cost and reconcile with Schedule 12.

Investments by type at December 31 are as follows:

<u>Type of Investment</u>	<u>2010 Balance</u>	<u>2009 Balance</u>
L.G.I.P.	\$ 10,273.13	\$ 100,472.31
U.S. Bank	2,912,194.39	4,125,368.32
Columbia Bank	<u>347,498.00</u>	<u>176,342.86</u>
Total	<u>\$3,269,965.52</u>	<u>\$4,402,183.49</u>

NOTE 4 - PROPERTY TAXES

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed at the end of each month.

Property tax revenues are recognized when cash is received by the City. Delinquent taxes are considered fully collectible because a lien affixes to the property when taxes are levied.

The City's regular levy for 2009 was \$1.92087 per \$1,000 on an assessed valuation of 561,473,085 in Cowlitz County, and 7,953,218 in Clark County, for a combined total of 569,426,303 for a regular total levy of \$1,093,794.

The City's regular levy for 2010 was \$1.882207 per \$1,000 on an assessed valuation of 586,538,739 in Cowlitz County, and 6,776,726 in Clark County, for a combined total of 593,315,465 for a regular total levy of \$1,116,742.

NOTE 5 - INTERFUND LOANS AND ADVANCES

The following table displays interfund loan activity during 2009:

Ord #	Borrowing Fund	Lending Fund	Balance 1/1/2009	New Loans	Repayments	Balance 12/31/2009
1082/1106/1129	226	302	49,500	28,100	6,100	71,500
1114/1138	001	301	100,000		40,000	60,000
1139	351	301	10,000	27,000	37,000	0
1150&1174	227	302	0	41,685	0	41,685
	TOTALS		159,500	96,785	83,100	173,185

The following table displays interfund loan activity during 2010:

Ord #	Borrowing Fund	Lending Fund	Balance 1/1/2010	New Loans	Repayments	Balance 12/31/2010
1082/1106/1129	226	302	71,500			71,500
1167	226	302	28,100		28,100	0
1150&1174	227	302	41,685	0	41,685	0
1189/1209	316	301	0	154,000		154,000
1201	351	301	0	43,000		43,000
1114/1138/1181	001	301	60,000	(60,000)		0
	TOTALS		201,285	137,000	69,785	268,500

NOTE 6 - LONG TERM DEBT

A. LONG TERM DEBT

The accompanying Schedule of Long-term Debt provides a listing of the outstanding debt of the city and summarizes the city's debt transactions for 2010. The service requirements, including interest, are as follows:

Outstanding Debt totals by year:				
Year	General Obligation Debt	Revenue Bonded Debt	Other Debt	2010 TOTAL Debt
2010	241,531	506,060	80,000	827,591
2011	241,075	478,648	80,000	799,723
2012	235,593	473,960	85,000	794,554
2013	234,427	469,272	0	703,700
2014	233,261	464,584		697,846
2015-2019	358,655	1,761,116	0	2,119,771
2020-2024	62,880	350,206	0	413,086
TOTALS	1,607,422	4,503,847	245,000	6,356,269

B. SPECIAL ASSESSMENT DEBT

Assessment debt is excluded from the amortization schedule above because debt service requirements for special assessment bonds will be met by the collection of assessments receivable that have been levied against property owners. The assessments are liens against the property and subject to foreclosure.

The beginning outstanding debt as of 01/01/09 was \$325,000 with zero (0) issued. The amount redeemed was \$80,000 leaving an ending outstanding balance of \$245,000.

The beginning outstanding debt as of 01/01/10 was \$245,000 with zero (0) issued. The amount redeemed was \$245,000 leaving an ending outstanding balance of \$0. The City issued an early call to the bond holders. However there are still remaining assessments payable in fund 225 CLID until 2015 from the property owners in this assessment area.

NOTE 7 - PENSION PLANS

Substantially all city full-time and qualifying part-time employees participate in one of the following statewide local government retirement systems administered by the State of Washington Department of Retirement Systems, under cost-sharing multiple-employer public employee retirement systems. Actuarial information is on a system-wide basis and is not considered pertinent to the city's financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits. The City participates in the Public Employees Retirement Systems (PERS 1 and PERS 2) and Law Enforcement Officers and Firefighters (LEOFF 1 and LEOFF 2).

The City of Woodland also participates in the Washington State Volunteer Firemen Relief and Pension Fund.

Historical trend or other information regarding each plan is presented in the State Department of Retirement Systems 2010 annual financial report. A copy of this report may be obtained at:

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

NOTE 8 - DEFERRED COMPENSATION PLAN

The city offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is with the State of Washington Department of Retirement Systems Committee for Deferred Compensation. The plan, available to eligible employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

In June, 1998 the State of Washington Deferred Compensation Program plan assets were placed into trust for the exclusive benefit of participants and their beneficiaries. Pursuant to Governmental Accounting Standards Board (GASB) Statement 32, since the City is no longer the owner of these assets, as of 12-31-98, the plan assets and liabilities are no longer reported as an Agency Fund.

NOTE 9 - CLAIMS AND JUDGMENTS

It is the general policy of the city council to formally reject all claims filed against the city and refer them to the Cities Insurance Association through Canfield & Associates, Inc., the third party administrator for the pool.

NOTE 10 - CONTINGENCIES AND LITIGATION

In the opinion of management, the city's insurance policies are adequate to pay all known or pending claims. The city participates in a number of federal and state-assisted programs. These grants are outlined on Schedule 16 and are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. The city management believes that such disallowances, if any, will be immaterial.



ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service.

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

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Deputy Chief of Staff
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