



**Washington State Auditor's Office**

**Troy Kelley**

**Integrity • Respect • Independence**

**Financial Statements and Federal Single Audit  
Report**

**City of Woodland**

**Cowlitz County**

**For the period January 1, 2013 through December 31, 2013**

**Published September 25, 2014**

**Report No. 1012691**





**Washington State Auditor  
Troy Kelley**

September 25, 2014

Mayor and City Council  
City of Woodland  
Woodland, Washington

**Report on Financial Statements and Federal Single Audit**

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

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

Sincerely,

TROY KELLEY  
STATE AUDITOR

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Cowlitz County  
January 1, 2013 through December 31, 2013**

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# Federal Summary

**City of Woodland  
Cowlitz County  
January 1, 2013 through December 31, 2013**

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

## ***FINANCIAL STATEMENTS***

An unmodified opinion was issued on the financial statements.

### ***Internal Control Over Financial Reporting:***

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

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

## ***FEDERAL AWARDS***

### ***Internal Control Over Major Programs:***

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

We issued an unmodified opinion on the City's compliance with requirements applicable to its major federal program.

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

***Identification of Major Programs:***

The following was a major program during the period under audit:

<u>CFDA No.</u>	<u>Program Title</u>
20.205	Highway Planning and Construction Cluster - Highway Planning and Construction

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

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

## Status of Prior Audit Findings

**City of Woodland  
Cowlitz County  
January 1, 2013 through December 31, 2013**

The status of findings contained in the prior years' audit reports of the City of Woodland is provided below:

**1. The City should continue to improve internal controls over accounting and financial statement preparation to ensure accurate reporting.**

Report No. 1010549, dated September 9, 2013

### **Background**

The City's internal controls were not sufficient to ensure accurate financial reporting. We identified deficiencies in internal controls, including a lack of a process to ensure the financial statements were completed in accordance with the *Budgeting Accounting and Reporting System* (BARS) manual and no independent review of the financial statements.

### **Status**

The City has partially corrected this finding. The City implemented internal controls to address the concerns noted. However, during the current audit we noted concerns with the City's process of preparing supplemental schedules which we have communicated to management. We will review the City's progress during our next audit.

**Independent Auditor's Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

**City of Woodland  
Cowlitz County  
January 1, 2013 through December 31, 2013**

Mayor and City Council  
City of Woodland  
Woodland, Washington

We have audited, 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, the financial statements of the City of Woodland, Cowlitz County, Washington, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated September 19, 2014.

We issued an unmodified opinion on the fair presentation of the City's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the City using accounting practices prescribed or permitted by Washington State statutes and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***INTERNAL CONTROL OVER FINANCIAL REPORTING***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

In addition, we noted certain matters that we have reported to the management of the City in a separate letter dated September 19, 2014.

## ***COMPLIANCE AND OTHER MATTERS***

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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*.

## ***PURPOSE OF THIS REPORT***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. 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.



**TROY KELLEY**  
STATE AUDITOR

September 19, 2014

# **Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance in Accordance with OMB Circular A-133**

**City of Woodland  
Cowlitz County  
January 1, 2013 through December 31, 2013**

Mayor and City Council  
City of Woodland  
Woodland, Washington

## ***REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM***

We have audited the compliance of the City of Woodland, Cowlitz County, Washington, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013. The City's major federal programs are identified in the accompanying Federal Summary.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the City's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

### ***REPORT ON INTERNAL CONTROL OVER COMPLIANCE***

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***PURPOSE OF THIS REPORT***

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. 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 cursive script that reads "Troy X. Kelley".

**TROY KELLEY**  
STATE AUDITOR

September 19, 2014

# Independent Auditor's Report on Financial Statements

## City of Woodland Cowlitz County January 1, 2013 through December 31, 2013

Mayor and City Council  
City of Woodland  
Woodland, Washington

### ***REPORT ON THE FINANCIAL STATEMENTS***

We have audited the accompanying financial statements of the City of Woodland, Cowlitz County, Washington, for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's financial statements, as listed on page 15.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)***

As described in Note 1, the City of Woodland has prepared these financial statements using accounting practices prescribed or permitted by Washington State statutes and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

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 year ended December 31, 2013, on the basis of accounting described in Note 1.

***Basis for Adverse Opinion on U.S. GAAP***

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. The effects on the financial statements of the variances between GAAP and the accounting practices the City used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

***Adverse Opinion on U.S. GAAP***

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Woodland, as of December 31, 2013, or the changes in financial position or cash flows for the year then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

***Other Matters***

***Supplementary and Other Information***

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The accompanying Schedule of Liabilities is also 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

***OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2014 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



**TROY KELLEY**  
STATE AUDITOR

September 19, 2014

# Financial Section

**City of Woodland  
Cowlitz County  
January 1, 2013 through December 31, 2013**

## ***FINANCIAL STATEMENTS***

Fund Resources and Uses Arising from Cash Transactions – 2013  
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2013  
Notes to Financial Statements – 2013

## ***SUPPLEMENTARY AND OTHER INFORMATION***

Schedule of Liabilities – 2013  
Schedule of Expenditures of Federal Awards – 2013  
Notes to the Schedule of Expenditures of Federal Awards – 2013

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS Code		Total for All funds*	001 Current Expense	105 Document Recording Fee	107 Hotel/Motel Tax
<b>Beginning Cash and Investments</b>					
30810	Beg Fund Bal-Reserved	2,162,011	45,520	5,238	8,403
30880	Beg Fund Bal-Unreserved	1,726,844	842,154	0	0
38800/58800	Prior Period Adjustments, net	0	0	0	0
<b>Operating Revenues</b>					
310	Taxes	3,630,449	3,492,716	0	34,864
320	Licenses & Permits	542,682	542,682	0	0
330	Intergovernmental Revenues	1,748,352	584,695	0	0
340	Charges for Goods and Services	3,629,908	96,144	6,000	0
350	Fines & Penalties	73,967	73,967	0	0
360	Miscellaneous Revenues	476,230	65,749	1	6
<b>Total Operating Revenues:</b>		<b>10,101,589</b>	<b>4,855,954</b>	<b>6,001</b>	<b>34,870</b>
<b>Operating Expenditures</b>					
510	General Government	1,416,084	1,183,629	0	0
520	Public Safety	2,765,860	2,765,860	0	0
530	Utilities	2,146,687	7,800	0	0
540	Transportation	633,172	633,172	0	0
550	Natural and Economic Environment	255,991	212,136	10,000	33,855
560	Social Services	3,026	3,026	0	0
570	Culture And Recreation	99,396	99,396	0	0
598	Intergovernmental Payments	0	0	0	0
<b>Total Operating Expenditures:</b>		<b>7,320,216</b>	<b>4,905,018</b>	<b>10,000</b>	<b>33,855</b>
<b>Net Operating Increase (Decrease):</b>		<b>2,781,373</b>	<b>-49,065</b>	<b>-3,999</b>	<b>1,015</b>
<b>Nonoperating Revenues</b>					
370, 380, 395, 398	Other Financing Sources	655,006	297,265	0	10,935
391-393	Debt Proceeds	2,498,509	0	0	0
397	Transfers-In	1,037,979	736,102	0	0
<b>Total Nonoperating Revenues:</b>		<b>4,191,494</b>	<b>1,033,366</b>		<b>10,935</b>
<b>Nonoperating Expenditures</b>					
580, 596, 599	Other Financing Uses	289,333	84,419	0	0
591-593	Debt Service	867,887	119,399	0	0
594-595	Capital Expenditures	3,689,041	93,566	0	0
597	Transfers-Out	1,037,979	270,055	0	0
<b>Total Nonoperating Expenditures:</b>		<b>5,884,241</b>	<b>567,440</b>		
<b>Increase (Decrease) in Cash and Investments</b>		<b>1,088,627</b>	<b>416,861</b>	<b>-3,999</b>	<b>11,950</b>
<b>Ending Cash and Investments</b>					
50810	End Fund Bal-Reserved	2,269,732	106,698	1,239	20,352
50880	End Fund Balance-Unreserved	2,707,749	1,197,840	0	0

The accompanying notes are an integral part of this Statement.

BARS Code		316 SR-503 Improvements	319 Public Safety Bond Fund	323 Schurman Way & Guild Road Project	324 Scott Avenue Reconnection
<b>Beginning Cash and Investments</b>					
30810	Beg Fund Bal-Reserved	1,691	2,031,242	49,308	0
30880	Beg Fund Bal-Unreserved	0	7,593	0	0
38800/58800	Prior Period Adjustments, net	0	0	0	0
<b>Operating Revenues</b>					
310	Taxes	0	102,869	0	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	633,968	0	409,072	0
340	Charges for Goods and Services	0	0	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	19,459	30,636	30	0
<b>Total Operating Revenues:</b>		<b>653,427</b>	<b>133,504</b>	<b>409,101</b>	
<b>Operating Expenditures</b>					
510	General Government	0	232,456	0	0
520	Public Safety	0	0	0	0
530	Utilities	0	0	0	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	0	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
<b>Total Operating Expenditures:</b>			<b>232,456</b>		
<b>Net Operating Increase (Decrease):</b>		<b>653,427</b>	<b>-98,952</b>	<b>409,101</b>	
<b>Nonoperating Revenues</b>					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	1,951,802	0	200,000
397	Transfers-In	223,633	63,644	0	0
<b>Total Nonoperating Revenues:</b>		<b>223,633</b>	<b>2,015,446</b>		<b>200,000</b>
<b>Nonoperating Expenditures</b>					
580, 596, 599	Other Financing Uses	108,216	3,189	0	0
591-593	Debt Service	0	279,215	0	0
594-595	Capital Expenditures	700,308	1,707,318	219,112	154,897
597	Transfers-Out	70,228	5,000	239,297	0
<b>Total Nonoperating Expenditures:</b>		<b>878,751</b>	<b>1,994,722</b>	<b>458,409</b>	<b>154,897</b>
<b>Increase (Decrease) in Cash and Investments</b>		<b>-1,692</b>	<b>-78,228</b>	<b>-49,308</b>	<b>45,103</b>
<b>Ending Cash and Investments</b>					
50810	End Fund Bal-Reserved	0	1,937,025	0	45,103
50880	End Fund Balance-Unreserved	0	23,582	0	0

The accompanying notes are an integral part of this Statement.

BARS Code		325 SR 503/Scott Avenue Intersection	351 Impact Fees: Fire	352 Impact Fees: Park	353 Impact Fees: Transportation
<b>Beginning Cash and Investments</b>					
30810	Beg Fund Bal-Reserved	0	0	20,608	0
30880	Beg Fund Bal-Unreserved	0	0	0	0
38800/58800	Prior Period Adjustments, net	0	0	0	0
<b>Operating Revenues</b>					
310	Taxes	0	0	0	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	120,617	0	0	0
340	Charges for Goods and Services	0	190,356	58,362	2,539
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	0	0	0	0
<b>Total Operating Revenues:</b>		<b>120,617</b>	<b>190,356</b>	<b>58,362</b>	<b>2,539</b>
<b>Operating Expenditures</b>					
510	General Government	0	0	0	0
520	Public Safety	0	0	0	0
530	Utilities	0	0	0	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	0	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
<b>Total Operating Expenditures:</b>					
<b>Net Operating Increase (Decrease):</b>		<b>120,617</b>	<b>190,356</b>	<b>58,362</b>	<b>2,539</b>
<b>Nonoperating Revenues</b>					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	11,100	0	0	0
<b>Total Nonoperating Revenues:</b>		<b>11,100</b>			
<b>Nonoperating Expenditures</b>					
580, 596, 599	Other Financing Uses	0	47,579	0	0
591-593	Debt Service	0	0	0	0
594-595	Capital Expenditures	131,687	0	1,291	0
597	Transfers-Out	0	63,681	0	0
<b>Total Nonoperating Expenditures:</b>		<b>131,687</b>	<b>111,260</b>	<b>1,291</b>	
<b>Increase (Decrease) in Cash and Investments</b>		<b>30</b>	<b>79,096</b>	<b>57,071</b>	<b>2,539</b>
<b>Ending Cash and Investments</b>					
50810	End Fund Bal-Reserved	0	79,096	77,679	2,539
50880	End Fund Balance-Unreserved	30	0	0	0

The accompanying notes are an integral part of this Statement.

BARS Code		401 Water	402 Sewer	403 Garbage Collection
<b>Beginning Cash and Investments</b>				
30810	Beg Fund Bal-Reserved	0	0	0
30880	Beg Fund Bal-Unreserved	320,425	556,575	97
38800/58800	Prior Period Adjustments, net	0	0	0
<b>Operating Revenues</b>				
310	Taxes	0	0	0
320	Licenses & Permits	0	0	0
330	Intergovernmental Revenues	0	0	0
340	Charges for Goods and Services	1,042,377	1,599,970	634,160
350	Fines & Penalties	0	0	0
360	Miscellaneous Revenues	151,251	209,088	11
<b>Total Operating Revenues:</b>		<b>1,193,628</b>	<b>1,809,058</b>	<b>634,171</b>
<b>Operating Expenditures</b>				
510	General Government	0	0	0
520	Public Safety	0	0	0
530	Utilities	792,279	812,875	533,733
540	Transportation	0	0	0
550	Natural and Economic Environment	0	0	0
560	Social Services	0	0	0
570	Culture And Recreation	0	0	0
598	Intergovernmental Payments	0	0	0
<b>Total Operating Expenditures:</b>		<b>792,279</b>	<b>812,875</b>	<b>533,733</b>
<b>Net Operating Increase (Decrease):</b>		<b>401,348</b>	<b>996,183</b>	<b>100,438</b>
<b>Nonoperating Revenues</b>				
370, 380, 395, 398	Other Financing Sources	76,956	252,363	17,487
391-393	Debt Proceeds	0	346,707	0
397	Transfers-In	3,500	0	0
<b>Total Nonoperating Revenues:</b>		<b>80,456</b>	<b>599,071</b>	<b>17,487</b>
<b>Nonoperating Expenditures</b>				
580, 596, 599	Other Financing Uses	17,893	0	28,038
591-593	Debt Service	143,520	325,752	0
594-595	Capital Expenditures	117,854	563,008	0
597	Transfers-Out	122,038	177,780	89,900
<b>Total Nonoperating Expenditures:</b>		<b>401,305</b>	<b>1,066,540</b>	<b>117,938</b>
<b>Increase (Decrease) in Cash and Investments</b>		<b>80,499</b>	<b>528,713</b>	<b>-13</b>
<b>Ending Cash and Investments</b>				
50810	End Fund Bal-Reserved	0	0	0
50880	End Fund Balance-Unreserved	400,925	1,085,289	84

The accompanying notes are an integral part of this Statement.

**FIDUCIARY FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS**

**For the Year Ended December 31, 2013**

BARS Code		Total for All funds	640 Utility Deposits	650 Impact Fees: School
308	Beginning Cash and Investments	69,465	66,715	2,750
388 and 588	Prior Period Adjustments, net	0	0	0
310-360	Revenues	98,999	49	98,950
380-390	Other Increases and Financing Sources	41,440	41,440	0
510-570	Expenditures	101,700	0	101,700
580-590	Other Decreases and Financing Uses	15,225	15,225	0
<b>Increase (Decrease) in Cash and Investments</b>		<b>23,514</b>	<b>26,264</b>	<b>-2,750</b>
508	Ending Cash and Investments	92,979	92,979	0

*The accompanying notes are an integral part of this Statement.*

**NOTES TO FINANCIAL STATEMENTS**  
**City of Woodland**  
**January 1, 2013 through December 31, 2013**

**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). 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 (Current Expense) 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**

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes 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.

### **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.

### **FIDUCIARY FUND TYPES:**

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others.

#### Agency Funds

These funds are used to account assets that the City of Woodland holds for other in agency capacity.

### **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**

The City adopts annual appropriated budgets for all its funds. These budgets are appropriated at the fund level. It constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end. 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:

FUND	DESCRIPTION	2013 Final Appropriated	2013 Actual Expenditures	Variance
001	Current Expense	4,648,201	4,560,407	87,794
002	Petty Cash/Change	0	0	0
003	Advance Travel	0	0	0
101	Park	163,374	143,675	19,699
102	Library	1,500	1,000	500
104	Street	1,113,005	1,030,479	82,526
105	Document Recording Fee	10,000	10,000	0
107	Hotel/Motel Tax	41,475	33,855	7,620
108	Criminal Justice	7,575	2,598	4,977
224	94 PWTF Loans	119,399	119,399	0
225	CLID #94-01/94-02	41,000	0	41,000
300	Park Acquisition/Impvmt	0	0	0
301	CPRReserve: General	99,348	61,348	38,000
303	Fire Dept Reserve	51,385	0	51,385
304	Equipment Acq'n Reserve	0	-77	77
305	Downtown Revitalization	478	478	0
312	Public Works Shop	92,369	4,050	88,319
316	SR503 Improvements	803,217	878,751	-75,534
319	Public Safety Bond	2,267,799	2,227,178	40,621
320	Sidewalk Project	0	0	0
321	Horseshoe Lake Park Trail	0	0	0
323	Schurman & Guild Rd Project	458,380	458,409	-29
324	Scott Ave Reconnection	780,000	154,897	625,103
325	SR503/Scott Ave Intersection	131,687	131,687	0
351	Impact Fees-Fire	111,260	111,260	0
352	Impact Fees-Park	12,472	1,291	11,181
353	Impact Fees-Transportation	0	0	0
401	Water	1,347,019	1,255,695	91,324
402	Sewer	1,728,224	1,489,905	238,319
403	Garbage	656,286	651,671	4,615
408	Water Pumping Treatment	1,140,000	105,939	1,034,061
411	Westside Sewer Project	1,210,000	347,626	862,374
421	Utility Reserve-Water	56,250	56,250	0
422	Utility Reserve-Sewer	61,879	61,879	0
426	CERB Loan-Water	68,350	34,150	34,200
427	CERB Loan-Sewer	83,762	41,883	41,879
640	Utility Deposits	22,370	15,225	7,145
650	Impact Fees-School	101,700	101,700	0
	<b>TOTAL</b>	<b>17,429,764</b>	<b>14,092,608</b>	<b>3,337,156</b>

Budgeted amounts are authorized to be transferred between (departments within any fund/object classes within departments); however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions,

salary ranges, hours, or other conditions of employment must be approved by the City's legislative body.

Items with significant variances include:

- Fund 324 Scott Avenue Reconnection

Variance of \$625,103 – This relates to a construction project and is carried over to 2014

- Fund 408 Water Pumping Treatment Project

Variance of \$1,034,061 – This relates to the upgrade of the Ranney Well and is carried over to 2014.

- Fund 411 Westside Sewer Project

Variance of \$862,374 – This relates to the project that is carried over to 2014.

**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**

(See Note #2).

**G. Capital Assets**

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of a varied amount of years. The capital assets of the City are recorded as expenditures when purchased.

**H. Compensated Absences**

Unless otherwise approved by the Mayor, a maximum of one (1) year accrued vacation (the maximum varies by bargaining unit) 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 Liabilities. 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 #5 (Debt Service Requirements.)

#### **J. Other Financing Sources/Uses**

The City's "Other Financing Sources/Uses" consist of capital leases, proceeds of LTGO bonds, miscellaneous non-revenue and non-expenditures and agency disbursements.

#### **K. Risk Management**

The City of Woodland 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 program 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 39.34 RCW, the Interlocal Cooperation Act. The program 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 September 1, 2013, there are 236 members in the program.

The program 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, is included to fit members' various needs.

The program acquires liability insurance through their Administrator, Canfield that is subject to a per-occurrence self-insured retention of \$100,000. Members are responsible for a \$1,000 deductible for each claim, while the program is responsible for the \$100,000 self-insured retention. Insurance carriers cover insured losses over \$101,000 to the limits of each policy. Since the program is a cooperative program, there is a joint liability among the participating members towards the sharing of the \$100,000 of the self-insured retention. The program also purchases a Stop Loss Policy with an attachment point of \$3,247,000 to cap the total claims paid by the program in any one year.

Property insurance is subject to a per-occurrence self-insured retention of \$25,000. Members are responsible for a \$1,000 deductible for each claim. The program bears the \$25,000 self-insured retention, in addition to the deductible.

Equipment breakdown insurance is subject to a per-occurrence deductible of \$2,500 (\$10,000 for Pumps & Motors). Members are responsible for the deductible amount of each claim. There is no program self-insured retention on this coverage.

Members contract to remain in the program for a minimum of one year, and must give notice before August 31 terminating participation the following September 1. The Interlocal Agreement is renewed automatically each year. In the event of termination, a member is still responsible for contributions to the program 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 program. The program has no employees. Claims are filed by members with Canfield, which has been contracted to perform program administration, claims adjustment and administration, and loss prevention for the program. Fees paid to the third party administrator under this arrangement for the year ended August 31 2013, were \$1,423,059.12.

## **L. Reserved Fund Balances**

**Fund 105 Document Recording Fee** - The main source of revenue is Recording Surcharge/Affordable Housing. Expenditures are restricted to those that qualify per RCW 36.22.178 for eligible housing activities that serve very low-income households with incomes at or below 50 percent of the area median income. The Ending Fund Balance of \$1,239 is reserved.

**Fund 107 Hotel/Motel Tax Fund** - revenues and expenditures are restricted and it includes local hotel/motel tax per RCW 67.28.180. The Ending Fund Balance of \$20,352 is reserved.

**Fund 303 Fire Department Reserve** – revenues and expenditures are restricted for fire capital purposes pursuant to Ordinance No. 692. The ending fund balance of \$58326.88 is reserved. This fund is rolled into the General Fund 001 for reporting.

**Fund 304 Vehicle/Equipment Acquisition Reserve** – revenues and expenditures are restricted for General Fund vehicle and equipment acquisition/improvement pursuant to Ordinance No. 1033. The Ending Fund Balance of \$48,371 is reserved. This fund is rolled into the General Fund 001 for reporting.

**Fund 319 Public Safety Bond Fund** – a portion of the revenues and expenditures are restricted because there are LTGO 2012 Bond proceeds for the construction of a new police station/community room. A portion is General Fund for the leased buildings and City facility (Public Works office). The Ending Fund Balance is reserved \$1,937,025 and unreserved \$23,582.

**Fund 324 Scott Avenue Reconnection** - revenues and expenditures are restricted for this construction project with revenues from federal and state sources. The Ending Fund Balance of \$45,103 is reserved.

**Fund 351 Impact Fees: Fire** - revenues and expenditures are restricted for Fire purposes only in compliance with the Growth Management Act RCW 36.70A.070. The Ending Fund Balance of \$79,096 is reserved.

**Fund 352 Impact Fees: Park** - revenues and expenditures are restricted for park purposes only in compliance with the Growth Management Act RCW 36.70A.070. The Ending Fund Balance of \$77,679 is reserved.

**Fund 353 Impact Fees: Transportation**- revenues and expenditures are restricted for park purposes only in compliance with the Growth Management Act RCW 36.70A.070. The Ending Fund Balance of \$2,539 is reserved.

**NOTE 2 – INVESTMENTS**

The City’s investments are insured, registered or held by the City or its agent in the City’s name. The investments are presented at cost. Investments by type at December 31 are as follows:

<u>Type of Investment</u>	<u>2013 Balance</u>
L.G.I.P.	\$ 10,329.32
U.S. Bank	<u>3,170,861.06</u>
Total	<u>\$3,181,190.38</u>

**NOTE 3 - 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 2013 was \$2.233267 per \$1,000 on an assessed valuation of 564,981,077 in Cowlitz County, and 6,346,529 in Clark County, for a combined total of 571,327,606 for a regular total levy of \$1,275,927.

**NOTE 4 - INTERFUND LOANS AND ADVANCES**

The following table displays interfund loan activity during 2013:

<b>Ord #</b>	<b>Borrowing</b>	<b>Lending</b>	<b>Balance</b>	<b>New</b>	<b>Repayments</b>	<b>Balance</b>
	<b>Fund</b>	<b>Fund</b>	<b>1/1/2013</b>	<b>Loans</b>		<b>12/31/2013</b>
1279	426	401	0	34,200		<b>34,200</b>
1082/1106/1129	426	302	11,248			<b>11,248</b>
1201/1203	351	301	47,513		47,513	<b>0</b>
1150&1174	427	422	13,850			<b>13,850</b>
1294	427	422	0	41,879		<b>41,879</b>
1241/1243/1251	316	421/422	108,000		108,000	<b>0</b>
1248	426	302	32,300			<b>32,300</b>
	<b>TOTALS</b>		<b>212,911</b>	<b>76,079</b>	<b>155,513</b>	<b>133,477</b>

**NOTE 5 – DEBT SERVICE REQUIREMENTS**

The accompanying Schedule of Long-Term Liabilities (09) provides more details of the outstanding debt and liabilities of the City and summarizes the City's debt transactions

for the year ended December 31, 2013. The debt service requirements for general obligation bonds, revenue bonds, including both principal and interest, are as follows:

<b>Debt Service Requirements (Principal &amp; Interest)</b>				
<b>Year</b>	<b>General Obligation Debt</b>	<b>Revenue Bonded Debt</b>	<b>Other Debt</b>	<b>2013 TOTAL Debt</b>
2014	417,079	482,844	0	899,923
2015	518,509	478,156	0	996,665
2016	252,935	397,435	0	650,370
2017	386,873	392,747	0	779,620
2018	157,778	292,955	0	450,733
2019-2023	1,491,613	714,366	0	2,205,979
2024-2028	1,374,925	91,299	0	1,466,224
2029-2033	1,469,175	91,390	0	1,560,565
2034-2038	853,250	0	0	853,250
2039-2040	811,780	0	0	811,780
<b>TOTALS</b>	<b>7,733,917</b>	<b>2,941,192</b>	<b>0</b>	<b>10,675,109</b>

**NOTE 6 - PENSION PLANS**

Substantially all City full-time and qualifying part-time employees participate in PERS and LEOFF administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. Actuarial information is on a system-wide basis and is not considered pertinent to the City financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

Historical trend or other information regarding each plan is presented in the Washington State Department of Retirement Systems annual financial report. A copy of this report may be obtained by writing to: Department of Retirement Systems  
 Communications Unit  
 PO Box 48380  
 Olympia, WA 98504-8380

**NOTE 7 – OTHER DISCLOSURES**

**A. LTGO DEBT ISSUED 2013**

The City of Woodland issued new Long Term General Obligation Debt (LTGO) in August, 2013 in the amount of \$1,945,000 which will be used to acquire or build

a new City Hall and also do improvements to the existing City Hall/Fire Station which is now being used exclusively for the Fire Department. The funding source for the repayment of this debt is a General Fund revenues.

**B. RISK POOL ASSESSMENT**

The City is a member of Cities Insurance Association of Washington (CIAW). During the years 2002-2006 the CIAW Board of Directors funded to an actuary report. Additional claims developed later, over the same period of time and the pool was instructed to collect additional funding. The City is required to pay \$4,173 for a 5 year period which began in 2010 and ends in 2014.

**C. OPEB / LEOFF 1**

The City has a commitment to pay for post-employment benefits for employees that belong to LEOFF 1. These benefits include medical, vision, nursing care, etc. One (1) received benefits during the year which totaled \$21,133.

**D. FIRE CONTRACT FOR SERVICES**

The City of Woodland entered into a contract with Clark County Fire Rescue on March 1, 2013 for a six year period ending on December 31, 2018. The contract was entered into for the purpose of providing for the economical and efficient provision of fire prevention, fire suppression and emergency medical services, within the jurisdictional boundaries of the City while maximizing the use of facilities, resources, apparatus, personnel and equipment and operated by both parties. The parties are also continuing to explore the formation of a Regional Fire Authority. The complete details can be found in the contract.

Schedule of Liabilities  
For the year ended December 31, 2013

Debt Type	ID. No.	Description	Maturity/Payment Due Date	Beginning Balance January 1, 2013	Additions	Reductions	Ending Balance December 31, 2013
<b>General Obligations</b>							
	251.12	LTGO 2012/2005 Refi-Police Stn,land,truck	12/1/2036	2,545,000		130,000	2,415,000
	251.12	LTGO 2013 Addtl Police Stn, Other GO Capital	12/1/2040	0	1,945,000	0	1,945,000
	259.11	Compensated Absences-General		434,416	203,856	256,361	381,911
	263.81	PWTF#1 TIM203	7/1/2014	178,009		89,004	89,005
	263.81	PWTF#2 TIM204	7/1/2014	51,604		25,803	25,801
	263.81	Cowlitz County-Scott Avenue Recon/SRTS	6/30/2016	0	200,000		200,000
	263.91	CIAW Assessment for loss fund	12/31/2014	8,346		4,173	4,173
<b>Total General Obligations:</b>				<b>3,217,375</b>	<b>2,348,856</b>	<b>505,341</b>	<b>5,060,890</b>
<b>Revenue Obligations</b>							
	259.12	Compensated Absences-Water		22,406	30,193	26,900	25,699
	259.12	Compensated Absences-Sewer		22,406	30,193	26,900	25,699
	259.12	Compensated Absences-Garbage		22,406	30,193	26,900	25,699
	263.82	CERB Timber T93-028 Sewer	1/1/2015	118,472		38,329	80,143
	263.82	CERB C93-098 Water	7/1/2015	96,598		31,252	65,346
	263.82	PWTF Water Filtration 97-791-015	7/1/2017	475,527		95,104	380,423
	263.82	PWTF Sewer 99-791-040	7/1/2019	1,284,322		183,474	1,100,848
	263.82	DOE SRF WWTP 2001 L0100009-01	8/1/2022	884,761		74,559	810,202
	263.82	PWTF Westside Sewer Project (411)	6/1/2033	0	346,707		346,707
<b>Total Revenue Obligations:</b>				<b>2,926,899</b>	<b>437,285</b>	<b>503,419</b>	<b>2,860,766</b>
<b>Total Liabilities:</b>				<b>6,144,274</b>	<b>2,786,142</b>	<b>1,008,760</b>	<b>7,921,656</b>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2013

Federal Agency Name/Pass-Through Agency Name	Federal Program Name	CFDA Number	Other Award Number	Expenditures			Footnote Ref
				From Pass-Through Awards	From Direct Awards	Total Amount	
Economic Development Administration, Department Of Commerce	Community Trade Adjustment Assistance	11.010	07-046-06569 Schurman Way & Guild Road Project		491,547	491,547	1,2
Federal Highway Administration (fhwa), Department Of Transportation/WSDOT	Highway Planning and Construction	20.205	HPP-0503(021) SR503 Widening	633,968		633,968	1,2
Federal Highway Administration (fhwa), Department Of Transportation/WSDOT	Highway Planning and Construction	20.205	STP-9906(039) Scott Avenue Reconnection	154,897		154,897	1,2
<b>Total CFDA 20.205</b>				<b>788,865</b>	<b>0</b>	<b>788,865</b>	
National Highway Traffic Safety Administration (nhisa), Department Of Transportation/WASPC & Cowiltz Co. Sheriff	State and Community Highway Safety	20.600	Impaired Driving DUI	1,331		1,331	1,2
National Highway Traffic Safety Administration (nhisa), Department Of Transportation/WASPC	State and Community Highway Safety	20.600	Emergency Funds/Equipment	5,790		5,790	1,2
<b>Total CFDA 20.600</b>				<b>7,121</b>	<b>0</b>	<b>7,121</b>	
National Highway Traffic Safety Administration (nhisa), Department Of Transportation/WASPC & Cowiltz Co. Sheriff	Occupant Protection Incentive Grants	20.602	Seat belts	584		584	1,2
Department Of Homeland Security	Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2008-FF-00116-001 SAFER VRR0		145,858	145,858	1,2,8
<b>Total Federal Awards Expended:</b>				<b>796,570</b>	<b>637,405</b>	<b>1,433,975</b>	

**City of Woodland**

MCAG NO. 0271

**NOTES TO THE EXPENDITURES OF FEDERAL AWARDS  
For the Year Ending December 31, 2013**

Note 1 - Basis of Accounting

This schedule is prepared on the same basis of accounting as the city's financial statements. The city uses the cash basis of accounting.

Note 2 - Program Costs

The amounts shown as current year expenditures represent only (federal/state/local) grant portion of the program costs. Entire program costs, including the city portion, may be more than shown.

Note 8 – Amounts Awarded to Subrecipients

Included in the total amount expended for this program is \$112,858 that was passed through to a subrecipient that administered its own project.

## 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.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

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 as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

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

<b>Contact information for the State Auditor's Office</b>	
<b>Deputy Director for Communications</b>	Thomas Shapley <a href="mailto:Thomas.Shapley@sao.wa.gov">Thomas.Shapley@sao.wa.gov</a> (360) 902-0367
<b>Public Records requests</b>	(360) 725-5617
<b>Main telephone</b>	(360) 902-0370
<b>Toll-free Citizen Hotline</b>	(866) 902-3900
<b>Website</b>	<a href="http://www.sao.wa.gov">www.sao.wa.gov</a>