

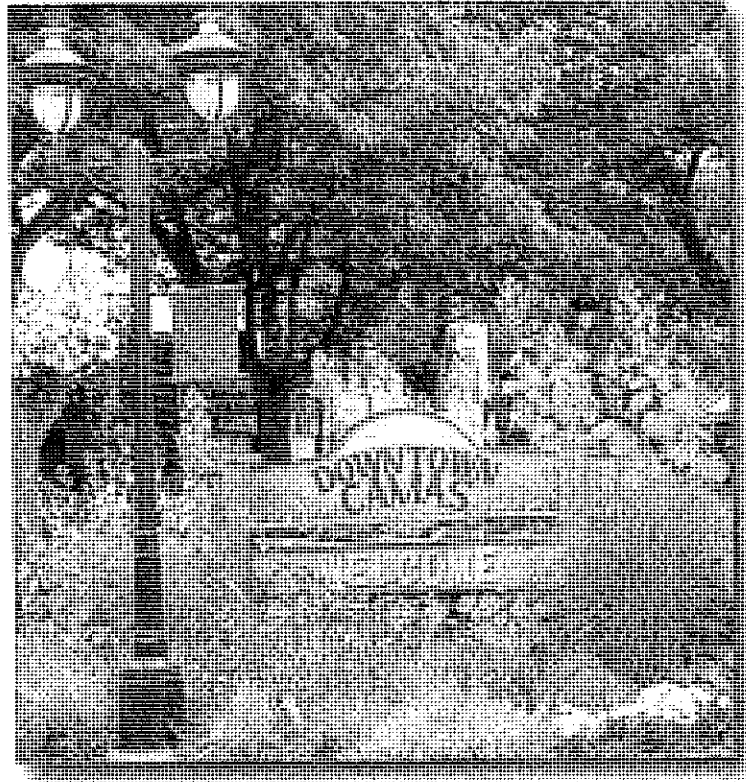
A large lattice boom crane is lifting a long, dark, cylindrical object, likely a bridge component, over a river. The crane's boom extends diagonally across the frame. In the foreground, a wooden truss bridge structure is visible, partially obscured by the crane's cables. Several workers in orange safety vests and hard hats are standing on the riverbank, observing the operation. The background shows a dense forest of evergreen trees under a clear blue sky.

City of Camas Washington

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended
December 31, 2009

City of Camas, Washington



Comprehensive Annual Financial Report For the year ended December 31, 2009

Prepared by the Finance Department
Joan M. Durgin
Finance Director

**CITY OF CAMAS, WASHINGTON
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year ended December 31, 2009**

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CITY OF CAMAS, WASHINGTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year ended December 31, 2009

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June 15, 2010

To the Honorable Paul Dennis, Mayor
Members of the City Council
Lloyd Halverson, City Administrator
Citizens of the City of Camas:

State law requires only cities with populations of 25,000 or more to publish financial statements in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by the Washington State Auditor's Office under the *Revised Code of Washington* (RCW) 43.09.020. Cities less than 25,000, such as City of Camas are only required to prepare schedules within five months of year end. The City of Camas has chosen to issue a financial report in conformity with GAAP, so herein is the comprehensive annual financial report (CAFR) of the City of Camas for the fiscal year ended December 31, 2009.

The report consists of management's representations concerning the finance of the City of Camas (City). Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City of Camas' financial statements have been audited by the Washington State Auditor's Office. The goal of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ended December 31, 2009, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on the City of Camas' financial statements for the fiscal year ended December 31, 2009, and are fairly presented in conformity

with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

State mandate requires the Washington State Auditor's Office to perform additional tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the City complied with the laws and the *Constitution of the State of Washington*, its own ordinances and resolutions, and the requirements of the State Auditor's Office. The State Auditor's Office issues an Accountability Report on compliance that is also available upon request.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Camas was incorporated June 2, 1906. The City is located in southwestern Washington in the Portland, Oregon metropolitan area and just a few minutes from the Portland International Airport. The City of Camas Cascade Business Park has been particularly attractive to high technology industries looking for available space in an area that has utilities, roads, and other services readily available. For more than a decade, the City of Camas has successfully attracted high-profile industrial clients because of its long-term commitment to the planning and development of this high technology industrial area. The City serves over 17,000 citizens and occupies a land area of 13.6 square miles.

The City operates as a non-charter code city. The City is served by a Mayor and City Administrator. The City Council is presided over by the mayor who is elected every four years. The seven council members are elected every four years by ward. Among its primary duties, the city council makes laws, sets policies, adopts budgets, and oversees a wide-ranging agenda for the community. The city administrator is appointed by the mayor. This official heads the administrative branch of city government and directs all city operations, projects and programs.

The City of Camas provides a full range of services, including the City's vital infrastructure and urban services. It builds and repairs roads, maintains water and sewer services, provides fire and police protection, administers land use policy and takes an active role in Camas' commercial and industrial development. The City designs and maintains Camas' many parks and open spaces, coordinates recreation activities, fosters neighborhood livability and works to preserve the City's environmental quality and historic legacy.

Cities and counties of the State of Washington must comply with the Budgeting, Accounting, and Reporting System (BARS) prescribed by the Office of the State Auditor as authorized under RCW 43.09.200 and RCW 43.09.230. State law also provides for annual independent audits by the Washington State Auditor's Office and requires timely submission of annual financial reports to the state for review. The financial

system of the City of Camas incorporates a system of financial and administrative controls that ensure the safeguarding of assets and the reliability of financial reports. Consequently they are designed to provide reasonable assurance that transactions are executed in accordance with management authorization, recorded in conformity with GAAP, that accountability of control over assets and obligations exists, and that sufficient reporting and review exists to provide adequate information for analysis and comparability of data. Internal control is an area of audit by the State Auditor as well, and City management receives and takes action upon recommendations made by the state.

The City of Camas prepares budgets in accordance with RCW 35A.33. As background to the process, the City prepares a multi-year financial forecast of general operations. Annual budgets are adopted by the City Council for funds providing customary government services. Appropriations for general, special revenue, and debt service funds lapse at year-end. Appropriations for capital project funds are budgeted for each project and may carry forward from year-to-year until fully expended or the project is complete. An increase or decrease in total budgeted appropriations of a fund must be authorized by the City Council. Transfers of appropriations within a fund may be authorized by the Mayor. All budgets are accounted for on a line-item basis with control at the department summary total level. Estimated purchase order amounts are encumbered prior to the release of the order to the vendor. Such encumbrances also serve to provide budgetary control. Open encumbrances lapse at year-end and must be reappropriated or absorbed in the next year's operating budget.

Local economy

The slower economic climate is still present in Camas this past year for the second year. The current unemployment numbers in the county are significantly high at 14.3%. However, one of the high-tech industries in the city is projecting an 18% growth in computer chips in 2010, has been hiring technicians and anticipates operating at full capacity. Fisher Investments have begun site work and are planning to build two office buildings on a 150 acre tract in Camas. They have indicated this could be their world headquarters in the near future and employ up to 1,000 people.

After several years of very low residential building activity, the first quarter of 2010 has had significant applications for building permits. There has been some commercial construction recently including the Camas School District projects. The district completed the construction of two elementary schools last fall, and is now currently completing construction of an alternative high school, football stadium and field, and will be soon starting an expansion of the high school. The past few months sales of existing residential homes has picked up; however, the market price for most of these are about 10% lower than they were the past few years. A record number of residential home foreclosures and bankruptcy's in 2009 was noted by the city's utility department.

Long-term financial planning

The city updated its financial policies in 2009. One of the goals in updating the policies was to simplify the desired level of fund balance of the General Fund. The current policy strives to maintain fund balance at 17% of the General Fund expenditures. The prior policy had a combination of calculations and the fund balance goal was harder to achieve. The fund balance at December 31, 2009 was well above this current goal.

The updated policies also expanded long range planning to be done for more city activities, such as all the special revenue funds and all the utility funds. Prior to this change, long range planning was only done for the General Fund and City Street Fund.

Relevant Financial Policies

One of the city's financial policies requires grants to be sought to help fund or support city's programs. The city has been planning for several years to purchase 34 acres of prime open space and park property around one of the two lakes inside the city limits. Anticipated appraisal value of this land is \$2,100,000. Funding for this purchase is now partially arranged from state and federal grants, some contributions potentially from the county levied taxes for conservation future projects, and the remaining funding of approximately \$200,000 will need to come from the city. With essentially most of the funding secured from grants, 2010 will likely be the year that the city actual purchases this property. Some additional operating costs are expected to occur to maintain the access road and picnic shelter facility.

Major Initiatives

One of the most complex infrastructure projects in the city is the expansion and upgrade of the city's wastewater treatment plant. This major project to begin in 2010 is anticipated to cost about \$13 million and construction to take over two years. A \$10 million low interest rate state loan has already been obtained and grant applications are being submitted to help finance the remainder of the project costs. If grants are not received, other financing arrangements will need to be made, likely the issuance of revenue bonds.

Using federal economic stimulus funds awarded to the city in 2009, two infrastructure projects are currently planned for construction soon. If the city had not received these funds, other financing would have had to be arranged. The first project of widening and the extension of Leadbetter Road will use \$570,000 from stimulus funds and transportation impact fees the city has allocated for this street project. The second stimulus funding project is \$1,200,000 to drill, install pumping equipment and construct a well house for well number 14.

An additional water sewer project is planned for 2010. Installation of a new water line, sewer line and sewer pump station on NW 38th Street to serve new commercial development in that area of the city. This project is estimated to cost \$2.1 million and financing has not been arranged.

Awards and Acknowledgements

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

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

The preparation of this comprehensive annual financial report is a joint effort of all the staff of the Finance Department. I would like to express special thanks to Cindy Demos and Pam O'Brien for all their assistance and contribution in completing this report.

The many efforts and advice from the State Auditor's Office are also greatly appreciated. Without their timely audit and opinion, obtaining the Certificate of Achievement would not be possible.

I would like to express my thanks to the mayor, council and city administrator for their continued support and interest in the financial operations and stability of the City.

Respectfully submitted,


Joan M. Durgin
Finance Director

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Camas
Washington

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

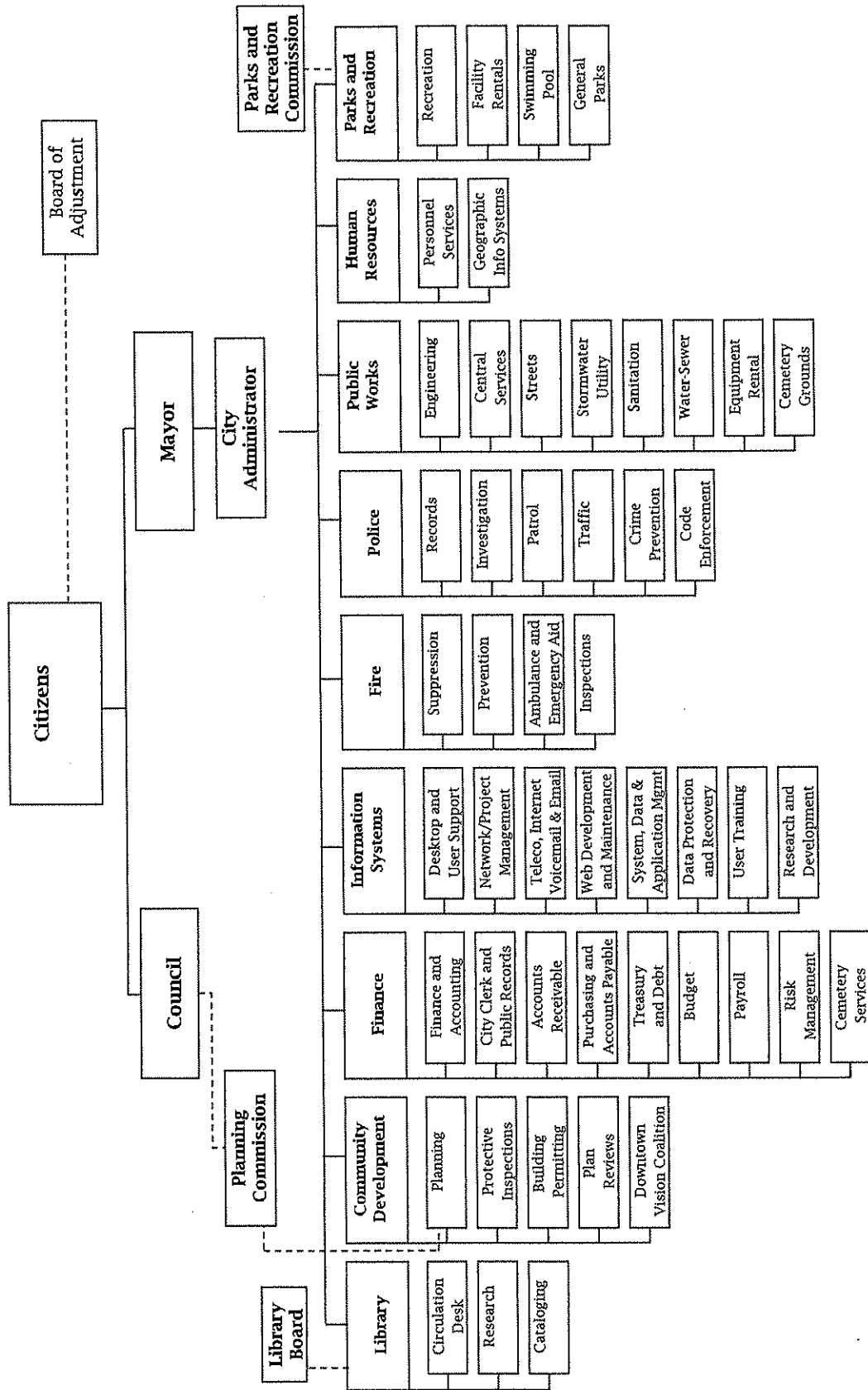
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

City of Camas, Washington Organizational Chart



CITY OF CAMAS, WASHINGTON

DIRECTORY OF OFFICIALS AS OF DECEMBER 31, 2009

ELECTED

Mayor	Paul Dennis
Council Members	Greg Anderson
	Don Chaney
	Linda Dietzman
	Helen Gerde
	Scott Higgins
	Steve Hogan
	Melissa Smith

APPOINTED

City Administrator	Lloyd Halverson
Public Works Director	Monte Brachmann
Finance Director	Joan Durgin
Police Chief	Mitch Lackey
Fire Chief	Leo Leon
Library Director	David Zavortink
Community Development Director	Phil Bourquin



**Washington State Auditor
Brian Sonntag**

INDEPENDENT AUDITOR'S REPORT

June 2, 2010

Mayor and City Council
City of Camas
Camas, Washington

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Camas, Clark County, Washington, as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we will also issue our report dated June 2, 2010, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an

integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 12 through 22 and information on postemployment benefits other than pensions on page 74 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information listed as combining and individual fund statements and schedules on pages 75 through 89 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Sincerely,

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

BRIAN SONNTAG, CGFM
STATE AUDITOR

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Camas' discussion and analysis is a narrative overview of the City's financial activities for the fiscal year ended December 31, 2009. The information presented here should be read in conjunction with our letter of transmittal, and the financial statements and notes to the financial statements that follow.

FINANCIAL HIGHLIGHTS

- City of Camas assets exceeded its liabilities at December 31, 2009 by \$172.85 million.
- Capital Assets (net of depreciation and related debt) account for over three-fourths of this amount, with a value of \$166 million.
- Of the remaining net assets, \$3.5 million may be used to meet the government's ongoing obligations to citizens and creditors, without legal restriction.
- The government's total net assets showed a decrease of \$3.3 million, or 1.9% during 2009.
- As of December 31, 2009, City of Camas' governmental funds reported combined ending fund balances of \$6.1 million. Over 49% of this total amount, \$3 million is available for spending at the government's discretion. Unreserved fund balance for the general fund was \$2.4 million at December 31, 2009.
- City of Camas' total bonded debt at December 31, 2009 was \$14 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis provides an introduction and overview to the City of Camas' (the City) basic financial statements. This information will assist users in interpreting the basic statements. We will also provide other financial discussion and analysis of certain plans, projects and trends necessary for understanding the full context of the financial condition of the City.

Basic Financial Statements

The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and, 3) notes to the financial statements.

Government-wide financial statements

Government-wide financial statements provide readers with a broad overview of the City of Camas' finances in a manner similar to a private-sector business, distinguishing functions of the City that are principally supported by taxes and intergovernmental revenues (referred to as "governmental activities") from functions that are intended to recover all or a significant portion of their costs through user fees and charges (referred to as "business-type activities"). The governmental activities of the City of Camas include a full range of local government services provided to the public, such as law enforcement and public safety, fire protection, road construction and maintenance, community planning and development, parks and recreation facilities, and other community services. In addition, other general government services are provided, such as the issuance of permits and licenses. The business-type activities of the City include water and sewer, storm water, and sanitation utilities.

The statement of net assets presents information on all of the City of Camas' assets and liabilities, with the difference between the two reported as net assets. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases

or decreases in net assets may serve as one indicator of whether the financial position of the City is improving or deteriorating. Other indicators include the condition of the city's infrastructure systems (roads, drainage systems, bridges, etc.), changes in property tax base, and general economic conditions within the City.

The statement of activities presents information showing how the government's net assets changed during 2009. This statement separates program revenue (revenue generated by specific programs through charges for services, grants, and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program). This shows the extent each program relies on taxes for funding. All changes in net assets are reported using the accrual basis of accounting which requires that revenues are reported when they are earned and expenses are reported when the goods and services are received. Items such as uncollected taxes, unpaid vendor invoices for items received in 2009, and earned but unused vacation leave and a portion of sick leave will be included in the statement of activities as revenue and expense, even though the cash associated with these items will not be received or distributed in 2009.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Camas, like other state and local governments, uses fund accounting for compliance with finance-related legal requirements. All of the funds of the City fall into three categories: governmental funds, proprietary funds, and fiduciary funds. Governmental Funds account for most, if not all, of a government's tax-supported activities. Proprietary Funds account for a government's business type activities where all or part of the costs of activities are supported by fees and charges that are paid directly by those who benefit from the activities. Fiduciary Funds account for resources that are held by the government as a trustee or agent for parties outside of the government. The resources of fiduciary funds cannot be used to support the government's own programs.

Governmental funds

The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances present separate columns of financial data for the General Fund, and the Emergency Management Services Fund. These are considered major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating a government's near-term financing requirements in comparison to near-term resources available.

Because the focus of governmental fund financial statements is narrower than that of government-wide financial statements accrual basis focus, it is useful to compare information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This gives readers a better understanding of the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to the governmental activities column in the government-wide statements, facilitating this comparison.

The City maintains budgetary controls over its operating funds. Budgetary controls ensure compliance with legal provisions embodied in the annual appropriated budget. Governmental

fund budgets are established in accordance with state law, and are adopted on a fund level except the General Fund. The General Fund budget is adopted on a department level. Budgetary variances are discussed later in this section.

Proprietary funds

The City has two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water-sewer, storm water drainage and sanitation utilities. Internal service funds accumulate and allocate costs among the City's various functions. The City uses an internal service fund to account for its rolling stock repair and replacement. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail, since both apply the accrual basis of accounting. The proprietary fund financial statements provide separate information for the Water-Sewer, Storm Water Drainage and the Sanitary Funds which have been designated as major funds. In addition to the presentation of these major funds, the internal service fund is displayed as a single presentation on these statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Camas' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided, and are an integral part of the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets

As noted earlier, changes in net assets may serve as a useful indicator of a government's financial position. The City of Camas net assets total \$172,843,483 at December 31, 2009.

City of Camas

	Governmental Activities 2009	Governmental Activities 2008	Business-type Activities 2009	Business-type Activities 2008	Total Activities 2009	Total Activities 2008
Current and other assets	\$ 7,583,675	\$ 8,651,059	\$ 3,075,333	\$ 4,012,817	\$ 10,659,008	\$ 12,663,876
Capital assets (net of accumulated depreciation)	115,510,912	118,079,927	78,183,399	79,011,169	193,694,311	197,091,096
TOTAL ASSETS	123,094,587	126,730,986	81,258,732	83,023,986	204,353,319	209,754,972
Long-term liabilities	12,711,755	12,963,620	17,493,139	18,645,505	30,204,894	31,609,125
Other liabilities	675,158	875,111	629,884	807,337	1,305,042	1,682,448
TOTAL LIABILITIES	13,386,913	13,838,731	18,123,023	19,452,842	31,509,936	33,291,573
NET ASSETS						
Invested in capital assets net of related debt	105,051,084	106,860,759	61,004,686	61,120,462	166,055,770	167,981,221
Restricted	2,140,387	3,611,654	1,162,559	1,367,099	3,302,946	4,978,753
Unrestricted	2,516,303	2,419,842	968,464	1,083,583	3,484,767	3,503,425
TOTAL NET ASSETS	\$ 109,707,774	\$ 112,892,255	\$ 63,135,709	\$ 63,571,144	\$ 172,843,483	\$ 176,463,399

The largest portion of the City's net assets (96 percent) reflects its investment in capital, less any related debt used to acquire those assets that is still outstanding. The City's capital assets are used to provide services to citizens. Consequently, these assets are not available for future spending.

Net assets representing resources that are subject to external restrictions on how they may be used equate to 2%. The remaining balance of \$3,484,767 (unrestricted net assets), represents the amount that may be used to meet the City's ongoing obligations.

At December 31, 2009, the City of Camas reports positive balances in all three categories of net assets, for the government as a whole, and also for separate governmental activities. The same situation held true for the prior fiscal year. However, the unrestricted net assets of the business type activities for 2009 are \$115,119 less than 2008. This is a result of continuing to realize operating losses.

Statement of Activities

The City's total net assets decreased by \$3.3 million in 2009. This decrease was split among governmental (\$2.9 million) and business-type activities of (\$.4 million). A summary version of the Statement of Activities is shown in the following table. The table below depicts the relationship of revenues and expenses for the City's governmental activities and business-type funds. In addition, a prior period loss of \$270,044 was recognized in the governmental activities.

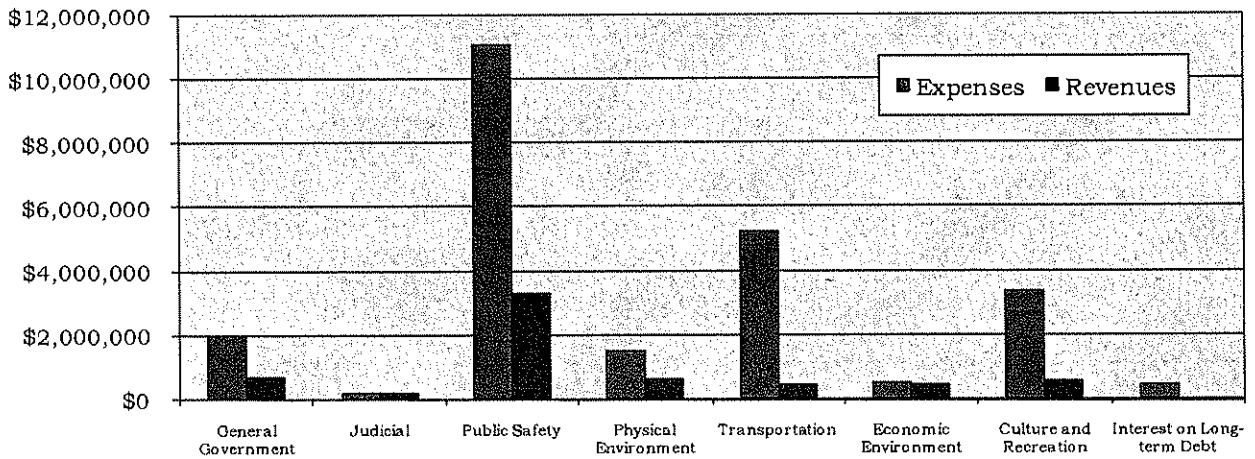
City of Camas Change in Net Assets

	Governmental Activities 2009	Governmental Activities 2008	Business-type Activities 2009	Business-type Activities 2008	Total 2009	Total 2008
Revenues						
Program revenues:						
Charges for services	\$ 5,349,827	\$ 4,494,175	\$ 9,497,648	\$ 8,602,145	\$ 14,847,475	\$ 13,096,320
Operating grants and contributions	466,969	464,241	53,116	23,189	520,085	487,430
Capital grants and contributions	455,493	956,930	558,082	561,816	1,013,575	1,518,746
General revenues:						
Taxes:						
Property taxes levied for general purposes	10,524,832	10,242,218	-	-	10,524,832	10,242,218
Property taxes levied for debt service	984,594	1,035,905	-	-	984,594	1,035,905
Sales and use taxes	1,899,938	1,989,644	-	-	1,899,938	1,989,644
Business and occupation taxes	426,990	403,387	-	-	426,990	403,387
Excise taxes	708,291	757,059	-	-	708,291	757,059
Penalties and interest	-	89	-	-	-	89
Grants and contributions not restricted to specific programs						
Unrestricted investment earnings	367,117	346,940	-	-	367,117	346,940
Miscellaneous	91,249	289,146	29,980	197,892	121,229	487,038
Total revenues	63,465	39,450	129,721	128,829	193,186	168,279
Total revenues	21,338,765	21,019,184	10,268,547	9,513,871	31,607,312	30,533,055
Expenses:						
General government	2,019,588	1,971,712	-	-	2,019,588	1,971,712
Judicial	174,845	193,383	-	-	174,845	193,383
Public safety	11,058,299	10,098,295	-	-	11,058,299	10,098,295
Physical environment	1,501,586	1,686,067	-	-	1,501,586	1,686,067
Transportation	5,218,433	5,672,852	-	-	5,218,433	5,672,852
Economic environment	485,670	397,448	-	-	485,670	397,448
Culture and recreation	3,364,737	3,362,790	-	-	3,364,737	3,362,790
Interest on long-term debt	430,044	467,712	-	-	430,044	467,712
Water-Sewer	-	-	7,437,743	7,720,910	7,437,743	7,720,910
Storm Water Drainage	-	-	1,226,497	1,069,811	1,226,497	1,059,811
Sanitation	-	-	2,039,742	1,819,090	2,039,742	1,819,090
Total expenses	24,253,202	23,850,259	10,703,982	10,609,811	34,957,184	34,460,070
Increase in net assets before transfers	(2,914,437)	(2,831,075)	(435,435)	(1,099,940)	(3,349,872)	(3,927,015)
Transfers	-	3,124	-	(3,124)	-	-
Increase in net assets	(2,914,437)	(2,827,951)	(435,435)	(1,099,064)	(3,349,872)	(3,927,015)
Net assets - beginning	112,892,255	115,963,690	63,571,144	64,670,208	176,463,399	180,633,898
Prior Period Adjustment	(270,044)	(243,484)	-	-	(270,044)	(243,484)
Net assets - ending	\$ 109,707,774	\$ 112,892,255	\$ 63,135,709	\$ 63,571,144	\$ 172,843,483	\$ 176,463,399

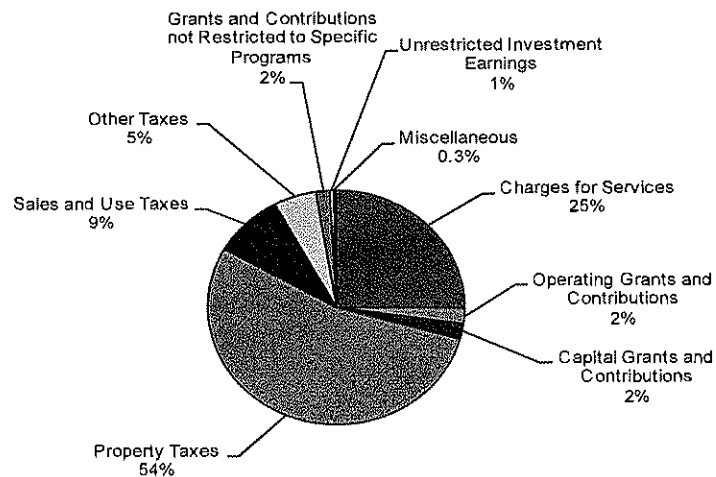
Governmental Activity Analysis

The City of Camas net assets decreased by \$3.1 million, or 2.9%, corresponding to a \$3.6 million decrease in total assets and a \$.5 million decrease in total liabilities. Program revenues increased \$.4 million, or 6% over the previous year, primarily attributable to a \$.9 million increase in charges for services collected by the Emergency Management Services Fund and a \$.5 million decrease in capital grants and contributions. Governmental program spending increased \$.4 million in 2009, primarily due to a \$1 million increase in public safety expenditures offset with small decreases in transportation and physical environment expenditures.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Business-Type Activities Analysis

The Water-Sewer Fund is the largest proprietary fund in the City. The financial position of the City's business-type funds is strongly influenced by the Water-Sewer Fund. This year that fund had a \$757 thousand increase in charges for services revenues, and a \$283 thousand decrease in expenses over the prior year, with an overall increase in net assets of .5%. The largest change in this fund's activity was the increase in operating revenues generated by

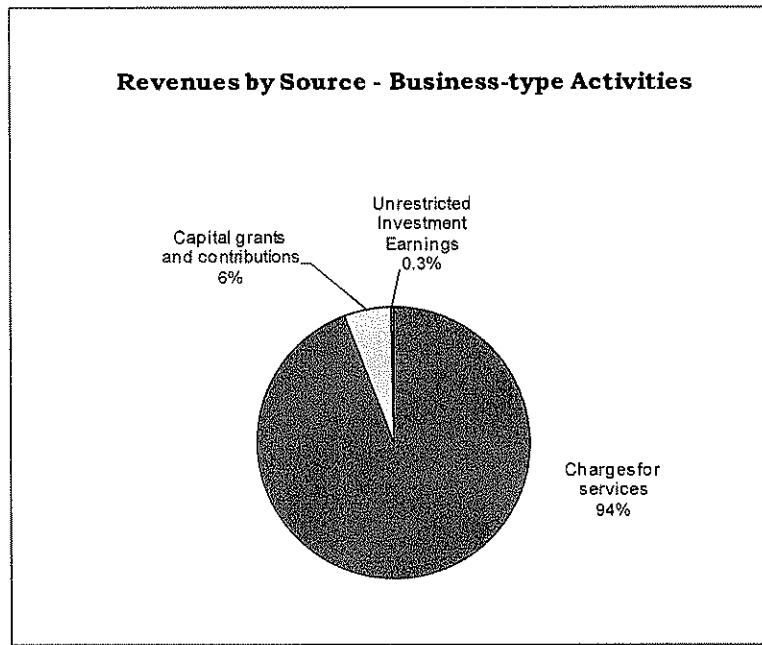
utility rate increases in March 2009. The Sanitary Fund and Storm Water Drainage Fund are the other propriety funds.

Business-Type Activity Program Revenues

Water-Sewer	\$7,579,065	75%
Storm Water Drainage	769,488	8%
Sanitary	1,760,293	17%
		<u>100%</u>

Business-Type Activity Program Expenses

Water-Sewer	\$7,437,743	70%
Storm Water Drainage	1,226,479	11%
Sanitary	2,039,742	19%
		<u>100%</u>



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds Analysis

The City has 10 governmental funds, categorized into 4 fund types. Each fund type has a unique purpose. Two funds are classified as major funds for the purposes of this report, based on criteria set forth by the GASB. Those funds are the General Fund and the Emergency Management Services Fund.

The change in total governmental funds fund balance decreased 16% in 2009. Much of this change is attributable to the increase in capitalized expenditures (35%). Over \$600 thousand of this amount was for a recreational trail and over \$930 thousand for various roadway projects.

The General Fund is the chief operating fund of the City of Camas. At the end of the current fiscal year, unreserved fund balance of the general fund was \$3.3 million. As a measure of the general fund's liquidity, it may be useful to compare the total fund balance to total fund expenditures. The total fund balance of \$3,364,291 is 23% of total general fund expenditures.

The General Fund had a decrease in fund balance of .4%. Revenues in the general fund increased .6% with expenditures increasing 1%. Expenditures and other financing uses exceeded revenues by \$14,885.

The Emergency Management Services Fund accounts for ambulance and emergency aid services. The fund balance increased 195% as property taxes and charges for services exceeded expenditures. Expenditures increased over \$706 thousand or 30% in 2009 from 2008 due to the hiring of five new paramedics. The City could hire these additional employees since the charges for services to two other governmental agencies increased over \$900 thousand from the prior year. \$420,000 of this increase will not be available beginning late 2010, so expenditures will need to be reduced.

Business-Type Activities Analysis

Proprietary funds are those funds that account for government operations where the intent is for the costs to be primarily paid for by user charges. Enterprise funds are those funds that provide services primarily to external users, and the internal service funds provide their services primarily within the City, or to other governmental units. The business-type activities are accounted for in three enterprise funds and one internal service fund.

The Water-Sewer Fund is the largest business-type fund in the City, accounting for 84% of net assets for the enterprise funds at \$52 million. The Water-Sewer Fund had an increase in net assets of \$260 thousand. Revenues generated from operations were higher than the prior year by \$76 thousand (11%), and while operating expenses decreased by 3%. The higher revenues are a result of water utility rate increases of 5% and sewer rates increases of 34% effective March 30, 2009.

The Sanitary Fund net assets decreased 46% in 2009. Charges for services decreased 2% while operating expenses increased 17%. Most of this increase was due to the purchase of new recycling carts costing \$298 thousand.

The Storm Water Drainage Fund net assets decreased 5% in 2009. In 2009, expenses increased 17% with revenues increasing 36%. The revenue increase was a result of a 46% increase in storm water rates effective March 30, 2009. This fund presented a decrease of 51% in capital contributions. No infrastructure was donated by developers in 2009.

The Internal Service Fund net assets showed an increase of .5% in 2009. Revenues increased 8% while expenses decreased 10%. There were no transfers in or capital contributions in 2009 while the total of these two items in 2008 was \$167,646.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City budgets on an annual basis. General Fund revenues came in at 97% of the anticipated budget, while expenditures were 97% of the budget.

Differences between the original budget and the final amended budget consisted of internal adjustments between the departments in 2009, summarized as follows:

The police department allocated \$7,500 to the animal control department.

The engineering department allocated \$3,000 to the executive department.

The following departments allocated budget to the fire department as follows:

- \$10,000 from the detention and correction department
- \$15,000 from the building department
- \$10,000 from the engineering department
- \$10,000 for the planning department

Three budget amendments in the General Fund account for additional differences. Two of the amendments were for a \$60,000 and \$65,000 increase in the central services department budget to fund remodeling improvements at Fire Station 41 and the third amendment was a \$336,225 increase for cost of living adjustments negotiated by the City's bargaining units.

Significant variances between the General Fund final amended budget and actual results include:

- Transfers in of \$598,791, 174% of the budgeted \$344,700
- Interest earnings of only \$53,387, only 34% of the projected \$155,000
- Savings of \$171,518 or 4.3% in the police department for salaries and benefits
- Positive variance of \$57,152 or 4% in the engineering department for salaries and benefits
- 5% savings for \$25,781 for professional services in the planning department and 7% savings for professional services in the building department
- Positive variance of \$60,744 or 5% in the library department for books and materials.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

City of Camas' investment in capital assets, including construction in progress for its governmental and business type activities as of December 31, 2009, was \$193,694,311 (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities, and construction in progress on buildings and systems. This reflects a decrease in net capital assets of \$3.4 million during the year.

City of Camas Capital Assets
(net of depreciation)

	Governmental		Business-Type		Total	
	Activities		Activities		Activities	
	1/1/2009	12/31/2009	1/1/2009	12/31/2009	1/1/2009	12/31/2009
Land	\$54,684,541	\$54,766,051	\$860,055	\$860,055	\$55,544,596	\$55,626,106
Buildings and systems	11,523,987	11,704,994	14,816,458	14,433,706	26,340,445	26,138,700
Improvements other than buildings	4,604,224	4,545,437	5,743,166	6,083,510	10,347,390	10,628,947
Machinery and equipment	3,916,895	4,145,387	11,794,185	11,323,173	15,711,080	15,468,560
Intangibles	146,919	127,220	294,173	261,145	441,092	388,365
Infrastructure	41,918,314	38,689,402	43,759,968	42,942,548	85,678,282	81,631,950
Construction in progress	1,285,047	1,532,421	1,743,164	2,279,262	3,028,211	3,811,683
Total	\$118,079,927	\$115,510,912	\$79,011,169	\$78,183,399	\$197,091,096	\$193,694,311

Major capital asset additions include \$978 thousand for design and pre-construction work on improvements to the wastewater treatment plant.

Additional information on the City of Camas' capital assets can be found in the Notes to the Financial Statements note IV item C of this report.

Long-Term Debt

At December 31, 2009, the City of Camas had total bonded debt outstanding of \$13.9 million. Of this amount, \$6.1 million is general obligation debt, which is debt backed by the full faith and credit of the government. The remainder of the City's debt of \$7.8 million represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The table below is a comparison of the summary information for year-end 2009 and 2008 bonded debt (in thousands).

	Governmental		Business-Type		Total	
	Activities		Activities		Activities	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ 6,104	\$ 6,820	\$ -	\$ -	\$ 6,104	\$ 6,820
Revenue bonds	-	-	7,880	8,410	7,880	8,410
Total	\$ 6,104	\$ 6,820	\$ 7,880	\$ 8,410	\$ 13,984	\$ 15,230

The City of Camas' total bonded debt decreased by \$1,184,000 during 2008. This decrease is due to payment of scheduled principal payments made throughout 2008. The City's remaining capacity for non-voted debt is approximately \$40 million.

City of Camas maintains an "A1" rating from Moody's for general obligation debt.

Additional information on the City's long-term debt can be found in the Notes to the Financial Statements note IV item F of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Several factors were considered and effected the preparation of the City's 2010 budget.

- The local economy continued to be slow in 2009, particularly in the housing construction market but is expected to improve in 2010. Subdivision development applications ceased during 2008, and in 2009 there also was no activity.
- There was some commercial expansion and construction remodeling with existing commercial businesses. However, there was record number of vacancies in the downtown storefronts.
- The city and a commercial investor had entered into a development agreement for the construction of a large office complex in 2010.
- Several property tax limitation legislation in the past years allows only a 1% levy increase each year, plus taxes on new construction assessed value.

The City had several goals it wanted to achieve in preparing the budget for 2010. One goal was to maintain the existing level of service to its citizens. Other goals were to not levy the 1% tax increase as allowed by law and yet maintain a high level of reserves in the General Fund. With these goals and the economic factors above, \$608,570 of unreserved fund balance was budgeted to balance the General Fund. The intent by the City Council was to also carefully manage the budget throughout 2010, and make budget reductions during the year if revenues are not collected as anticipated.

Requests for Information

This financial report is designed to provide a general overview of the City of Camas' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Finance Department, City of Camas, P.O. Box 1055, Camas, WA, 98607-0055.

CITY OF CAMAS, WASHINGTON

Statement of Net Assets

December 31, 2009

	Governmental Activities	Business-type Activities	Total Primary Government
Assets:			
Cash and Cash Equivalents	\$ 6,736,137	\$ 781,726	\$ 7,517,863
Investments	-	199,750	199,750
Receivables (Net of Allowance for Uncollectible)	1,380,666	294,143	1,674,809
Internal Balances	(560,920)	560,920	-
Deferred Charges	27,892	76,048	103,940
Restricted Assets			
Cash	-	712,558	712,558
Investments	-	200,188	200,188
Intergovernmental Receivable	-	250,000	250,000
Capital Assets Not Being Depreciated:			
Land	54,766,051	860,055	55,626,106
Construction Work in Progress	1,532,421	2,279,262	3,811,683
Capital Assets Net of Accumulated Depreciation:			
Buildings	11,704,994	14,433,706	26,138,700
Improvements Other than Buildings	4,545,437	6,083,510	10,628,947
Machinery and Equipment	4,145,387	11,323,173	15,468,560
Intangibles	127,220	261,145	388,365
Infrastructure	38,689,402	42,942,548	81,631,950
Total Assets	<u>123,094,687</u>	<u>81,258,732</u>	<u>204,353,419</u>
Liabilities:			
Accounts Payable and Other Current Liabilities	617,530	465,294	1,082,824
Accrued Interest Payable	45,748	163,811	209,559
Custodial Accounts	11,880	779	12,659
Noncurrent Liabilities:			
Due within One Year	1,307,851	1,360,809	2,668,660
Due in More than One Year	11,403,904	16,132,330	27,536,234
Total Liabilities	<u>13,386,913</u>	<u>18,123,023</u>	<u>31,509,936</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	105,051,084	61,004,686	166,055,770
Restricted for:			
Capital	2,126,631	346,765	2,473,396
Debt Service	13,756	815,794	829,550
Unrestricted	2,516,303	968,464	3,484,767
Total Net Assets	<u>\$ 109,707,774</u>	<u>\$ 63,135,709</u>	<u>\$ 172,843,483</u>

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

CITY OF CAMAS, WASHINGTON
Statement of Activities
Year Ended December 31, 2009

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENTAL ACTIVITIES:							
Governmental Activities:							
General Government	\$ 2,019,588	\$ 678,662	\$ -	\$ -	(1,340,926)	-	(1,340,926)
Judicial	174,845	214,750	-	-	39,905	-	39,905
Public Safety	11,058,299	3,156,206	78,813	41,095	(7,782,185)	-	(7,782,185)
Physical Environment	1,501,586	647,882	2,945	-	(850,759)	-	(850,759)
Transportation	5,218,433	35,761	365,695	60,036	(4,756,941)	-	(4,756,941)
Economic Environment	485,670	414,977	-	-	(70,693)	-	(70,693)
Culture and Recreation	3,364,737	201,589	19,516	354,362	(2,789,270)	-	(2,789,270)
Interest on Long-Term Debt	430,044	-	-	-	(430,044)	-	(430,044)
TOTAL GOVERNMENTAL ACTIVITIES	24,253,202	5,349,827	466,969	455,493	(17,980,913)	-	(17,980,913)
Business Type Activities:							
Water Sewer	7,437,743	7,057,570	-	521,495	-	141,322	141,322
Storm Water Drainage	1,226,497	679,785	53,116	36,587	-	(457,009)	(457,009)
Sanitary	2,039,742	1,760,293	-	-	-	(279,449)	(279,449)
TOTAL BUSINESS-TYPE ACTIVITIES	10,703,982	9,497,648	53,116	558,082	-	(595,136)	(595,136)
Total Primary Government	\$ 34,957,184	\$ 14,847,475	\$ 520,085	\$ 1,013,575	\$ (17,980,913)	\$ (595,136)	\$ (18,576,049)
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 10,524,832	\$ -	\$ 10,524,832
Property Taxes, Levied for Debt Service					984,594	-	984,594
Sales and Use Taxes					1,899,938	-	1,899,938
Business and Occupation Taxes					426,990	-	426,990
Excise Taxes					708,291	-	708,291
Grants and Contributions not Restricted to Specific Programs					367,117	-	367,117
Unrestricted Investment Earnings					91,249	29,980	121,229
Miscellaneous					63,465	129,721	193,186
Total General Revenues					15,066,476	159,701	15,226,177
Change in Net Assets					(2,914,437)	(435,435)	(3,349,872)
Net Assets - Beginning					112,892,255	63,571,144	176,463,399
Prior Period Adjustments					(270,044)	-	(270,044)
Net Assets - Ending					109,707,774	63,135,709	172,843,483

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

CITY OF CAMAS, WASHINGTON

Governmental Funds

Balance Sheet

December 31, 2009

	General Fund	Emergency Management Services Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 3,409,256	\$ 394,289	\$ 2,168,399	\$ 5,971,944
Property Taxes Receivables (net)	455,484	53,289	49,282	558,055
Sales Taxes Receivable	268,007	-	74,454	342,461
Accounts Receivable	8,943	169,165	8,842	186,950
Assessments Receivable	-	-	2,553	2,553
Due from Other Governmental Units	6,407	48,395	229,336	284,138
Total Assets	\$ 4,148,097	\$ 665,138	\$ 2,532,866	\$ 7,346,101
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 334,037	\$ 13,521	\$ 237,826	\$ 585,384
Due to Other Governmental Units	599	-	-	599
Custodial Deposits	11,880	-	-	11,880
Deferred Revenues	437,290	168,835	49,880	656,005
Total Liabilities	783,806	182,356	287,706	1,253,868
Fund Balances:				
Reserved for				
Debt Service	-	-	13,756	13,756
Capital	-	-	2,126,631	2,126,631
Unreserved, designated	972,091	-	-	972,091
Unreserved, undesignated	2,392,200	482,782	-	2,874,982
Unreserved, Reported in Nonmajor:				
Special Revenue Funds	-	-	104,773	104,773
Total Fund Balances	3,364,291	482,782	2,245,160	6,092,233
Total Liabilities and Fund Balances	\$ 4,148,097	\$ 665,138	\$ 2,532,866	

Amounts reported for governmental activities in the statement of net assets are different because (See Note II also

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds

112,859,934

Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds

656,005

Internal service funds are used to charge the costs of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets

2,649,436

Long-term liabilities that are not due and payable in the current period and are not reported in the funds

(12,549,834)

Net assets of governmental activities

\$ 109,707,774

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

CITY OF CAMAS, WASHINGTON
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2009

	General Fund	Emergency Management Services Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$ 9,350,153	\$ 1,092,543	\$ 984,594	\$ 11,427,290
Sales and Use Taxes	1,899,566	-	-	1,899,566
Other Taxes	449,141	-	686,140	1,135,281
License and Permits	363,168	-	-	363,168
Intergovernmental	607,192	1,348,124	774,772	2,730,088
Charges for Services	1,964,575	884,298	341,396	3,190,269
Fines and Forfeits	201,613	14,572	-	216,185
Interest Earnings	53,387	3,763	30,940	88,090
Rents and Royalties	44,142	-	926	45,068
Insurance Premiums and Recoveries	8,929	-	22,698	31,627
Contributions/Donations	14,865	255	1,328	16,448
Miscellaneous	37,524	429	3,720	41,673
Total Revenues	<u>14,994,255</u>	<u>3,343,984</u>	<u>2,846,514</u>	<u>21,184,753</u>
Expenditures:				
Current				
General Government	1,898,842	-	-	1,898,842
Judicial	174,845	-	-	174,845
Public Safety	7,485,949	3,005,760	-	10,491,709
Physical Environment	1,342,389	-	133,911	1,476,300
Transportation	-	-	1,537,961	1,537,961
Economic Environment	482,843	-	-	482,843
Culture and Recreation	2,555,298	-	48,516	2,603,814
Capitalized Expenditures	449,228	-	2,105,844	2,555,072
Debt Service				
Principal Retirement	-	-	1,202,796	1,202,796
Interest/Fiscal Charges	-	-	336,239	336,239
Total Expenditures	<u>14,389,394</u>	<u>3,005,760</u>	<u>5,365,267</u>	<u>22,760,421</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	604,861	338,224	(2,518,753)	(1,575,668)
Other Financing Sources (Uses)				
Intergovernmental Loan Proceeds	-	-	408,840	408,840
Transfers In	598,791	-	2,243,504	2,842,295
Transfers Out	(1,218,537)	(19,000)	(1,604,758)	(2,842,295)
Total Other Financing Sources and Uses	<u>(619,746)</u>	<u>(19,000)</u>	<u>1,047,586</u>	<u>408,840</u>
Net Change in Fund Balances	(14,885)	319,224	(1,471,167)	(1,166,828)
Fund Balance at Beginning of Year	3,379,176	163,558	3,716,327	7,259,061
Fund Balance at End of Year	<u>\$ 3,364,291</u>	<u>\$ 482,782</u>	<u>\$ 2,245,160</u>	<u>\$ 6,092,233</u>

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

CITY OF CAMAS, WASHINGTON

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balance of Governmental Funds to the Statement of Activities
Year Ended December 31, 2009

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds:	\$ (1,166,828)
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expenses. This is the amount by which capital outlays exceeded depreciation in the current period.	(2,107,183)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	(50,060)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	124,911
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	793,956
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(583,747)
Internal service funds are used by management to charge the costs of equipment, insurance and printing to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	74,514
Change in net assets of governmental activities	\$ <u><u>(2,914,437)</u></u>

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

CITY OF CAMAS, WASHINGTON
 General Fund
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Compared to Budget (GAAP Basis) and Actual
 For the Fiscal Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		Actual Amount	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 9,372,000	\$ 9,372,000	\$ 9,350,153	\$ (21,847)
Sales and Use Taxes	1,937,456	1,937,456	1,899,566	(37,890)
Other Taxes	461,151	461,151	449,141	(12,010)
License and Permits	377,250	377,250	363,168	(14,082)
Intergovernmental	513,975	513,975	607,192	93,217
Charges for Services	2,053,516	2,053,516	1,964,575	(88,941)
Fines and Forfeits	262,000	262,000	201,613	(60,387)
Interest Earnings	155,000	155,000	53,387	(101,613)
Rents and Royalties	49,245	49,245	44,142	(5,103)
Recoveries	-	-	8,929	8,929
Contributions/Donations	13,350	13,350	14,865	1,515
Miscellaneous	23,675	23,675	37,524	13,849
Total Revenues	<u>15,218,618</u>	<u>15,218,618</u>	<u>14,994,255</u>	<u>(224,363)</u>
Expenditures:				
Current				
General Government	1,863,742	1,916,749	1,898,842	17,907
Judicial	247,000	247,000	174,845	72,155
Public Safety	7,558,895	7,704,687	7,485,949	218,738
Physical Environment	1,356,676	1,397,332	1,342,389	54,943
Economic Environment	521,410	527,286	482,843	44,443
Culture and Recreation	2,502,845	2,572,870	2,555,298	17,572
Capitalized Expenditures	402,600	527,600	449,228	78,372
Total Expenditures	<u>14,453,168</u>	<u>14,893,524</u>	<u>14,389,394</u>	<u>504,130</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	765,450	325,094	604,861	279,767
Other Financing Sources (Uses):				
Transfers In	279,700	344,700	598,791	254,091
Transfers Out	(1,197,668)	(1,218,537)	(1,218,537)	-
Total Other Financing Sources and Uses	<u>(917,968)</u>	<u>(873,837)</u>	<u>(619,746)</u>	<u>254,091</u>
Net Change in Fund Balance	(152,518)	(548,743)	(14,885)	533,858
Fund Balances at Beginning of Year	3,379,176	3,379,176	3,379,176	-
Fund Balances at End of Year	<u>\$ 3,226,658</u>	<u>\$ 2,830,433</u>	<u>\$ 3,364,291</u>	<u>\$ 533,858</u>

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

CITY OF CAMAS, WASHINGTON
Emergency Management Services
Statement of Revenues, Expenditures and Changes in Fund Balances
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2009

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Property Taxes	\$ 1,108,400	\$ 1,108,400	\$ 1,092,543	\$ (15,857)
Intergovernmental	552,990	1,313,980	1,348,124	34,144
Charges for Services	594,100	854,100	884,298	30,198
Fines and Forfeits	12,000	12,000	14,572	2,572
Interest Earnings	1,500	1,500	3,763	2,263
Contributions/Donations	1,500	1,500	255	(1,245)
Miscellaneous	-	-	429	429
Total Revenues	<u>2,270,490</u>	<u>3,291,480</u>	<u>3,343,984</u>	<u>52,504</u>
Expenditures:				
Current				
Security/Persons and Property	<u>2,270,490</u>	<u>3,272,480</u>	<u>3,005,760</u>	<u>266,720</u>
Total Expenditures	<u>2,270,490</u>	<u>3,272,480</u>	<u>3,005,760</u>	<u>266,720</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	-	19,000	338,224	319,224
Other Financing Sources (Uses):				
Transfers Out	-	(19,000)	(19,000)	-
Total Other Financing Sources and Uses	-	(19,000)	(19,000)	-
Net Change in Fund Balance	-	-	319,224	319,224
Fund Balances at Beginning of Year	<u>163,558</u>	<u>163,558</u>	<u>163,558</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 163,558</u>	<u>\$ 163,558</u>	<u>\$ 482,782</u>	<u>\$ 319,224</u>

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

CITY OF CAMAS, WASHINGTON
Proprietary Funds
Statement of Net Assets
December 31, 2009

	Enterprise Funds				(Governmental Activities)
	Water-Sewer	Storm Water Drainage	Sanitary	Total	Internal Service - Equipment Rental
Assets:					
Current Assets:					
Cash and Cash Equivalents	\$ 83,649	\$ 412,724	\$ 285,353	\$ 781,726	\$ 764,193
Investments	-	-	199,750	199,750	-
Receivables (net)					
Accounts	234,047	18,401	32,429	284,877	6,509
Interest	1,750	-	433	2,183	-
Due from Other Governmental Units	7,083	-	-	7,083	-
Restricted Assets					
Cash and Cash Equivalents	712,558	-	-	712,558	-
Investments	200,188	-	-	200,188	-
Due from Other Governmental Units	250,000	-	-	250,000	-
Total Current Assets	<u>1,489,275</u>	<u>431,125</u>	<u>517,965</u>	<u>2,438,365</u>	<u>770,702</u>
Noncurrent Assets:					
Deferred Charges	76,048	-	-	76,048	-
Property, Plant and Equipment (Net)					
Land	860,055	-	-	860,055	104,731
Building	14,433,706	-	-	14,433,706	789,180
Intangible Assets	189,159	71,986	-	261,145	-
Improvements Other than Buildings	6,083,510	-	-	6,083,510	97,231
Machinery and Equipment	11,323,173	-	-	11,323,173	1,659,835
Infrastructure	33,812,939	9,129,609	-	42,942,548	-
Construction in Progress	2,177,866	101,396	-	2,279,262	-
Total Noncurrent Assets	<u>68,956,456</u>	<u>9,302,991</u>	<u>-</u>	<u>78,259,447</u>	<u>2,650,977</u>
Total Assets	<u>70,445,731</u>	<u>9,734,116</u>	<u>517,965</u>	<u>80,697,812</u>	<u>3,421,679</u>
Liabilities					
Current Liabilities:					
Accounts Payable	365,468	5,584	94,242	465,294	31,547
Custodial Accounts	479	-	-	479	-
Accrued Interest Payable	163,811	-	-	163,811	380
Accrued Employee Benefits	14,954	91	4,319	19,364	5,522
Bonds, Notes and Loans Payable	781,341	-	-	781,341	57,215
Bonds, Notes and Loans Payable from Restricted Assets - Current	560,104	-	-	560,104	-
Total Current Liabilities	<u>1,886,157</u>	<u>5,675</u>	<u>98,561</u>	<u>1,990,393</u>	<u>94,664</u>
Noncurrent Liabilities:					
Custodial Accounts	300	-	-	300	-
Bonds, Notes and Loan Payable	15,916,839	-	-	15,916,839	59,470
Accrued Employee Benefits	164,559	820	50,112	215,491	57,189
Total Noncurrent Liabilities	<u>16,081,698</u>	<u>820</u>	<u>50,112</u>	<u>16,132,630</u>	<u>116,659</u>
Total Liabilities	<u>17,967,855</u>	<u>6,495</u>	<u>148,673</u>	<u>18,123,023</u>	<u>211,323</u>
Net Assets:					
Invested in Capital Assets, Net of Related Debt	51,701,695	9,302,991	-	61,004,686	2,534,292
Restricted for Capital Purposes	346,765	-	-	346,765	-
Restricted for Debt Service	815,794	-	-	815,794	-
Unrestricted	(386,378)	424,630	369,292	407,544	676,064
Total Net Assets	<u>\$ 52,477,876</u>	<u>\$ 9,727,621</u>	<u>\$ 369,292</u>	<u>\$ 62,574,789</u>	<u>\$ 3,210,356</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				560,920	
Net Assets of Business-type Activities				<u>\$ 63,135,709</u>	

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

CITY OF CAMAS, WASHINGTON
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Fiscal Year Ended December 31, 2009

	Enterprise Funds				(Governmental Activities)
	Water-Sewer	Storm Water Drainage	Sanitary	Total	Internal Service - Equipment Rental
Operating Revenues:					
Charge for Services	\$ 7,057,570	\$ 679,785	\$ 1,760,293	\$ 9,497,648	\$ 1,371,870
Total Operating Revenues	<u>7,057,570</u>	<u>679,785</u>	<u>1,760,293</u>	<u>9,497,648</u>	<u>1,371,870</u>
Operating Expenses:					
Collection and Disposal	-	-	1,820,910	1,820,910	-
Storm Drainage Operations and Maintenance	-	830,378	-	830,378	-
Water Operations and Maintenance	1,570,564	-	-	1,570,564	-
Sewer Operations and Maintenance	1,888,912	-	-	1,888,912	-
Customer Accounts	73,545	-	119,494	193,039	-
Administration	994,535	-	69,166	1,063,701	-
Equipment Rental Operations	-	-	-	-	806,040
Taxes	233,269	7,160	79,095	319,524	-
Depreciation	2,014,415	401,789	-	2,416,204	443,191
Total Operating Expenses	<u>6,775,240</u>	<u>1,239,327</u>	<u>2,088,665</u>	<u>10,103,232</u>	<u>1,249,231</u>
Operating Income (loss)	282,330	(559,542)	(328,372)	(605,584)	122,639
Nonoperating Revenues (Expenses)					
Interest Earnings	20,634	3,965	5,381	29,980	3,159
State and Federal Grants	-	53,116	-	53,116	-
Interest and Fiscal Charges	(681,681)	-	-	(681,681)	(5,993)
Gain (Loss) on Disposal of Assets	(3,160)	-	-	(3,160)	34,527
Miscellaneous Revenue (Expense)	120,012	-	9,709	129,721	4,273
Total Nonoperating Revenues (Expenses)	<u>(544,195)</u>	<u>57,081</u>	<u>15,090</u>	<u>(472,024)</u>	<u>35,966</u>
Income (Loss) before Contributions	(261,865)	(502,461)	(313,282)	(1,077,608)	158,605
Capital Contributions	521,495	36,587	-	558,082	-
Increase (Decrease) in Net Assets	<u>259,630</u>	<u>(465,874)</u>	<u>(313,282)</u>	<u>(519,526)</u>	<u>158,605</u>
Total Net Assets at Beginning of Year	52,218,246	10,193,495	682,574		3,051,751
Total Net Assets at End of Year	<u>\$ 52,477,876</u>	<u>\$ 9,727,621</u>	<u>\$ 369,292</u>		<u>\$ 3,210,356</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				84,091	
Change in Net Assets of Business-type Activities				<u>\$ (435,435)</u>	

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

CITY OF CAMAS, WASHINGTON
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended December 31, 2009

	Enterprise Funds				(Governmental Activities)
	Water-Sewer	Storm Water Drainage	Sanitary	Total	Internal Service Equipment Rental
Cash Flows from Operating Activities:					
Cash received from Customers	\$ 7,021,319	\$ 672,047	\$ 1,764,927	\$ 9,458,293	\$ -
Cash received from Interfund Services Provided		-	-	-	1,370,298
Cash payments to Suppliers	(2,563,342)	(256,342)	(626,733)	(3,446,417)	(428,269)
Cash payments to Employees	(1,550,396)	(240,891)	(378,000)	(2,169,287)	(330,464)
Cash payments to Disposal Contractor		-	(535,309)	(535,309)	-
Cash payments for Interfund Services Used	(851,403)	(345,046)	(507,138)	(1,703,587)	(28,454)
Cash received for Connection Fees	28,578	-	-	28,578	-
Cash received from Other Non-Operating Revenues	120,011	-	9,709	129,720	639
Net Cash Provided by Operating Activities	<u>2,204,767</u>	<u>(170,232)</u>	<u>(272,544)</u>	<u>1,761,991</u>	<u>583,750</u>
Cash Flows from Noncapital Financing Activities:					
Proceeds from State Grants	-	61,343	-	61,343	-
Interest paid on Interfund Loan	(5,118)	-	-	(5,118)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(5,118)</u>	<u>61,343</u>	<u>-</u>	<u>56,225</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:					
Proceeds from State Grants	167,691	-	-	167,691	-
Acquisition and Construction of Capital Assets	(1,517,571)	(37,436)	-	(1,555,007)	(325,068)
Principal Paid on Revenue Bonds	(530,000)	-	-	(530,000)	-
Principal Paid on Other Long Term Obligations	(863,709)	-	-	(863,709)	(55,045)
Interest Paid on Revenue Bonds and Other Long Term Debt	(687,189)	-	-	(687,189)	(6,172)
Capital Contributed from Customers and Developers	353,804	-	-	353,804	-
Proceeds from Sale of Property	-	-	-	-	58,130
Proceeds from Insurance Recoveries	-	-	-	-	3,634
Net Cash Provided for Capital and Related Financing Activities	<u>(3,076,974)</u>	<u>(37,436)</u>	<u>-</u>	<u>(3,114,410)</u>	<u>(324,521)</u>
Cash Flows from Investing Activities:					
Interest on Investments	20,886	3,965	13,184	38,035	3,159
Purchase of Investment Securities	(200,000)	-	(200,000)	(400,000)	-
Proceeds from Sale and Maturities of Investment Securities	200,000	-	198,400	398,400	-
Net Cash Used by Investing Activities	<u>20,886</u>	<u>3,965</u>	<u>11,584</u>	<u>36,435</u>	<u>3,159</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(856,439)	(142,360)	(260,960)	(1,259,759)	262,388
Cash and Cash Equivalents at Beginning of Year	1,652,646	555,084	546,313	2,754,043	501,805
Cash and Cash Equivalents at End of Year	<u>\$ 796,207</u>	<u>\$ 412,724</u>	<u>\$ 285,353</u>	<u>\$ 1,494,284</u>	<u>\$ 764,193</u>
Cash and cash equivalents	\$ 83,649	\$ 412,724	\$ 285,353	\$ 781,726	\$ 764,193
Restricted cash and cash equivalents	712,558	-	-	712,558	-
Total Cash and Cash Equivalents	<u>\$ 796,207</u>	<u>\$ 412,724</u>	<u>\$ 285,353</u>	<u>\$ 1,494,284</u>	<u>\$ 764,193</u>

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

CITY OF CAMAS, WASHINGTON
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended December 31, 2009

	Enterprise Funds				(Governmental Activities)
	Water-Sewer	Storm Water Drainage	Sanitary	Total	Internal Service - Equipment Rental
Reconciliation of Operating Income (Loss) to Net					
Cash Used by Operating Activities:					
Net Operating Income (Loss)	\$ 282,330	\$ (559,542)	\$ (328,372)	\$ (605,584)	\$ 122,639
Adjustments to Reconcile Net					
Operating Income (Loss) to Net					
Cash Provided by Operations:					
Depreciation Expense	2,014,415	401,789	-	2,416,204	443,191
(Increase) Decrease in Receivables	(32,290)	(7,738)	4,634	(35,394)	(1,572)
Increase (Decrease) in Current Payables	(206,346)	(1,576)	43,902	(164,020)	7,313
Increase (Decrease) in Accrued Employee Benefits	2,030	(3,165)	(2,417)	(3,552)	11,540
(Increase) Decrease in receivables from other Govts	24,586	-	-	24,586	-
Increase (Decrease) in Custodial Accounts	31	-	-	31	-
Receipt of Non-Operating Revenues	120,011	-	9,709	129,720	639
Total Adjustments	<u>1,922,437</u>	<u>389,310</u>	<u>55,828</u>	<u>2,367,575</u>	<u>461,111</u>
Net Cash Provided by Operating Activities	<u>\$ 2,204,767</u>	<u>\$ (170,232)</u>	<u>\$ (272,544)</u>	<u>\$ 1,761,991</u>	<u>\$ 583,750</u>
Noncash Investing, Financing and Capital Activities					
Capital Assets Donated	\$ -	\$ 36,587	\$ -	\$ 36,587	\$ -
Net Change in Fair Value of Investments	(687)	-	(4,850)	(5,537)	-
Disposal of Capital Assets	(3,160)	-	-	(3,160)	(23,603)

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

CITY OF CAMAS, WASHINGTON
Firemen's Pension Fund
Statement of Fiduciary Net Assets
December 31, 2009

	<u>2009</u>
Assets:	
Cash and Cash Equivalents	\$ 1,905,601
Investments (at Fair Value):	
U.S. Government securities	240,117
Municipal securities	239,965
Receivables	
Interest	<u>6,557</u>
Total Assets	<u>2,392,240</u>
Liabilities:	
Total Liabilities	<u>-</u>
Net Assets	
Held in Trust for Pension Benefits	<u><u>\$ 2,392,240</u></u>

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

CITY OF CAMAS, WASHINGTON
 Firemen's Pension Fund
 Statement of Changes in Fiduciary Net Assets
 For The Year Ended December 31, 2009

	2009
Additions:	
Employer Contributions:	
For Pension Benefits	\$ 31,032
Total Contributions	31,032
Investment Income:	
Interest Earnings	50,555
Net increase in the fair value of investments	(10,684)
Net Investment Income	39,871
Total Additions	70,903
Deductions:	
Pension Benefits	14,719
Total Deductions	14,719
Net Increase in Fiduciary Net Assets	56,184
Net Assets - Beginning	2,336,056
Net Assets - Ending	\$ 2,392,240

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

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2009

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Camas, Washington have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

A. REPORTING ENTITY

The City of Camas was incorporated June 2, 1906 and operates under laws of the State of Washington applicable to non-charter code cities with a mayor-council form of government. As required by generally accepted accounting principles the financial statements present the City of Camas, the primary government. The city provides police, fire, streets, sanitation, recreation, library, cemetery, public improvements, planning and zoning, water supply, treatment and distribution and sewage collection and treatment services. In addition, the city also provides ambulance and emergency aid to all City of Camas residents and residents of the geographic area of the City of Washougal and East County Fire and Rescue. To support this function, the City of Washougal levies property taxes and remits to the city for services provided.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Fund financial statements are separate financial statements provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2009

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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

Basis of accounting refers to the point at which revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental fund financial statements report the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Sales tax is considered to be available if it is collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the city.

The city reports the following major governmental funds:

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

The *Emergency Management Services Fund* was established to account for the revenues and expenditures made in purchasing, maintaining and operating the ambulance and emergency aid service for the city, adjacent fire district and the City of Washougal.

The city reports the following major proprietary funds:

The *Water-Sewer Fund* accounts for the activities of one of the city's utilities. Its revenues are received from the sales of water and charges for sewer collection and treatment. Expenses are for maintenance and extensions of water and sewer service facilities, operating and expanding a water supply system, and operating a sewer treatment plant. This fund also reflects the operation of revenue bonds outstanding, cumulative bond reserves and construction funds.

The *Storm Water Drainage Fund* accounts for the activities of the city's storm water operations and capital facilities. Revenues are received from charges for storm water drainage services and system development charges. Expenses are for the

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2009

maintenance of the drainage system, street cleaning, and expanding the city's storm water drainage facilities.

The *Sanitary Fund* accounts for the activities of the city's sanitation operations. Revenues are received from charges for garbage and recycling services. Expenses are for the collection and disposal services provided to citizens and businesses within the city.

Additionally, the government reports the following fund types:

Debt Service Funds account for the resources accumulated and payments made for principal and interest on the general government except those required to be accounted for in another fund.

Special Revenue Funds account for the proceeds of specific revenue sources to finance specific activities as required by law or administrative regulation. Their revenues are earmarked to finance certain activities or functions.

Capital Project Funds account for the acquisition or development of capital facilities for governmental activities. Their major sources of revenues are from proceeds from general obligation bonds, loans, real estate excise tax, impact fees, grants from other agencies and contributions from other funds.

Internal Service Funds account for equipment management services provided to other departments of the government, or to other governments on a cost reimbursement basis.

The *Pension Trust Fund* accounts for the activities of the Firemen's Pension fund, which accumulates resources for pension benefit payments to qualified fire fighter employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The city has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water-Sewer Fund, of the non-major enterprise fund and of the government's internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service

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funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

1. Cash and cash equivalents and investments

The city's cash and cash equivalents are considered to be cash on hand, certificates of deposit, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash resources of individual funds are invested in treasury and government securities with interest accruing for the benefit of the individual fund. Cash resources required for immediate reasons (within the next month) are placed to the extent possible in short-term investments such as the state investment pool with interest accruing to the benefit of each individual fund.

Statutes authorize the city to invest in obligations of the U.S. Treasury, U.S. Agencies, the State Treasurer's Investment Pool, and public funds investment pools. The city is currently invested in one public investment pool, Clark County. Investments for the city are reported at fair value. The Clark County and State Treasurer Investment Pools operate in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. (See Note IV A)

2. Receivables and payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property tax receivables are shown net of an allowance for uncollectibles.

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Taxes are levied annually before December 15, and become a lien as of January 1, on property value listed as of the prior July 31. Assessed values are established by the county assessor. A revaluation of all property is required every four years.

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Taxes are due in two equal installments on April 30 and October 31. The county treasurer remits collections monthly to the appropriate district (See Note V B). Taxes receivable consists of property taxes. Accrued interest receivable consists of amounts earned on investments, notes and contracts at the end of the year.

Special assessments are recorded when levied. Special assessments receivable consists of current and delinquent assessments and related interest and penalties. Deferred assessments consist of unbilled special assessments that are liens against the property benefited.

Customer accounts receivable consists of amounts owed from private individuals or organizations for services. (See Note IV B)

3. Restricted assets

These accounts contain resources for debt service in enterprise funds. Certain proceeds of the Water-Sewer Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Additionally, certain development fees collected within the Water-Sewer Fund are restricted for capital projects.

The current portion of related liabilities are shown as Payables from Restricted Assets. Specific debt service reserve requirements are described in Note IV item E.

4. Capital assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the city as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. (See Note IV C)

In the case of the initial capitalization of general infrastructure (i.e., those reported by government activities) the city chose to include all such items purchased or constructed by the city with an individual cost of more than \$5,000 regardless of their acquisition date. Historical costs had previously been recorded for these items. General infrastructure donated to the city by developers has been recorded from 1977 forward. The city was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of

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business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment is depreciated using the straight line method over the following estimated useful lives:

<u>Asset Category</u>	<u>Useful Life</u>
Buildings	50
Infrastructure	10-50
Utility Improvements	10-80
Building Improvements	5-25
Vehicles	3-15
Intangibles	5-10
Office Equipment	5-10
Computer Equipment	5
Software	5

The city has constructed infrastructure with funding provided by federal financial assistance programs. The city has included such assets within the applicable column in the statement of net assets.

5. Compensated absences

The city records all accumulated unused vacation. The city also records a liability for unpaid accumulated sick leave, as certain employees are eligible to receive 25% of their sick leave balance upon retirement. All vacation and sick pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. (See also Note IV F)

6. Long-term obligations

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

In the fund financial statements, governmental fund types recognize bond premium and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. (See also Note IV F)

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7. Deferred revenues

This account includes amounts recognized as receivables but not revenues in governmental funds because the revenue recognition criteria has not been met.

8. Restricted net assets

The government-wide statement of net assets reports \$3,302,946 of restricted net assets, of which \$2,079,197 is restricted by enabling legislation. Net assets restricted for capital also includes unexpended proceeds of capital related debt in the business-type activities totaling \$79,596.

9. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Designations are as follows:

<u>Designated for:</u>	<u>General Fund</u>
Tax interim stabilization	\$ 700,000
Advance travel/petty cash	2,675
Police drug buy fund	107,733
Capital improvements	161,683
	\$ 972,091

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

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS

The governmental fund balance sheet includes a reconciliation between *fund balance—total governmental funds* and *net assets—governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “Internal service funds are used by management to charge the costs of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.” The details of this \$2,649,436 difference are as follows:

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Net assets of the internal service funds	\$ 3,210,356
Less: Internal payable representing charges in excess of cost to business-type activities - prior years	(476,829)
Add: Internal receivable representing cost to business -type activities in excess of charges - current year	<u>(84,091)</u>
Net adjustment to increase <i>fund balance - total</i> <i>governmental funds</i> to arrive at <i>net assets - governmental</i> <i>activities</i>	<u>\$ 2,649,436</u>

Another element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Bonds Payable	\$ 10,425,334
Less: Deferred charge on refunding	(82,192)
Plus: Deferred amount for issuance costs	(27,892)
Accrued Interest Payable	45,368
Net Pension Obligation	872,484
Compensated Absences	<u>1,316,732</u>
Net adjustment to reduce <i>fund balance - total</i> <i>governmental funds</i> to arrive at <i>net assets - governmental</i> <i>activities</i>	<u>\$ 12,549,834</u>

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances—total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures.” However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital Outlay	\$ 2,555,074
Depreciation expense	<u>(4,662,257)</u>
Net adjustment to increase <i>net changes in fund balances-</i> <i>total governmental funds</i> to arrive at <i>changes in net assets</i> <i>of governmental activities</i>	<u>\$ (2,107,183)</u>

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Another element of that reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets." The details of this \$(50,060) difference are as follows:

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources	\$ 14,812
The statement of activities reports gains arising from the trade-in of existing capital assets to acquire new capital assets; conversely, governmental funds do not report any gain or loss on a trade-in of capital assets	11,129
Net book value of assets retired	<u>(76,001)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ <u><u>(50,060)</u></u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$793,956 difference are as follows:

Principal repayments:	
General obligation debt	\$ 1,202,796
Issuance of governmental loan	<u>(408,840)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ <u><u>793,956</u></u>

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$(538,747) difference are as follows:

Compensated Absences	\$ (138,259)
Accrued Interest	4,405
Net OPEB Obligation	(357,676)
Amortization of issuance costs/deferred amount on refunding	<u>(92,217)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ <u><u>(583,747)</u></u>

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Another element of that reconciliation states that "Internal service funds are used by management to charge the costs of fleet management to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities." The details of this \$74,514 difference are as follows:

Change in net assets of internal service funds	\$ 158,605
Less: Profit from charges to business-type activities	<u>(84,091)</u>
Net adjustment to increase <i>net changes in fund balances-</i> <i>total governmental funds</i> to arrive at <i>changes in net assets</i> <i>of governmental activities</i>	<u>\$ 74,514</u>

NOTE III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Annual appropriated budgets are adopted for the general fund, special revenue funds and debt service funds not related to special assessments, on the modified accrual basis of accounting. There is no difference between the budgetary basis and generally accepted accounting principles.

Capital project funds and special assessment projects are appropriated as projects are scheduled, on the modified accrual basis of accounting. Budgets that are appropriated on a project basis, do not lapse at year-end and carry forward until completion, without an annual reappropriation.

Proprietary funds are budgeted on the full accrual basis for management control purposes only.

Budget amounts shown in the basic financial statements include the original budget amounts and all appropriation transfers and adjustments approved by the mayor or city council, as required. The mayor is authorized to transfer budgeted amounts between departments within the General 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. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level for all funds except the General Fund. The legal level of budgetary control for the General Fund is at the department level.

When the council wants to amend the budget for a particular fund, it may do so by ordinance, approved by a simple majority. During 2009, six supplemental appropriations were approved. Two appropriations increased the General Fund as follows: one for \$60,000 and one for \$65,000 to fund remodeling improvements to Fire Station 41. One appropriation increased the Emergency Management Services Fund as follows: \$1,020,990 for unbudgeted personnel and equipment expenditures. One appropriation increased the Library Construction Fund as follows: \$100,000 for library books and materials, \$290,000 for machinery and equipment, \$105,000 for land, and \$55,000 for other improvements. One appropriation increased the Storm Water Drainage Fund as follows: \$35,000 for repair costs for two storm water facilities. The sixth appropriation was to cover increased personnel costs for cost of living adjustments

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negotiated by the City's bargaining units as follows: \$336,225 for the General Fund, \$13,015 for the Equipment Rental Fund, \$20,869 for the City Street Fund, \$2,964 for the Cemetery Fund, \$7,850 for the Storm Water Drainage Fund, \$13,022 for the Sanitary Fund, \$57,757 for the Water-Sewer Fund. In addition, this appropriation also increased the Cemetery Fund as follows: \$17,000 for professional services for the State Archive grant that was started in 2008 and not completed.

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

1. Prior to November 1, the mayor submits a proposed budget to the city council. This budget is based on priorities established by the council and estimates provided by city departments during the proceeding months, and balanced with revenue estimates made by the finance director.
2. The council conducts a public hearing on the proposed budget in November or December.
3. The council makes adjustments to the proposed budget and by ordinance adopts a final balanced budget no later than December 31.
4. Within 30 days of adoption, the final budget document is available to the public.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended December 31, 2009, expenditures exceeded appropriations in the legislative, fire, detention/correction and animal control departments (the legal level of budgetary control) of the General Fund by \$7,704, \$25,166, \$15,242, and \$2,209, respectively. These overexpenditures were funded by available fund balance. The City Street Fund exceeded appropriations by \$26,551 which was funded by transfers from the Growth Management Fund. The Storm Water Drainage Fund exceeded appropriations by \$1,777 which was funded by available fund balance.

NOTE IV. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

All of the city's deposits and certificates of deposits are insured either by FDIC, or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission. Total public deposits may not exceed one and one-half times its net worth or 30% of the total public funds on deposit statewide in each qualified public depository. If public deposits exceed either of these limitations, it must collateralize the excess at 100%.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
U.S. Government Agencies	\$ 640,055	2.92
Municipal Securities	239,965	1.79
Clark County Investment Pool	813,976	.60
State Treasurer's Investment Pool	6,735,533	.14
Total fair value	<u>\$8,429,529</u>	
Portfolio weighted average maturity		1.36

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Interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the city's investment policy limits the maturities to less than three years and the average days to maturity of the portfolio will not exceed two years. The weighted average maturity of the city's total investment portfolio was 16.35 months at December 31, 2009.

Credit rate risk. The city has no investment policy that would further limit its investment choices. As of December 31, 2009, the city's investment in the state investment pool was not rated. The city's investment in Federal National Mortgage Association and Federal Home Loan Bank bonds were rated Aaa by Moody's Investors Service and AAA by Standard & Poor's. The city's investment in municipal securities (water-sewer bonds) was rated A-2 by Moody's Investors Service.

Concentration of credit risk. The city's investment policy states that no more than 75% of the total portfolio may be invested with the Washington State Local Government Investment Pool or Clark County Investment Pool. Further, no more than 25% of the total portfolio will be invested with a single financial institution or in a single security type, with the exception of U.S. Treasury securities and no more than 25% of the total portfolio may be invested with any one Federal agency.

The fair value of investments is derived from market values provided by the city's securities custodians as of December 31, 2009. Pool shares are valued at one dollar per unit/share, which is the fair value of the shares. The net asset value (NAV) is determined by dividing the value of net assets of the pool (assets less liabilities) by the total number of shares outstanding.

The State Treasurer's Investment Pool was created by the Washington State Legislature in 1986 and is administered by the State Treasurer. Additionally, the State Finance Committee adopts and administers appropriate rules relating to the State Treasurer's Investment Pool. The State Treasurer created the Local Government Investment Pool Advisory Committee to give advice on the operation of the pool. The committee is comprised of 12 members selected from active pool participants. Washington statutes and the federal Single Audit Act of 1984 require an annual single audit of the state including the State Treasurer's Office. In addition, the pool contracts with the State Auditor's Office for an outside independent audit of the pool's financial statements.

The Clark County investment pool is not SEC-registered. Authority to manage the investment pool is derived from the Revised Code of Washington (RCWs) in RCW 36.29.022. Regulatory oversight is provided by the Finance Committee, which by statute consists of the Treasurer, the Auditor, and the Chair of the Board of County Commissioners. The committee approves the investment policy and makes all appropriate rules and regulations to carry out the provisions of RCW 36.48.010 through 36.48.060.

B. RECEIVABLES

Receivables as of December 31, 2009 for the city's individual major funds, nonmajor, internal services and fiduciary funds in the aggregate, including the applicable allowance for uncollectible accounts, are shown as follows:

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	Taxes	Accounts Receivable	Special Assessments	Due from Other Gov'ts	Interest	Total
General Fund	\$ 723,491	\$ 8,943	\$ -	\$ 6,407	\$ -	\$ 738,841
Emergency Management Services	53,289	169,165	-	48,395	-	270,849
Other Governmental Funds	123,736	8,842	2,553	229,336	-	364,467
Water-Sewer	-	234,047	-	257,083	1,750	492,880
Storm Water Drainage	-	18,401	-	-	-	18,401
Sanitary	-	32,429	-	-	433	32,862
Internal Service	-	6,509	-	-	-	6,509
Fiduciary	-	-	-	-	976	976
Net Receivables	<u>\$ 900,516</u>	<u>\$ 478,336</u>	<u>\$ 2,553</u>	<u>\$ 541,221</u>	<u>\$ 3,159</u>	<u>\$ 1,925,785</u>

* The total net receivables does not agree to the government wide receivables due to the inclusion of the fiduciary funds in the above table.

Statement of Net Assets:

Receivables	\$ 1,674,809
Restricted intergovernment receivable	250,000
Net Receivables	<u>\$ 1,924,809</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but have not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable
Property taxes receivable (general fund)	\$ 437,290
Property taxes receivable (special revenue fund)	51,162
Property taxes receivable (debt service fund)	47,327
Due from other governmental units (special revenue fund)	44,737
Accounts receivable (special revenue fund)	72,936
Special assessments not yet due (debt service fund)	2,553
Total deferred/unearned revenue for governmental funds	<u>\$ 656,005</u>

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C. CAPITAL ASSETS

A summary of capital asset activity for the year ended December 31, 2009 was as follows:

	Balance 12/31/08	Prior Period Adjustment	Beginning Balance 01/01/09	Increases	Decreases	Ending Balance 12/31/09
Governmental activities:						
Capital assets, not being depreciated						
Land	\$ 54,684,541	\$ -	\$ 54,684,541	\$ 81,510	\$ -	\$ 54,766,051
Construction in progress	1,285,047	(270,044)	1,015,003	867,683	350,265	1,532,421
Total capital assets, not being depreciated	<u>55,969,588</u>	<u>(270,044)</u>	<u>55,699,544</u>	<u>949,193</u>	<u>350,265</u>	<u>56,298,472</u>
Capital assets, being depreciated/depleted						
Buildings	14,927,722	-	14,927,722	577,925	82,434	15,423,213
Improvements other than buildings	7,388,591	-	7,388,591	370,490	39,671	7,719,410
Machinery and equipment	9,179,872	-	9,179,872	1,013,442	659,894	9,533,420
Intangibles	186,137	-	186,137	-	-	186,137
Infrastructure	79,019,682	-	79,019,682	345,255	-	79,364,977
Total capital assets being depreciated	<u>110,702,004</u>	<u>-</u>	<u>110,702,004</u>	<u>2,307,152</u>	<u>781,999</u>	<u>112,227,157</u>
Less accumulated depreciation for:						
Buildings	3,403,735	-	3,403,735	334,829	20,345	3,718,219
Improvements other than buildings	2,784,367	-	2,784,367	420,924	31,318	3,173,973
Machinery and equipment	5,262,977	-	5,262,977	755,789	630,733	5,388,033
Intangibles	39,218	-	39,218	19,699	-	58,917
Infrastructure	37,101,368	-	37,101,368	3,574,207	-	40,675,575
Total accumulated depreciation	<u>48,591,665</u>	<u>-</u>	<u>48,591,665</u>	<u>5,105,448</u>	<u>682,396</u>	<u>53,014,717</u>
Total capital assets, being depreciated, net	62,110,339	-	62,110,339	(2,798,296)	99,603	59,212,440
Governmental activities						
capital assets, net	<u>\$ 118,079,927</u>	<u>\$ (270,044)</u>	<u>\$ 117,809,883</u>	<u>\$ (1,849,103)</u>	<u>\$ 449,868</u>	<u>\$ 115,510,912</u>

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	Beginning Balance 01/01/09	Increases	Decreases	Ending Balance 12/31/09
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 860,055	\$ -	\$ -	\$ 860,055
Construction in progress	1,743,164	1,542,982	1,006,884	2,279,262
Total capital assets, not being depreciated:	<u>2,603,219</u>	<u>1,542,982</u>	<u>1,006,884</u>	<u>3,139,317</u>
Capital assets, being depreciated:				
Buildings and system	17,578,606	-	-	17,578,606
Intangibles	397,702	-	-	397,702
Improvements other than buildings	7,475,342	579,654	-	8,054,996
Machinery and equipment	16,909,048	53,014	148,334	16,813,728
Infrastructure	55,344,799	422,828	-	55,767,627
Total capital assets, being depreciated	<u>97,705,497</u>	<u>1,055,496</u>	<u>148,334</u>	<u>98,612,659</u>
Less accumulated depreciation for:				
Buildings and system	2,762,148	382,752	-	3,144,900
Intangibles	103,529	33,028	-	136,557
Improvements other than buildings	1,732,176	239,310	-	1,971,486
Machinery and equipment	5,114,863	520,866	145,174	5,490,555
Infrastructure	11,584,831	1,240,248	-	12,825,079
Total accumulated depreciation	<u>21,297,547</u>	<u>2,416,204</u>	<u>145,174</u>	<u>23,568,577</u>
Total capital assets, being depreciated, net	76,407,950	(1,360,708)	3,160	75,044,082
Business-type activities capital assets, net	<u>\$ 79,011,169</u>	<u>\$ 182,274</u>	<u>\$ 1,010,044</u>	<u>\$ 78,183,399</u>

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

Governmental activities:

General government	\$ 94,181
Public safety	199,797
Transportation, including depreciation of general infrastructure assets	3,682,335
Physical environment	3,000
Culture and recreation	682,944
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>443,191</u>
Total depreciation expense—governmental activities	<u>\$ 5,105,448</u>

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Business-type activities:

Water-Sewer	\$ 2,014,415
Storm Water Drainage	<u>401,789</u>
Total depreciation expense—business-type activities	<u>\$ 2,416,204</u>

Significant Commitments

The City has spent \$885,926 to date to develop a 1.1 mile trail in the Washougal River Greenway. The remaining anticipated budget is \$980,000. This will be funded by a Washington State Recreation and Conservation Funding Board grant and real estate excise taxes.

The City has spent \$1,490,039 to date on design engineering and pre-construction expenses for improvements to the wastewater treatment plant. \$8,500,000 in construction expenses have been budgeted for 2010. The City has a \$10,000,000 public works trust fund loan that will be used for this project.

D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Loans between funds are classified as interfund loans receivable or payable or as advances to and from other funds on the statement of net assets. Within the city, one fund may borrow from another when specifically authorized by council resolution. Due to other funds and due from other funds result from work performed or services rendered to or for the benefit of another fund of the same government.

The Emergency Rescue Fund borrowed \$325,000 from the Firemen's Pension Fund for cash needs pending the receipt of property taxes. This balance was paid in full as of December 31, 2009. This short term interfund borrowing occurs each year because property taxes that is significant revenue for the Emergency Rescue Fund is only received in May and November. The Water Sewer Fund borrowed \$750,000 to meet operating expenses until rate increases allowed for additional revenues to be collected. This balance was paid in full as of December 31, 2009.

Interfund transfers are the flow of assets without a reciprocal return of assets, goods or services. These are transfers to support other funds without a requirement for repayment. The interfund transfer activity for the year is as follows:

Transfers Out:				
Transfers In:	General Fund	Emergency Management Services Fund	Nonmajor Gov't Funds	Total
General Fund	\$ -	\$ 19,000	\$ 579,791	\$ 598,791
Nonmajor Governmental Funds	1,218,537	-	1,024,967	2,243,504
Total	\$ 1,218,537	\$ 19,000	\$ 1,604,758	\$ 2,842,295

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During 2009 the following significant non-routine and infrequent transfers were made: The Emergency Management Services Fund and the Growth Management Fund transferred \$19,000 and \$375,000 respectively to the General Fund for improvements to Fire Station 41. The Growth Management Fund transferred \$173,705 to the General Fund for the new phone system and \$26,386 to the General Fund for network infrastructure and an auto retention software and documentation system.

E. RESTRICTED ASSETS

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

	Amount
Revenue bond debt service account - Water-Sewer	\$ 815,794
Public Works Trust Fund WWTP construction - Water-Sewer	(189,515)
Public Works Trust Fund NW 38th Ave Utilities - Water-Sewer	79,595
Capital reserve account - Water-Sewer	267,169
Total	\$ 973,043

F. LONG-TERM DEBT

GENERAL OBLIGATION DEBT

Bonds

The city issues general obligation bonds to provide funds for the acquisition and construction of major governmental activity capital facilities. The original amount of general obligation bonds issued in prior years was \$17,502,000.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 15-20 year serial bonds with almost equal amounts of principal maturing each year. General obligation bonds are either created by 3/5 majority vote of the people and, therefore, financed by a special tax levy; or created by ordinance, adopted by the City Council, and normally financed from general revenues (councilmanic bonds).

General obligation bonds currently outstanding are as follows:

Name & Amount of Issuance	Governmental Purpose	Issuance Date	Maturity Date	Interest Rate	Debt Outstanding
1996 Limited GO (\$3,110,000)	Capital & Refunding	11/1/1996	12/1/2011	3.8% to 5.45%	\$ 555,000
2000 Unlimited GO (\$7,960,000)	Capital	12/1/2000	12/1/2010	5.00%	370,000
2005 Unlimited GO (\$5,432,000)	Refunding	10/11/2005	12/1/2020	3.70%	5,179,000
Total General Obligation Bonds					\$ 6,104,000

\$12,736 is available in the Debt Service Funds to service the general obligation bonds. Annual debt service requirements to maturity for general obligation bonds are as follows:

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Governmental Activities			
			Total
	Principal	Interest	Requirements
2010	\$ 682,000	\$ 240,236	\$ 922,236
2011	719,000	205,602	924,602
2012	450,000	174,011	624,011
2013	466,000	157,361	623,361
2014	486,000	140,119	626,119
2015-2019	2,698,000	418,322	3,116,322
2020	603,000	22,311	625,311
	\$ 6,104,000	\$ 1,357,962	\$ 7,461,962

Annual debt service requirements to maturity for each of the individual general obligation bonds are as follows:

1996 Limited Tax GO Bonds				
	Coupon			Total
	Rates	Principal	Interest	Requirements
2010	5.40	\$ 270,000	\$ 30,113	\$ 300,113
2011	5.45	285,000	15,533	300,533
		\$ 555,000	\$ 45,646	\$ 600,646

2000 Unlimited Tax GO Bonds				
	Coupon			Total
	Rates	Principal	Interest	Requirements
2010	5.00	\$ 370,000	\$ 18,500	\$ 388,500
		\$ 370,000	\$ 18,500	\$ 388,500

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2005 Unlimited Tax GO Refunding Bonds				
	Coupon			Total
	Rates	Principal	Interest	Requirements
2010	3.70	\$ 42,000	\$ 191,623	\$ 233,623
2011	3.70	434,000	190,069	624,069
2012	3.70	450,000	174,011	624,011
2013	3.70	466,000	157,361	623,361
2014	3.70	486,000	140,119	626,119
2015-2019	3.70	2,698,000	418,322	3,116,322
2020	3.70	603,000	22,311	625,311
		\$ 5,179,000	\$ 1,293,816	\$ 6,472,816

Government Loans

The city has also received government loans to provide for construction of capital projects. Government loans outstanding at year-end are as follows:

Name & Amount of Issuance	Purpose	Issuance Date	Maturity Date	Interest Rate	Debt Outstanding
<u>Governmental Activities</u>					
1996 PWTF (\$1,350,000)	Capital	8/21/1996	7/1/2016	3%	\$ 675,000
1997 PWTF (\$810,000)	Capital	7/1/1997	7/1/2017	3%	462,857
2001 PWTF (\$613,731)	Capital	3/26/2001	7/1/2022	0.50%	399,019
2002 PWTF (\$1,018,000)	Capital	3/22/2004	7/1/2012	0.50%	386,295
2003 PWTF (\$2,350,000)	Capital	5/21/2004	7/1/2023	0.50%	2,015,829
2007 State LOCAL (\$225,000)	Capital	12/14/2007	12/1/2011	3.90%	116,686
2009 State LOCAL (\$408,840)	Capital	6/23/2009	1/9/2016	4.01%	382,334
Governmental Total					4,438,020
<u>Business-type Activities</u>					
1999 PWTF (\$3,195,000)	Water-Sewer	5/5/1999	7/1/2019	1%	1,690,921
Comm. Econ. Revital. Board (\$600,000)	Water-Sewer	1/1/2001	1/1/2016	5.85%	329,783
1996 Department of Ecology (EPA) (\$1,185,920)	Water-Sewer	1996	4/17/2017	4.30%	563,609
1998 Department of Ecology (EPA) (\$8,826,516)	Water-Sewer	1998	9/15/2020	4.10%	5,763,824
2007 PWTF (\$1,000,000)	Water-Sewer	8/6/2007	7/1/2027	0.50%	812,500
2008 PWTF (\$160,000)	Water-Sewer	3/4/2008	7/1/2013	0.50%	120,000
Business-type Total					9,280,637
<i>Total Government Loans</i>					\$ 13,718,657

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Government loan debt service requirements to maturity are as follows:

Governmental Activities			
	Principal	Interest	Total Requirements
2010	\$ 570,099	\$ 66,956	\$ 637,055
2011	574,485	56,412	630,897
2012	517,231	46,289	563,520
2013	390,773	37,824	428,597
2014	393,173	29,910	423,083
2015-2019	1,349,808	52,373	1,402,181
2020-2023	642,451	7,699	650,150
	\$ 4,438,020	\$ 297,463	\$ 4,735,483

Business-type Activities			
	Principal	Interest	Total Requirements
2010	\$ 781,341	\$ 296,401	\$ 1,077,742
2011	804,055	272,337	1,076,392
2012	827,755	246,529	1,074,284
2013	852,484	219,692	1,072,176
2014	848,288	191,784	1,040,072
2015-2019	4,251,227	521,683	4,772,910
2020-2024	903,428	27,647	931,075
2025-2027	12,059	1,601	13,660
	\$ 9,280,637	\$ 1,777,674	\$ 11,058,311

Annual debt service requirements to maturity for each of the individual governmental loans are as follows:

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1996 Public Works Trust Fund Loan

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2010 \$	96,429	\$ 20,250	\$ 116,679
2011	96,429	17,357	113,786
2012	96,429	14,464	110,893
2013	96,429	11,571	108,000
2014	96,429	8,679	105,108
2015-2016	192,855	8,679	201,534
	<u>\$ 675,000</u>	<u>\$ 81,000</u>	<u>\$ 756,000</u>

1997 Public Works Trust Fund Loan

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2010 \$	57,857	\$ 13,886	\$ 71,743
2011	57,857	12,150	70,007
2012	57,857	10,414	68,271
2013	57,857	8,679	66,536
2014	57,857	6,943	64,800
2015-2017	173,572	10,414	183,986
	<u>\$ 462,857</u>	<u>\$ 62,486</u>	<u>\$ 525,343</u>

2001 Public Works Trust Fund Loan

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2010 \$	33,252	\$ 1,995	\$ 35,247
2011	33,252	1,829	35,081
2012	33,252	1,663	34,915
2013	33,252	1,496	34,748
2014	33,252	1,330	34,582
2015-2019	166,257	4,157	170,414
2020-2021	66,502	499	67,001
	<u>\$ 399,019</u>	<u>\$ 12,969</u>	<u>\$ 411,988</u>

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2002 Public Works Trust Fund Loan

	Principal	Interest	Total Requirements
2010 \$	128,765 \$	1,931 \$	130,696
2011	128,765	1,288	130,053
2012	128,765	644	129,409
\$	<u>386,295</u> \$	<u>3,863</u> \$	<u>390,158</u>

2003 Public Works Trust Fund Loan

	Principal	Interest	Total Requirements
2010 \$	143,988 \$	10,079 \$	154,067
2011	143,988	9,359	153,347
2012	143,988	8,639	152,627
2013	143,988	7,919	151,907
2014	143,988	7,199	151,187
2015-2019	719,940	25,199	745,139
2020-2023	575,949	7,200	583,149
\$	<u>2,015,829</u> \$	<u>75,594</u> \$	<u>2,091,423</u>

2007 Local Option Capital Asset Lending (LOCAL) Loan

	Principal	Interest	Total Requirements
2010 \$	57,215 \$	4,002 \$	61,217
2011	59,471	1,747	61,218
\$	<u>116,686</u> \$	<u>5,749</u> \$	<u>122,435</u>

2009 Local Option Capital Asset Lending (LOCAL) Loan

	Principal	Interest	Total Requirements
2010 \$	52,593 \$	14,813 \$	67,406
2011	54,723	12,682	67,405
2012	56,940	10,465	67,405
2013	59,247	8,159	67,406
2014	61,647	5,759	67,406
2015-2016	97,184	3,924	101,108
\$	<u>382,334</u> \$	<u>55,802</u> \$	<u>438,136</u>

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1999 Public Works Trust Fund Loan

	Principal	Interest	Total Requirements
2010 \$	169,092 \$	16,909 \$	186,001
2011	169,092	15,218	184,310
2012	169,092	13,527	182,619
2013	169,092	11,836	180,928
2014	169,092	10,146	179,238
2015-2019	845,461	25,365	870,826
\$	<u>1,690,921 \$</u>	<u>93,001 \$</u>	<u>1,783,922</u>

2001 Community Economic Revitalization Board

	Principal	Interest	Total Requirements
2010 \$	39,469 \$	19,292 \$	58,761
2011	41,778	16,983	58,761
2012	44,222	14,539	58,761
2013	46,809	11,952	58,761
2014	49,547	9,214	58,761
2015-2016	107,958	9,564	117,522
\$	<u>329,783 \$</u>	<u>81,544 \$</u>	<u>411,327</u>

1996 Department of Ecology (EPA) Loan

	Principal	Interest	Total Requirements
2010 \$	65,172 \$	23,542 \$	88,714
2011	68,004	20,710	88,714
2012	70,960	17,754	88,714
2013	74,044	14,670	88,714
2014	77,262	11,452	88,714
2015-2017	208,167	13,618	221,785
\$	<u>563,609 \$</u>	<u>101,746 \$</u>	<u>665,355</u>

CITY OF CAMAS, WASHINGTON
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1998 Department of Ecology (EPA) Loan

	Principal	Interest	Total Requirements
2010 \$	424,245	\$ 232,012	\$ 656,257
2011	441,818	214,440	656,258
2012	460,118	196,140	656,258
2013	479,176	177,082	656,258
2014	499,024	157,237	656,261
2015-2019	2,822,828	458,461	3,281,289
2020	636,615	19,642	656,257
	<u>\$ 5,763,824</u>	<u>\$ 1,455,014</u>	<u>\$ 7,218,838</u>

2007 Public Work Trust Fund Loan

	Principal	Interest	Total Requirements
2010 \$	53,363	\$ 4,046	\$ 57,409
2011	53,363	4,536	57,899
2012	53,363	4,269	57,632
2013	53,363	4,002	57,365
2014	53,363	3,735	57,098
2015-2019	266,813	14,675	281,488
2020-2024	266,813	8,005	274,818
2025-2027	12,059	1,601	13,660
	<u>\$ 812,500</u>	<u>\$ 44,869</u>	<u>\$ 857,369</u>

2008 Public Work Trust Fund Loan

	Principal	Interest	Total Requirements
2010 \$	30,000	\$ 600	\$ 30,600
2011	30,000	450	30,450
2012	30,000	300	30,300
2013	30,000	150	30,150
	<u>\$ 120,000</u>	<u>\$ 1,500</u>	<u>\$ 121,500</u>

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REVENUE BONDS

The city also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds are created by ordinance, adopted by the city council and financed from enterprise fund revenues. The original amount of revenue bonds issued in prior years was \$9,890,000. The water sewer revenue bonds are issued to finance capital projects. Revenue bonds outstanding at year-end are as follows:

Name & Amount of Issuance	Issuance Date	Maturity Date	Interest Rate	Debt Outstanding
1998 Water Sewer Refunding (\$4,370,000)	10/28/1998	4/1/2016	3.5% to 4.45%	\$ 2,785,000
2007 Water Sewer (\$5,520,000)	9/6/2007	12/1/2026	4.25% to 5.00%	5,095,000
<i>Total Revenue Bonds</i>				<u>\$ 7,880,000</u>

Revenue bond debt service requirements to maturity are as follows:

Revenue Bonds			
	Principal	Interest	Total Requirements
2010	\$ 555,000	\$ 345,346	\$ 900,346
2011	575,000	321,975	896,975
2012	600,000	297,682	897,682
2013	625,000	270,493	895,493
2014	655,000	241,681	896,681
2015-2019	2,285,000	814,550	3,099,550
2020-2024	1,765,000	416,895	2,181,895
2025-2026	820,000	54,560	874,560
	<u>\$ 7,880,000</u>	<u>\$ 2,763,182</u>	<u>\$ 10,643,182</u>

\$815,794 is available in the reserve and redemption accounts of the Water-Sewer Fund to service revenue debt. Annual debt service requirements to maturity for each of the individual revenue bonds are as follows:

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1998 Water-Sewer Refunding Bond

	Coupon				Total
	Rates	Principal	Interest		Requirements
2010	4.10	\$ 350,000	\$ 111,498	\$	461,498
2011	4.10	365,000	96,840		461,840
2012	4.15	380,000	81,472		461,472
2013	4.20	395,000	65,283		460,283
2014	4.35	415,000	47,971		462,971
2015-2016	4.4-4.45	880,000	39,500		919,500
		<u>\$ 2,785,000</u>	<u>\$ 442,564</u>	<u>\$</u>	<u>3,227,564</u>

2007 Water-Sewer Bond

	Coupon				Total
	Rates	Principal	Interest		Requirements
2010	4.25	\$ 205,000	\$ 233,848	\$	438,848
2011	4.25	210,000	225,135		435,135
2012	4.25	220,000	216,210		436,210
2013	5.00	230,000	205,210		435,210
2014	5.00	240,000	193,710		433,710
2015-2019	5-4.5	1,405,000	775,050		2,180,050
2020-2024	4.5-4.3	1,765,000	416,895		2,181,895
2025-2026	4.40	820,000	54,560		874,560
		<u>\$ 5,095,000</u>	<u>\$ 2,320,618</u>	<u>\$</u>	<u>7,415,618</u>

The city is required by revenue bond indenture ordinances to maintain debt service coverage of at least 1.25. Total operating revenues less operating expenses, not including depreciation and amortization, must be at least 1.25 times the maximum principal and interest due in any one year until date of retirement of the bonds. Debt service coverage from operating revenues for the year ended December 31, 2009 was 3.63.

The city's bond indenture ordinance permits other income including interest earnings to be considered in computing debt service coverage. Including this other income, debt service coverage increases to 3.86.

COMPENSATED ABSENCES

Accumulated amounts of vacation and sick leave are accrued as an expenditure when incurred in Proprietary Funds, but only the amount of reimbursable unused vacation leave payable to employees who have terminated their employment as of the end of the fiscal year is shown as a liability in governmental funds. The remainder of the liability is reported in the governmental activities column of the statement of net assets.

As of December 31, 2009, the recorded liability on the government-wide statements for vacation and sick leave is \$1,573,087, with \$1,379,443 recorded in governmental

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activities and \$193,644 in business-type activities. City employees receive vacation and sick leave time at monthly rates established by city ordinance or union agreement. Vacation is accrued monthly by employees at annual rates ranging from 8 to 30 days depending upon tenure and union agreements with a maximum accrual limit of 50 days. Sick leave accruals vary, depending upon union agreement, between 8 and 16 hours per month. Vacation pay is paid upon termination or retirement, and a portion of sick pay is paid out upon retirement.

ARBITRAGE

Since 2001 the city has been reviewing arbitrage rebate liability on its outstanding tax-exempt bonds under Section 148(f) of the Internal Revenue Code. For the 2000 Unlimited G.O. bonds that reached their installment computation date (bonds outstanding for five years initially), the city had no arbitrage liability and paid no rebate.

CHANGES IN LONG-TERM LIABILITIES

The following is a summary of long-term debt changes of the city for the year:

	Beginning			Ending	
	Balance	Additions	Reductions	Balance	Due Within One Year
Governmental activities					
General obligation bonds	\$ 6,820,000	\$ -	\$ 716,000	\$ 6,104,000	\$ 682,000
Less deferred amounts					
On refunding	(171,854)	-	(89,662)	(82,192)	(82,192)
Total bonds payable	6,648,146	-	626,338	6,021,808	599,808
Government loans	4,571,022	408,840	541,842	4,438,020	570,099
Net OPEB obligation	516,797	357,677	1,990	872,484	-
Compensated absences	1,227,655	1,120,535	968,747	1,379,443	137,944
Governmental activity					
long-term liabilities	<u>\$ 12,963,620</u>	<u>\$ 1,887,052</u>	<u>\$ 2,138,917</u>	<u>\$ 12,711,755</u>	<u>\$ 1,307,851</u>
Business-type activities					
Revenue bonds	\$ 8,410,000	\$ -	\$ 530,000	\$ 7,880,000	\$ 555,000
Less deferred amounts					
For issuance premiums (discounts) on refunding	102,751	-	5,104	97,647	5,104
Total bonds payable	8,512,751	-	535,104	7,977,647	560,104
Government loans	9,894,347	250,000	863,710	9,280,637	781,341
Net OPEB Obligation	47,413	-	6,202	41,211	-
Compensated absences	190,994	141,268	138,618	193,644	19,364
Business-type activity					
long-term liabilities	<u>\$ 18,645,505</u>	<u>\$ 391,268</u>	<u>\$ 1,543,634</u>	<u>\$ 17,493,139</u>	<u>\$ 1,360,809</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental

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activities. At year-end internal service funds compensated absences of \$55,218 and loans of \$116,685 are included in the above amounts. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by operating funds, such as the General Fund, Street Fund, and the Emergency Management Services Fund.

The city's legal limit of indebtedness is 1½% of assessed property value without a vote of the taxpayers and 2½% with a vote of the taxpayers. At December 31, 2009, the remaining nonvoted and voted remaining capacity was \$39,123,302 and \$70,755,160, respectively.

NOTE V. OTHER DISCLOSURES

A. RISK MANAGEMENT

The city is exposed to various risks of loss such as natural disasters, property damage, liability, employee dishonesty, and personal injury. The city is a member of the Washington Cities Insurance Authority (WCIA).

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

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

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

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

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

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

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

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

B. PROPERTY TAXES

The county treasurer bills and collects all property taxes and remits the city's share once a month. Property taxes are recognized when levied, and measurable and available to finance expenditures of the current period. Property taxes not available to finance the current period are disclosed as deferred revenue on the balance sheet.

The city maintains a designated fund balance to assure the general fund remains solvent during the fiscal year. The balance is necessitated by the fact that the city depends on property tax more than most cities for general government revenue. Large property tax payments are received in May and November.

- A city is permitted by law to levy up to \$3.375 per \$1,000 of assessed valuation for general governmental services and an additional 22.5 cents per \$1,000 if the city has a firemen's pension fund.
- The city's regular levy for 2009 was \$3.09 per \$1,000 on an assessed valuation of \$3.15 (billion) for a total regular levy of \$9,730,842.
- Washington State Constitution and Washington State law, RCW 84.55.010, limit the levy rate.

C. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

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

PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) PLANS 1, 2 AND 3

Plan Description:

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

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2009

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

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

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

Plan 1 retirement benefits are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The annual benefit is 2 percent of the average final compensation per year of service, capped at 60 percent. The average final compensation is based on the greatest compensation during any 24 eligible consecutive compensation months. This annual benefit is subject to a minimum for PERS Plan 1 retirees who have 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired 25 years. Plan 1 members who retire from inactive status prior to the age of 65 may receive actuarially reduced benefits. If a survivor option is chosen, the benefit is further reduced. A cost-of-living allowance (COLA) is granted at age 66 based on years of service times the COLA amount, which is increased three percent annually. Plan 1 members may also elect to receive an optional COLA amount that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at three percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at the age of 65 with five years of service with an allowance of two percent of the average final compensation per year of service. The average final compensation is based on the greatest compensation during any eligible consecutive 60-month period. Plan 2 members who retire prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a three percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced to reflect the choice of a survivor option. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

CITY OF CAMAS, WASHINGTON
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Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. The defined benefit portion provides a benefit calculated at one percent of the average final compensation per year of service. The average final compensation is based on the greatest compensation during any eligible consecutive 60-month period. Effective June 7, 2006, Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years if twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan. Vested Plan 3 members are eligible to retire with full benefits at age 65, or at age 55 with ten years of service. PERS Plan 3 members who retire prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a three percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced to reflect the choice of a survivor option. There is no cap on years of service credit, and Plan 3 provides the same cost-of-living allowance as Plan 2.

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

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

Retirees and Beneficiaries Receiving Benefits	73,122
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	27,267
Active Plan Members Vested	105,212
Active Plan Members Nonvested	56,456
Total	262,057

Funding Policy:

Each biennium the State Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and at 7.5 percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan, and member contributions finance the defined contribution portion. The Employee Retirement Benefits Board sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the employee's

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age. The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.40 and 41.45 RCW.

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

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

*The employer rates include the employer administrative expense fee currently set at .16%.

**The employer rate for state elected officials is 7.89% for Plan 1 and 5.31% for Plan 2 and Plan 3.

***Plan 3 defined benefit portion only.

****The employee rate for state elected officials is 7.50% for Plan 1 and 3.905% for Plan 2.

*****Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.

The city and the employees made the required contributions. The city's required contributions for the years ending December 31 were as follows:

	<u>PERS Plan 1</u>	<u>PERS Plan 2</u>	<u>PERS Plan 3</u>
2009	\$23,125	\$253,796	\$51,152
2008	31,644	383,066	34,228
2007	27,093	284,880	23,544

LAW ENFORCEMENT OFFICERS' AND FIREFIGHTERS' (LEOFF) PLANS 1 AND 2

Plan Description:

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF participants who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 are Plan 2 members. Membership in the system includes all full-time, fully compensated, local law enforcement officers and firefighters and, as of July 24, 2005, those emergency medical technicians who were given the option and chose LEOFF Plan 2 membership. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers, who were first included prospectively effective July 23, 2003, being an exception.

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

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

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

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

The final average salary is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last 10 years of service. A cost-of-living allowance is granted (based on the Consumer Price Index).

LEOFF Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at the age of 50 with 20 years of service, or at 53 with five years of service, with an allowance of 2 percent of the final average salary per year of service. The final average salary is based on the highest consecutive 60 months. Plan 2 members who retire prior to the age of 53 receive reduced benefits. Benefits are actuarially reduced for each year that the benefit commences prior to the age of 53 and to reflect the choice of a survivor option. If the member has at least 20 years of service and is age 50, the reduction is three percent for each year prior to age 53. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

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

Retirees and Beneficiaries Receiving Benefits	9,2685
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	650
Active Plan Members Vested	13,120
Active Plan Members Nonvested	<u>3,9278</u>
Total	<u>26,965</u>

Funding Policy:

As of July 1, 2000, LEOFF Plan 1 employers and employees contribute zero percent as long as the plan remains fully funded. Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plan. LEOFF Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. All employers are required to contribute at the level required by state law. The Legislature, by means of a

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special funding arrangement, appropriated money from the state General Fund to supplement the current service liability and fund the prior service costs of LEOFF Plan 2 in accordance with the requirements of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. However, this special funding situation is not mandated by the state constitution and this funding requirement could be returned to the employers by a change of statute.

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

	<u>LEOFF Plan 1</u>	<u>LEOFF Plan 2</u>
Employer*	.16%	5.24%**
Employee	0.00%	8.46%
State	N/A	3.38%

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

**The employer rate for ports and universities is 8.99%.

The city and the employees made the required contributions. The city's required contributions for the years ending December 31 were as follows:

	<u>LEOFF Plan 1</u>	<u>LEOFF Plan 2</u>
2009	\$ 0	\$489,701
2008	0	263,847
2007	194	234,878

CITY OF CAMAS FIREMAN'S PENSION FUND

The city is the administrator of a single employer defined benefit pension plan, the Firemen's Pension Fund. The plan is limited to firefighters and beneficiaries employed before March 1, 1970, and as of March 1, 1970, the plan was closed to new entrants. Firefighters hired before March 1, 1970 at retirement receive the greater of the pension benefit provided under this plan or under the LEOFF plan. Any excess benefit over the LEOFF benefit is provided by the city plan. The plan presently has three individuals retired under the LEOFF plan, but drawing excess benefits from this plan. There are no current retirees for this plan. All future obligations of the Firemen's Pension Fund were assumed by the state pension system, LEOFF.

The Fireman's Pension Fund investment balance consists of \$244,744 in US government issued or guaranteed investments and \$240,919 in municipal securities with the fair values determined by marked quotations as of December 31, 2009, and as reported by fund managers.

A recent actuarial survey has not been done because annual benefits are approximately \$14,700 and the net assets held in trust for pension benefits are over \$2,300,000. However, the last actuarial survey indicated that there was no accrued liability in the system. Furthermore, there was no preparation of the schedules of funding progress and employer contributions because future funding and contributions by the city is not necessary.

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D. POST RETIREMENT HEALTH CARE PROGRAM (OPEB)

Plan Description:

In addition to the pension benefits described, the city administers a Post Retirement Health Care Program under a single-employer defined benefit Other Post Employment Benefit (OPEB) plan. This plan provides two basic benefits:

Pre-65 Medical Coverage: The city provides post-retirement health premium benefits continue from retirement until Medicare eligibility for employees retiring with at least 10 years of service, under the provision of the applicable PERS or LEOFF II retirement plan. Eligibility for these benefits is determined by the particular bargaining agreements. These benefits are provided as per requirements of a local ordinance. The city's regular health care benefit providers underwrite the retiree's policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans.

As of year-end, there were eleven employees who had retired and were receiving these benefits.

LEOFF I Healthcare Reimbursements: The city provides health insurance benefits for retired public safety employees. Substantially all city LEOFF I employees may become eligible for these benefits if they reach normal retirement age while working for the city. These benefits are provided by the city in order to meet state statutory requirements under the LEOFF I system whereby the city will pay for their medical premiums for life.

At December 31, 2009, there are twelve participants who have retired and receive these benefits.

This OPEB plan does not issue a stand-alone financial report nor is it included in the report of another entity.

Funding Policy:

This plan is not currently funded. It is financed on a pay-as-you-go basis.

The city pays the medical insurance premiums on plan members of the pre-65 medical coverage. Qualified spouses and children may qualify for coverage; however, the plan member must pay the entire dependent premium in return for this coverage. Obligations of the employees and city may be amended through the related employee bargaining agreements.

Under the LEOFF I Healthcare Reimbursements, the plan member has no required contributions. Amendments to the plan may be made through State statute.

The city was required to contribute \$559,429, but only contributed \$207,095 at December 31, 2009. This \$207,095 contributed differs from the Annual Required Contribution (ARC) because the plan is financed on a pay-as-you-go-basis. The difference between the OPEB Costs and the required contribution is called the Net OPEB Obligation (NOO). This amount of \$913,695 is the actuarial accrued liability recognized on the government wide statement of net assets. \$872,484 and \$41,211 is recognized

CITY OF CAMAS, WASHINGTON
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as a liability on the governmental activities and a business type statement of net assets, respectively.

As of the most recent actuarial valuation date, January 1, 2009, the total unfunded actuarial liability (UAAL) is \$7,181,555. The covered payroll (annual payroll of active employees covered by the plan) was \$7,482,708 and the ratio of the UAAL to the covered payroll was 96 percent.

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

Fiscal Year Ended	Annual OPEB Costs	Percentage of Annual OPEB Costs Contributed	Net OPEB Obligation
2009	\$ 556,580	37%	\$ 913,695
2008	449,247	36%	564,210
2007	448,859	39%	274,702

Annual OPEB Cost and Net OPEB Obligation

The city's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determine in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the city's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the city's net OPEB obligation.

Actuarial Required Contribution (ARC 12/31/09)	\$ 559,429
Interest on Net OPEB Obligation (NCO)	22,568
Adjustment to NCO	(25,417)
Annual OPEB Cost	556,580
Employer Contributions	207,095
Increase (Decrease) in NCO	349,485
Net OPEB Obligation January 1, 2009	564,210
Net OPEB Obligation December 31, 2009	\$ 913,695

Actuarial Methods and Assumptions:

The actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about retirement ages, mortality and the healthcare cost trend. The actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress, presented as required supplementary information immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2009

Additionally, calculations are based on the types of benefits provided under the terms of the plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. The specific actuarial methods and significant assumptions used to determine the ARC for the current year are as follows:

	Pre-65 Medical	LEOFF I
Valuation Date	1/1/2009	1/1/2009
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit
Method used to determine the actuarial value of assets	N/A	N/A
Interest Rate for Discounting Future Liabilities	4.00%	4.00%
Projected Payroll Growth	3.75%	3.75%
Investment Return	N/A	N/A
Healthcare Cost Trend Rate - Initial	10%	10%
Healthcare Cost Trend Rate - Ultimate	5%	5%
Amortization Method	Level Dollar	Level Dollar
Amortization Period - Closed	28	17

E. FEDERAL FINANCIAL ASSISTANCE

The city recorded the following federal grant revenues and loans for 2009.

Federal Catalog No.	Government	Program	Amount
14.218	Dept. of H.U.D.	Community Development Block Grant	\$ 80,928
14.253	Dept. of H.U.D.	ARRA – Community Development Block Grant	62,627
16.607	Dept. of Justice	Bulletproof Vest Partnership	767
16.710	Dept. of Justice	Public Safety Partnership and Community Policing	41,095
16.814	Dept. of Justice	ARRA – Edward Byrne Memorial Justice Assistance	12,228
20.205	Dept. of Transportation	Highway Planning & Construction	42,130
20.600	Dept. of Transportation	State and Community Highway Safety	1,000
20.601	Dept. of Transportation	Alcohol Impaired Driving Counter- Measures Incentive	901
45.310	U.S. Institute of Museum and Library Services	Grants to States	6,939
Total Federal Financial Assistance			<u>\$ 248,615</u>

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2009

F. CONTINGENT LIABILITIES

The city participates in a number of federal and state-assisted programs. These grants 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. City management believes that such disallowances, if any, will be immaterial.

The city is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the city's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the city

G. PRIOR PERIOD ADJUSTMENT

At December 31, 2009, the city recognized a prior period adjustment of \$(270,044) on the Statement of Activities for the Governmental Activities. This represents removal of projects from construction work-in-progress that will not result in capital assets.

H. SUBSEQUENT EVENTS

The city has a 2007 Public Works Trust Fund loan authorized in the amount of \$1,000,000 for pre-construction activities for improvements at the sewage treatment plant. \$750,000 had been received as of December 31, 2009. The remaining \$250,000 is shown as a receivable and will be received in 2010. Negotiations finalized in early January 2010 changed the loan term from 5 to 20 years. The revised amortization schedule is reported in these statements.

On February 1, 2010 the city awards an \$11,951,180 bid for construction improvements to the wastewater treatment plant. The project is anticipated to cost about \$13 million. A \$10 million low interest state loan has already been obtained to partially fund this project.

On March 1, 2010, the city council authorized an interfund loan to the Emergency Management Services Fund from the Firemen's Pension Fund in the amount of \$325,000 to meet operating expenses during 2010 until property taxes are collected.

On May 3, 2010, the Water Sewer Fund borrowed \$1,000,000 from the Firemen's Pension Fund to meet operating and construction expenses until sufficient utility revenue is received. This interfund loan will be repaid by December 31, 2010, with accrued interest of 1% per annum.

CITY OF CAMAS, WASHINGTON
 Required Supplementary Information
 Other Postemployment Benefits Plan
 Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liabilities (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b- a)/c)
1/1/2007	\$ -	\$ 5,966,966	\$ 5,966,966	0.00%	\$ 7,078,470	84.30%
1/1/2009	-	7,181,555	7,181,555	0.00%	7,482,708	95.98%

CITY OF CAMAS, WASHINGTON

General Fund

Schedule of Expenditures By Department - Budget (GAAP Basis) and Actual
Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
General Governmental Services Departments:				
Legislative	\$ 87,000	\$ 87,000	\$ 94,704	\$ (7,704)
Executive	208,678	219,428	218,384	1,044
Financial and Administrative	650,985	677,415	661,087	16,328
Legal	94,500	94,500	92,471	2,029
Personnel	155,891	160,553	155,887	4,666
Central Services	135,736	136,571	126,382	10,189
Information Services	352,129	362,459	383,415	(20,956)
Other General Governmental Services	178,823	178,823	166,512	12,311
Total General Governmental Services	1,863,742	1,916,749	1,898,842	17,907
Judicial Department:				
	247,000	247,000	174,845	72,155
Total Judicial	247,000	247,000	174,845	72,155
Public Safety Departments:				
Law Enforcement	3,945,605	3,962,669	3,754,577	208,092
Fire Control	2,786,998	2,919,790	2,944,508	(24,718)
Detention and/or Correction	392,188	385,890	401,132	(15,242)
Emergency Services	17,000	17,000	16,766	234
Protective Inspections	417,104	419,338	368,966	50,372
Total Public Safety	7,558,895	7,704,687	7,485,949	218,738
Physical Environment Departments:				
Engineering	1,273,726	1,306,882	1,249,730	57,152
Animal Control	82,950	90,450	92,659	(2,209)
Total Physical Environment	1,356,676	1,397,332	1,342,389	54,943
Economic Environment Departments:				
Information and Outreach	11,000	11,000	9,680	1,320
Planning and Community Development	473,437	478,497	439,314	39,183
Downtown Visioning Coalition	36,973	37,789	33,849	3,940
Total Economic Environment	521,410	527,286	482,843	44,443
Culture and Recreation Departments:				
Parks and Recreation	1,357,665	1,391,517	1,376,011	15,506
Community Education and Senior Programs	3,500	3,500	2,725	775
Library Services	1,141,680	1,177,853	1,176,562	1,291
Total Culture and Recreation	2,502,845	2,572,870	2,555,298	17,572
Capitalized Expenditures	402,600	527,600	449,228	78,372
Other Financing Uses:				
Operating Transfers Out	1,197,668	1,218,537	1,218,537	-
Total Other Financing Uses	1,197,668	1,218,537	1,218,537	-
Total Expenditures	\$ 15,650,836	\$ 16,112,061	\$ 15,607,931	\$ 504,130

Nonmajor Governmental Funds

Special Revenue Funds

City Street Fund - This fund is supported by general taxes and state gas tax. All maintenance and improvements of streets are paid from this fund. R.C.W. 47.24.040 provides for the creation of a city street fund.

Fire Equipment Cumulative Reserve Fund – This fund is a restrictive reserve fund where funds are accumulated for the purchase and replacement of the city's fire apparatus and equipment.

Cemetery Fund – This fund was established in 2007 to account for the operation and maintenance of the cemetery.

Debt Service Funds

Unlimited Tax Redemption Fund - The bond issues served by this fund were voted by a 3/5 majority of the voters and as such may be retired from tax levies without regard to tax limits.

Limited Tax Redemption Fund - The 1996 General Obligation and Refunding Bonds and interest must be paid from this sinking fund. Annual levies of general tax money are appropriated to the sinking fund to pay the annual interest and bonds due. Debt service must be paid by annual levies within the regular levy permitted for general tax purposes, without a vote of the people

Special Assessment Debt Fund – The fund is established to account for the debt service portion of special assessment districts. Special Assessment debt is recognized when levied and is offset by deferred revenue until the assessments become available and measurable.

Capital Project Funds

Growth Management Fund – This fund accounts for the collection and accumulation of one-half of 1% real estate tax, and impact fees for fire, transportation, parks, and open space. The construction of certain capital facilities as specified in the City's comprehensive plan that are funded by these revenues are accounted for in this fund.

Library Construction Fund - This fund was created in year 2000 to account for all costs associated with the expansion of the Library including architectural design and construction of site improvements.

CITY OF CAMAS, WASHINGTON

Nonmajor Governmental Funds

Combining Balance Sheet

December 31, 2009

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets:				
Cash and Cash Equivalents	\$ 146,169	\$ 11,801	\$ 2,010,429	\$ 2,168,399
Property Taxes Receivables (net)	-	49,282	-	49,282
Sales Taxes Receivable	-	-	74,454	74,454
Accounts Receivable	8,842	-	-	8,842
Assessments Receivable	-	2,553	-	2,553
Due from Other Governmental Units	-	-	229,336	229,336
Total Assets	<u>\$ 155,011</u>	<u>\$ 63,636</u>	<u>\$ 2,314,219</u>	<u>\$ 2,532,866</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 50,238	\$ -	\$ 187,588	\$ 237,826
Deferred Revenues	-	49,880	-	49,880
Total Liabilities	<u>50,238</u>	<u>49,880</u>	<u>187,588</u>	<u>287,706</u>
Fund Balances:				
Reserved for				
Debt Service	-	13,756	-	13,756
Capital	-	-	2,126,631	2,126,631
Unreserved				
Undesignated	104,773	-	-	104,773
Total Fund Balances	<u>104,773</u>	<u>13,756</u>	<u>2,126,631</u>	<u>2,245,160</u>
Total Liabilities and Fund Balances	<u>\$ 155,011</u>	<u>\$ 63,636</u>	<u>\$ 2,314,219</u>	<u>\$ 2,532,866</u>

CITY OF CAMAS, WASHINGTON
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 For the fiscal year ended December 31, 2009

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Property Taxes	\$ -	\$ 984,594	\$ -	\$ 984,594
Other Taxes	-	-	686,140	686,140
Intergovernmental	427,348	-	347,424	774,772
Charges for Services	42,709	-	298,687	341,396
Interest Earnings	762	63	30,115	30,940
Rents and Royalties	-	-	926	926
Insurance Premiums and Recoveries	22,698	-	-	22,698
Contributions/Donations	1,328	-	-	1,328
Miscellaneous	3,367	353	-	3,720
Total Revenues	<u>498,212</u>	<u>985,010</u>	<u>1,363,292</u>	<u>2,846,514</u>
Expenditures:				
Current:				
Physical Environment	133,911	-	-	133,911
Transportation	1,537,961	-	-	1,537,961
Culture and Recreation	-	-	48,516	48,516
Capitalized Expenditures	930,291	-	1,175,553	2,105,844
Debt Service				
Principal Retirement	-	1,202,796	-	1,202,796
Interest/Fiscal Charges	-	336,239	-	336,239
Total Expenditures	<u>2,602,163</u>	<u>1,539,035</u>	<u>1,224,069</u>	<u>5,365,267</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,103,951)	(554,025)	139,223	(2,518,753)
Other Financing Sources (Uses):				
Intergovernmental Loan Proceeds	408,840	-	-	408,840
Transfers In	1,695,211	548,293	-	2,243,504
Transfers Out	-	(4,700)	(1,600,058)	(1,604,758)
Total Other Financing Sources and Uses	<u>2,104,051</u>	<u>543,593</u>	<u>(1,600,058)</u>	<u>1,047,586</u>
Net Change in Fund Balances	100	(10,432)	(1,460,835)	(1,471,167)
Fund Balances at Beginning of Year	104,673	24,188	3,587,466	3,716,327
Fund Balances at End of Year	<u>\$ 104,773</u>	<u>\$ 13,756</u>	<u>\$ 2,126,631</u>	<u>\$ 2,245,160</u>

CITY OF CAMAS, WASHINGTON
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 December 31, 2009

	City Street	Fire Equipment Cumulative Reserve	Cemetery	Total Nonmajor Special Revenue Funds
Assets:				
Cash and Cash Equivalents	\$ 125,751	\$ -	\$ 20,418	\$ 146,169
Accounts Receivable				
Customer Accounts Receivable	8,842	-	-	8,842
Total Accounts Receivable (net)	<u>8,842</u>	<u>-</u>	<u>-</u>	<u>8,842</u>
Total Assets	<u>\$ 134,593</u>	<u>\$ -</u>	<u>\$ 20,418</u>	<u>\$ 155,011</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 48,310	\$ -	\$ 1,928	\$ 50,238
Total Liabilities	<u>48,310</u>	<u>-</u>	<u>1,928</u>	<u>50,238</u>
Fund Balances:				
Reserved for				
Undesignated	86,283	-	18,490	104,773
Total Fund Balances	<u>86,283</u>	<u>-</u>	<u>18,490</u>	<u>104,773</u>
Total Liabilities and Fund Balances	<u>\$ 134,593</u>	<u>\$ -</u>	<u>\$ 20,418</u>	<u>\$ 155,011</u>

CITY OF CAMAS, WASHINGTON
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
For the fiscal year ended December 31, 2009

	City Street	Fire Equipment Cumulative Reserve	Cemetery	Total Nonmajor Special Revenue Funds
Revenues:				
Intergovernmental	\$ 425,731	\$ -	\$ 1,617	\$ 427,348
Charges for Services	11,078	-	31,631	42,709
Interest Earnings	319	91	352	762
Insurance Premiums and Recoveries	22,698	-	-	22,698
Contributions/Donations	-	-	1,328	1,328
Miscellaneous	1,985	-	1,382	3,367
Total Revenues	461,811	91	36,310	498,212
Expenditures:				
Current:				
Physical Environment	-	-	133,911	133,911
Transportation	1,537,961	-	-	1,537,961
Capitalized Expenditures	483,222	447,069	-	930,291
Total Expenditures	2,021,183	447,069	133,911	2,602,163
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,559,372)	(446,978)	(97,601)	(2,103,951)
Other Financing Sources (Uses)				
Intergovernmental Loan Proceeds	-	408,840	-	408,840
Transfers In	1,612,359	-	82,852	1,695,211
Total Other Financing Sources (Uses)	1,612,359	408,840	82,852	2,104,051
Net Change in Fund Balances	52,987	(38,138)	(14,749)	100
Fund Balances at Beginning of Year	33,296	38,138	33,239	104,673
Fund Balances at End of Year	\$ 86,283	\$ -	\$ 18,490	\$ 104,773

CITY OF CAMAS, WASHINGTON

Nonmajor Debt Service Funds

Combining Balance Sheet

December 31, 2009

	<u>Unlimited Tax Redemption</u>	<u>Limited Tax Redemption</u>	<u>Special Assessment Debt</u>	<u>Total Nonmajor Debt Service Funds</u>
Assets:				
Cash and Cash Equivalents	\$ 10,541	\$ 241	\$ 1,019	\$ 11,801
Property Taxes Receivable (net)	34,603	14,679	-	49,282
Assessments Receivable	-	-	2,553	2,553
Total Assets	<u>\$ 45,144</u>	<u>\$ 14,920</u>	<u>\$ 3,572</u>	<u>\$ 63,636</u>
Liabilities and Fund Balances:				
Liabilities:				
Deferred Revenues	\$ 33,239	\$ 14,088	\$ 2,553	\$ 49,880
Total Liabilities	<u>33,239</u>	<u>14,088</u>	<u>2,553</u>	<u>49,880</u>
Fund Balances:				
Reserved for Debt Service	11,905	832	1,019	13,756
Total Fund Balances	<u>11,905</u>	<u>832</u>	<u>1,019</u>	<u>13,756</u>
Total Liabilities and Fund Balances	<u>\$ 45,144</u>	<u>\$ 14,920</u>	<u>\$ 3,572</u>	<u>\$ 63,636</u>

CITY OF CAMAS, WASHINGTON
 Nonmajor Debt Service Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 Year Ended December 31, 2009

	Unlimited Tax Redemption	Limited Tax Redemption	Special Assessment Debt	Total Nonmajor Debt Service Funds
Revenues:				
Property Taxes	\$ 682,961	\$ 301,633	\$ -	\$ 984,594
Interest Earnings	-	-	63	63
Miscellaneous	-	-	353	353
Total Revenues	<u>682,961</u>	<u>301,633</u>	<u>416</u>	<u>985,010</u>
Expenditures:				
Debt Service				
Principal Retirement	456,000	746,796	-	1,202,796
Interest/Fiscal Charges	230,980	105,259	-	336,239
Total Expenditures	<u>686,980</u>	<u>852,055</u>	<u>-</u>	<u>1,539,035</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,019)	(550,422)	416	(554,025)
Other Financing Sources (Uses):				
Transfers In	-	548,293	-	548,293
Transfers Out	-	-	(4,700)	(4,700)
Total Other Financing Sources (Uses)	<u>-</u>	<u>548,293</u>	<u>(4,700)</u>	<u>543,593</u>
Net Change in Fund Balances	(4,019)	(2,129)	(4,284)	(10,432)
Fund Balances at Beginning of Year	15,924	2,961	5,303	24,188
Fund Balances at End of Year	<u>\$ 11,905</u>	<u>\$ 832</u>	<u>\$ 1,019</u>	<u>\$ 13,756</u>

CITY OF CAMAS, WASHINGTON
Nonmajor Capital Project Funds
Combining Balance Sheet
December 31, 2009

	<u>Growth</u>	<u>Library</u>	<u>Total Nonmajor</u>
	<u>Management</u>	<u>Construction</u>	<u>Capital</u>
			<u>Project Funds</u>
Assets:			
Cash and Cash Equivalents	\$ 1,671,143	\$ 339,286	\$ 2,010,429
Sales Taxes Receivable	74,454	-	74,454
Due from Other Governmental Units	229,336	-	229,336
Total Assets	<u>\$ 1,974,933</u>	<u>\$ 339,286</u>	<u>\$ 2,314,219</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$ 162,905	\$ 24,683	\$ 187,588
Total Liabilities	<u>162,905</u>	<u>24,683</u>	<u>187,588</u>
Fund balances:			
Reserved for			
Capital	1,812,028	314,603	2,126,631
Total Equities and Fund Balances	<u>1,812,028</u>	<u>314,603</u>	<u>2,126,631</u>
Total Liabilities and Fund Balances	<u>\$ 1,974,933</u>	<u>\$ 339,286</u>	<u>\$ 2,314,219</u>

CITY OF CAMAS, WASHINGTON
Nonmajor Capital Project Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
For the fiscal year ended December 31, 2009

	<u>Growth Management</u>	<u>Library Construction</u>	<u>Total Nonmajor Capital Project Funds</u>
Revenues:			
Other Taxes	\$ 686,140	\$ -	\$ 686,140
Intergovernmental	347,424	-	347,424
Charges for Services	298,687	-	298,687
Interest Earnings	26,621	3,494	30,115
Rents and Royalties	-	926	926
Total Revenues	<u>1,358,872</u>	<u>4,420</u>	<u>1,363,292</u>
Expenditures:			
Current:			
Culture and Recreation	43,753	4,763	48,516
Capitalized Expenditures	957,553	218,000	1,175,553
Total Expenditures	<u>1,001,306</u>	<u>222,763</u>	<u>1,224,069</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	357,566	(218,343)	139,223
Other Financing Sources (Uses)			
Transfers Out	(1,600,058)	-	(1,600,058)
Total Other Financing Sources (Uses)	<u>(1,600,058)</u>	<u>-</u>	<u>(1,600,058)</u>
Net Change in Fund balances	(1,242,492)	(218,343)	(1,460,835)
Fund Balances at Beginning of Year	<u>3,054,520</u>	<u>532,946</u>	<u>3,587,466</u>
Fund Balances at End of Year	<u>\$ 1,812,028</u>	<u>\$ 314,603</u>	<u>\$ 2,126,631</u>

CITY OF CAMAS, WASHINGTON

City Street Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances

Compared to Budget (GAAP Basis) and Actual

For the Fiscal Year Ended December 31, 2009

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 390,947	\$ 390,947	\$ 425,731	\$ 34,784
Charges for Services	2,000	2,000	11,078	9,078
Interest Earnings	5,000	5,000	319	(4,681)
Recoveries	5,000	5,000	22,698	17,698
Miscellaneous	1,000	1,000	1,985	985
Total Revenues	<u>403,947</u>	<u>403,947</u>	<u>461,811</u>	<u>57,864</u>
Expenditures:				
Current:				
Transportation	1,513,763	1,513,763	1,537,961	(24,198)
Capitalized Expenditures	460,000	460,000	483,222	(23,222)
Total Expenditures	<u>1,973,763</u>	<u>1,973,763</u>	<u>2,021,183</u>	<u>(47,420)</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	(1,569,816)	(1,569,816)	(1,559,372)	10,444
Other Financing Sources (Sources):				
Transfers In	1,569,816	1,569,816	1,612,359	42,543
Total Other Financing Sources and Uses	<u>1,569,816</u>	<u>1,569,816</u>	<u>1,612,359</u>	<u>42,543</u>
Net Change in Fund Balance	-	-	52,987	52,987
Fund Balances at Beginning of Year	<u>33,296</u>	<u>33,296</u>	<u>33,296</u>	-
Fund Balances at End of Year	<u>\$ 33,296</u>	<u>\$ 33,296</u>	<u>\$ 86,283</u>	<u>\$ 52,987</u>

CITY OF CAMAS, WASHINGTON
 Fire Equipment Cumulative Reserve
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Compared to Budget (GAAP Basis) and Actual
 For the Fiscal Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest Earnings	\$ 1,000	\$ 1,000	\$ 91	\$ (909)
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>91</u>	<u>(909)</u>
Expenditures:				
Capitalized Expenditures	458,840	458,840	447,069	11,771
Total Expenditures	<u>458,840</u>	<u>458,840</u>	<u>447,069</u>	<u>11,771</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	(457,840)	(457,840)	(446,978)	10,862
Other Financing Sources (Uses):				
Intergovernmental Loan Proceeds	410,000	410,000	408,840	(1,160)
Total Other Financing Sources and Uses	<u>410,000</u>	<u>410,000</u>	<u>408,840</u>	<u>(1,160)</u>
Net Change in Fund Balance	(47,840)	(47,840)	(38,138)	9,702
Fund Balances at Beginning of Year	<u>38,138</u>	<u>38,138</u>	<u>38,138</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ (9,702)</u>	<u>\$ (9,702)</u>	<u>\$ -</u>	<u>\$ 9,702</u>

CITY OF CAMAS, WASHINGTON

Cemetery

Schedule of Revenues, Expenditures and Changes in Fund Balances

Compared to Budget (GAAP Basis) and Actual

For the Fiscal Year Ended December 31, 2009

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 1,617	\$ 1,617
Charges for Services	35,700	35,700	31,631	(4,069)
Interest Earnings	700	700	352	(348)
Contributions/Donations	-	-	1,328	1,328
Miscellaneous	100	100	1,382	1,282
Total Revenues	36,500	36,500	36,310	(190)
Expenditures:				
Current:				
Physical Environment	134,352	154,316	133,911	20,405
Total Expenditures	134,352	154,316	133,911	20,405
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(97,852)	(117,816)	(97,601)	20,215
Other Financing Sources (Uses):				
Transfers In	82,852	82,852	82,852	-
Total Other Financing Sources and Uses	82,852	82,852	82,852	-
Net Change in Fund Balances	(15,000)	(34,964)	(14,749)	20,215
Fund Balances at Beginning of Year	33,239	33,239	33,239	-
Fund Balances at End of Year	\$ 18,239	\$ (1,725)	\$ 18,490	\$ 20,215

CITY OF CAMAS, WASHINGTON

Unlimited Tax

Schedule of Revenues, Expenditures and Changes in Fund Balances

Compared to Budget (GAAP Basis) and Actual

For the Fiscal Year Ended December 31, 2009

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Property Taxes	\$ 686,980	\$ 686,980	\$ 682,961	\$ (4,019)
Total Revenues	<u>686,980</u>	<u>686,980</u>	<u>682,961</u>	<u>(4,019)</u>
Expenditures:				
Debt service:				
Principal Retirement	456,000	456,000	456,000	-
Interest/Fiscal Charges	<u>230,980</u>	<u>230,980</u>	<u>230,980</u>	<u>-</u>
Total Expenditures	<u>686,980</u>	<u>686,980</u>	<u>686,980</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	-	-	(4,019)	(4,019)
Fund Balances at Beginning of Year	<u>15,924</u>	<u>15,924</u>	<u>15,924</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 15,924</u>	<u>\$ 15,924</u>	<u>\$ 11,905</u>	<u>\$ (4,019)</u>

CITY OF CAMAS, WASHINGTON

Limited Tax

Schedule of Revenues, Expenditures and Changes in Fund Balances

Compared to Budget (GAAP Basis) and Actual

For the Fiscal Year Ended December 31, 2009

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Property Taxes	\$ 303,763	\$ 303,763	\$ 301,633	\$ (2,130)
Total Revenues	<u>303,763</u>	<u>303,763</u>	<u>301,633</u>	<u>(2,130)</u>
Expenditures:				
Debt service:				
Principal Retirement	797,591	797,591	746,796	50,795
Interest/Fiscal Charges	<u>116,262</u>	<u>116,262</u>	<u>105,259</u>	<u>11,003</u>
Total Expenditures	<u>913,853</u>	<u>913,853</u>	<u>852,055</u>	<u>61,798</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	(610,090)	(610,090)	(550,422)	59,668
Other Financing Sources (Uses):				
Transfers In	<u>610,090</u>	<u>610,090</u>	<u>548,293</u>	<u>(61,797)</u>
Total Other Financing Sources and Uses	<u>610,090</u>	<u>610,090</u>	<u>548,293</u>	<u>(61,797)</u>
Net Change in Fund Balance	-	-	(2,129)	(2,129)
Fund Balances at Beginning of Year	<u>2,961</u>	<u>2,961</u>	<u>2,961</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 2,961</u>	<u>\$ 2,961</u>	<u>\$ 832</u>	<u>\$ (2,129)</u>

City of Camas, Washington

Statistical Section

This part of the City of Camas' (the City) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	91
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	97
These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.	
Debt Capacity	101
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	106
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	108
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year. The City implemented GASB Statement 44 in 2006; schedules presenting government-wide information include information beginning in that year.

Table 1

City of Camas, Washington
 Net Assets by Component
 Last Eight Fiscal Years
 (accrual basis of accounting)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities								
Invested in capital assets, net of related debt	\$81,666,224	\$85,833,269	\$93,870,877	\$93,679,540	\$101,603,544	\$109,153,090	\$106,860,759	\$105,051,084
Restricted	5,167,854	3,975,448	3,757,869	4,467,370	5,289,129	3,616,721	3,611,654	2,140,387
Unrestricted	4,909,691	5,382,693	5,230,473	5,469,098	4,642,743	3,193,879	2,419,842	2,516,303
Total governmental activities net assets	<u>\$91,743,769</u>	<u>\$95,191,410</u>	<u>\$102,859,219</u>	<u>\$103,616,008</u>	<u>\$111,535,416</u>	<u>\$115,963,690</u>	<u>\$112,892,255</u>	<u>\$109,707,774</u>
Business-type activities								
Invested in capital assets, net of related debt	\$32,815,830	\$35,629,710	\$37,913,666	\$45,827,539	\$55,988,202	\$60,477,417	\$61,120,462	\$61,004,686
Restricted	1,666,398	1,146,774	1,139,080	1,733,544	1,377,702	5,955,875	1,367,099	1,162,859
Unrestricted	3,560,331	3,429,395	2,415,796	3,704,651	1,964,412	(1,763,084)	1,083,583	968,464
Total business-type activities net assets	<u>\$38,042,559</u>	<u>\$40,205,879</u>	<u>\$41,468,542</u>	<u>\$51,265,134</u>	<u>\$59,330,316</u>	<u>\$64,670,208</u>	<u>\$63,571,144</u>	<u>\$63,135,709</u>
Primary government								
Invested in capital assets, net of related debt	\$114,482,054	\$121,462,979	\$131,784,543	\$139,507,079	\$157,591,746	\$169,630,507	\$167,981,221	\$166,055,770
Restricted	6,834,252	5,122,222	4,896,949	6,200,914	6,666,831	9,572,596	4,978,753	3,302,946
Unrestricted	8,470,022	8,812,088	7,646,269	9,173,149	6,607,155	1,430,795	3,503,425	3,484,767
Total primary government net assets	<u>\$129,786,328</u>	<u>\$135,397,289</u>	<u>\$144,327,761</u>	<u>\$154,881,142</u>	<u>\$170,865,732</u>	<u>\$180,633,898</u>	<u>\$176,463,399</u>	<u>\$172,843,483</u>

The City implemented GASB 44 in 2006 and has reported the information above retroactively from 2002.

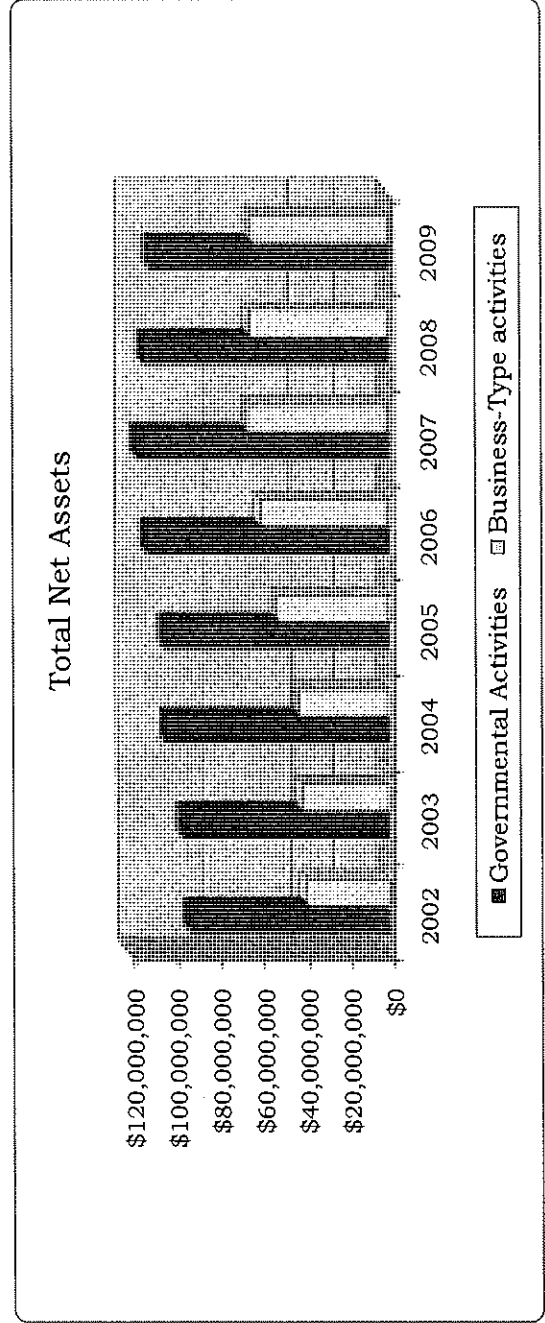


Table 2
Page 1 of 2

City of Camas, Washington
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	2002	2003	2004	2005	2005	2007	2008	2009
Expenses								
Governmental activities:								
General government	\$ 1,521,064	\$ 1,406,284	\$ 1,536,540	\$ 1,795,617	\$ 1,753,980	\$ 2,004,973	\$ 1,971,712	\$ 2,019,588
Judicial	177,066	175,302	162,809	128,123	189,946	171,207	193,383	174,845
Public Safety	6,995,940	7,507,992	7,762,885	7,806,609	8,579,033	9,956,452	10,098,295	11,058,299
Physical Environment	1,065,987	1,037,200	975,887	1,182,737	1,375,731	1,560,735	1,686,067	1,901,586
Transportation	3,895,366	4,536,003	5,711,115	4,689,307	4,499,184	5,637,233	5,672,852	5,218,433
Economic Environment	662,769	422,431	406,890	396,146	411,789	541,585	397,448	485,670
Culture and Recreation	2,208,427	2,391,712	2,642,890	2,729,050	2,918,176	3,894,696	3,362,790	3,364,737
Interest on Long-Term Debt	820,758	701,154	607,247	481,324	551,973	508,407	467,712	430,044
Total governmental activities expenses	17,347,377	18,178,078	19,866,233	19,178,913	20,241,612	24,475,288	23,850,259	24,253,202
Business-type activities:								
Water - Sewer	5,019,694	5,311,346	5,977,917	6,460,350	6,624,163	6,890,962	7,720,910	7,437,743
Storm Water Drainage	-	-	*	492,823	750,551	903,958	1,069,811	1,226,497
Sanitary	1,322,929	1,407,293	1,376,742	1,533,002	1,783,653	1,775,981	1,819,090	2,039,742
Total business-type activities expenses	6,342,623	6,718,639	7,354,659	8,486,175	9,158,367	9,530,901	10,609,811	10,703,982
Total primary government expenses	\$ 23,690,000	\$ 24,896,717	\$ 27,160,892	\$ 27,665,088	\$ 29,400,179	\$ 34,006,189	\$ 34,460,070	\$ 34,957,184
Program Revenues								
Governmental activities:								
Charges for services:								
Public safety	\$ 2,342,192	\$ 2,236,291	\$ 2,097,121	\$ 2,494,910	\$ 2,529,134	\$ 2,275,001	\$ 2,179,383	\$ 3,156,206
Economic environment	1,316,238	1,145,639	1,142,821	2,209,793	1,183,598	804,593	530,873	414,977
Other activities	1,081,495	1,091,717	1,298,955	1,225,255	1,501,367	1,649,617	1,783,919	1,778,644
Operating grants and contributions	451,067	344,469	502,790	434,006	474,993	539,577	464,241	466,969
Capital grants and contributions	2,383,487	4,307,061	7,941,282	6,457,006	8,936,193	10,317,610	956,930	455,493
Total governmental activities program revenues	7,575,079	9,125,177	12,982,969	12,820,970	13,725,285	15,685,399	5,913,346	6,272,289
Business-type activities:								
Charges for services:								
Water - Sewer	4,627,929	4,981,073	5,301,666	5,525,412	6,062,899	6,222,686	6,300,494	7,057,570
Storm Water Drainage	1,368,896	1,446,303	1,574,511	1,679,644	1,743,870	1,782,689	1,802,190	1,760,293
Sanitary	-	-	-	-	-	1,144	23,189	53,116
Operating grants and contributions	1,615,321	2,241,531	1,185,204	3,425,815	8,555,739	4,161,710	561,816	558,082
Capital grants and contributions	7,512,146	3,669,907	8,091,381	11,014,325	16,829,063	12,844,125	9,187,150	10,108,946
Total business-type activities program revenues	15,187,225	17,794,084	21,044,350	23,835,295	30,554,348	28,330,523	15,102,495	16,381,135
Net (expenses)/revenue	\$ (9,772,298)	\$ (9,052,901)	\$ (6,823,264)	\$ (6,357,943)	\$ (6,516,527)	\$ (8,786,990)	\$ (17,934,913)	\$ (17,980,913)
Governmental activities	1,269,593	1,950,268	706,722	2,528,150	7,670,696	3,113,224	(1,422,661)	(595,136)
Business-type activities	(6,502,715)	(7,102,633)	(6,116,542)	(3,829,793)	(1,154,169)	(5,673,566)	(19,357,574)	(18,576,049)
Total primary government net expense								

The City implemented GASB 44 in 2006 and has reported the information above retroactively from 2002.

* In 2005 the City established the Storm Water Drainage Fund as an enterprise fund to provide the maintenance, operations and construction of storm sewer capital facilities city-wide.

City of Camas, Washington

Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes								
Property taxes	\$ 9,007,595	\$ 9,139,398	\$ 9,269,439	\$ 9,564,242	\$ 9,820,482	\$ 10,889,917	\$ 11,278,123	\$ 11,509,426
Sales and use taxes	2,170,046	2,517,357	2,902,678	1,719,533	1,793,742	1,795,976	1,989,544	1,899,938
Business and occupation taxes	227,580	205,659	244,419	289,618	347,167	382,575	403,387	426,990
Excise taxes	65,924	62,496	75,384	1,804,376	1,634,916	1,135,599	757,059	708,291
Penalties and interest	3,366	4,757	4,803	2,357	775	49	89	-
Unrestricted grants and contributions	259,149	241,395	283,794	367,232	308,587	345,500	346,940	367,117
Investment earnings	401,261	301,381	147,962	343,204	472,455	523,808	289,146	91,249
Miscellaneous	9,012	14,986	26,421	17,953	57,811	6,934	39,460	63,465
Gain on Disposal of Capital Assets	-	13,113	(35,056)	63,040	-	-	-	-
Transfers	(43,578)	-	18,493	(24,658)	-	17,780	3,124	-
Total governmental activities	<u>12,100,355</u>	<u>12,500,542</u>	<u>12,938,337</u>	<u>14,146,797</u>	<u>14,435,935</u>	<u>15,098,138</u>	<u>15,106,962</u>	<u>15,066,476</u>
Business-type activities:								
Investment earnings	186,024	150,376	92,230	106,855	212,329	285,474	197,892	29,980
Miscellaneous	53,380	62,676	72,729	104,864	182,157	124,168	128,829	129,721
Gain on Disposal of Capital Assets	-	-	-	-	-	3,225	-	-
Transfers	43,578	-	(18,493)	24,658	-	(17,780)	(3,124)	-
Total business-type activities	<u>282,982</u>	<u>213,052</u>	<u>146,466</u>	<u>236,377</u>	<u>394,486</u>	<u>395,087</u>	<u>323,597</u>	<u>159,701</u>
Total primary government	<u>\$ 12,383,337</u>	<u>\$ 12,713,594</u>	<u>\$ 13,084,803</u>	<u>\$ 14,383,174</u>	<u>\$ 14,830,421</u>	<u>\$ 15,493,225</u>	<u>\$ 15,430,559</u>	<u>\$ 15,226,177</u>
Change in Net Assets								
Governmental activities	\$ 2,328,057	\$ 3,447,641	\$ 6,150,129	\$ 7,788,954	\$ 7,919,408	\$ 6,309,248	\$ (2,827,951)	\$ (2,914,437)
Business-type activities	1,552,505	2,163,320	853,188	2,764,527	8,065,182	3,508,311	(1,099,064)	(435,435)
Total primary government	<u>\$ 3,880,562</u>	<u>\$ 5,610,961</u>	<u>\$ 7,003,317</u>	<u>\$ 10,553,481</u>	<u>\$ 15,984,590</u>	<u>\$ 9,817,559</u>	<u>\$ (3,927,015)</u>	<u>\$ (3,349,872)</u>

The City implemented GASB 44 in 2006 and has reported the information above retroactively from 2002.

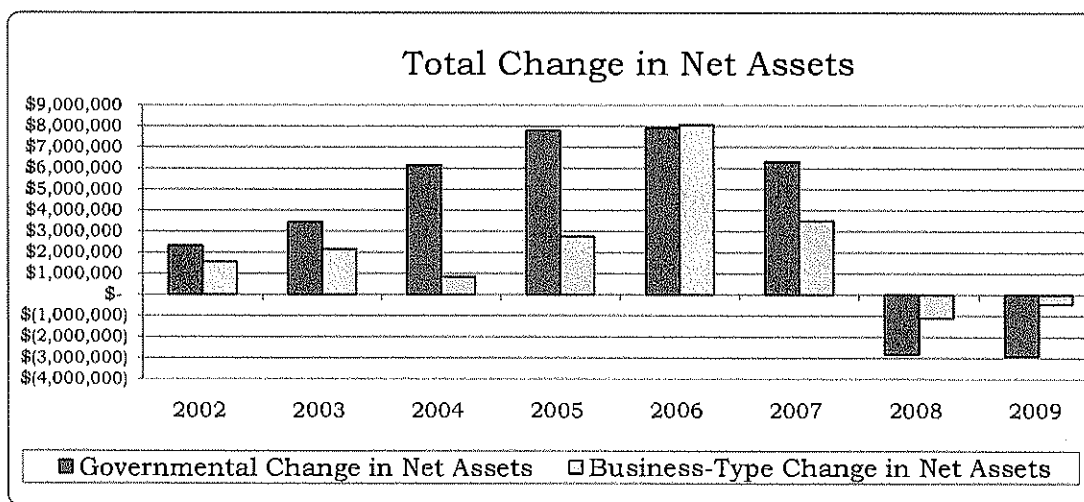


Table 3

City of Camas, Washington
 Tax Revenues by Source, Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year	General Property Taxes	Sales and Use Taxes	Other Taxes	Total Taxes
2000	\$ 7,177,612	\$ 1,609,673	\$ 730,492	\$ 9,517,777
2001	8,838,117	1,474,084	1,033,560	11,345,761
2002	9,007,595	1,356,764	1,110,152	11,474,511
2003	9,139,398	1,512,578	1,277,691	11,929,667
2004	9,269,439	1,603,664	1,623,620	12,496,723
2005	9,547,513	1,719,533	2,096,251	13,363,297
2006	9,819,086	1,793,742	1,982,858	13,595,686
2007	10,744,553	1,795,976	1,518,223	14,058,752
2008	11,154,737	1,963,319	1,160,535	14,278,591
2009	11,427,290	1,899,566	1,135,281	14,462,137

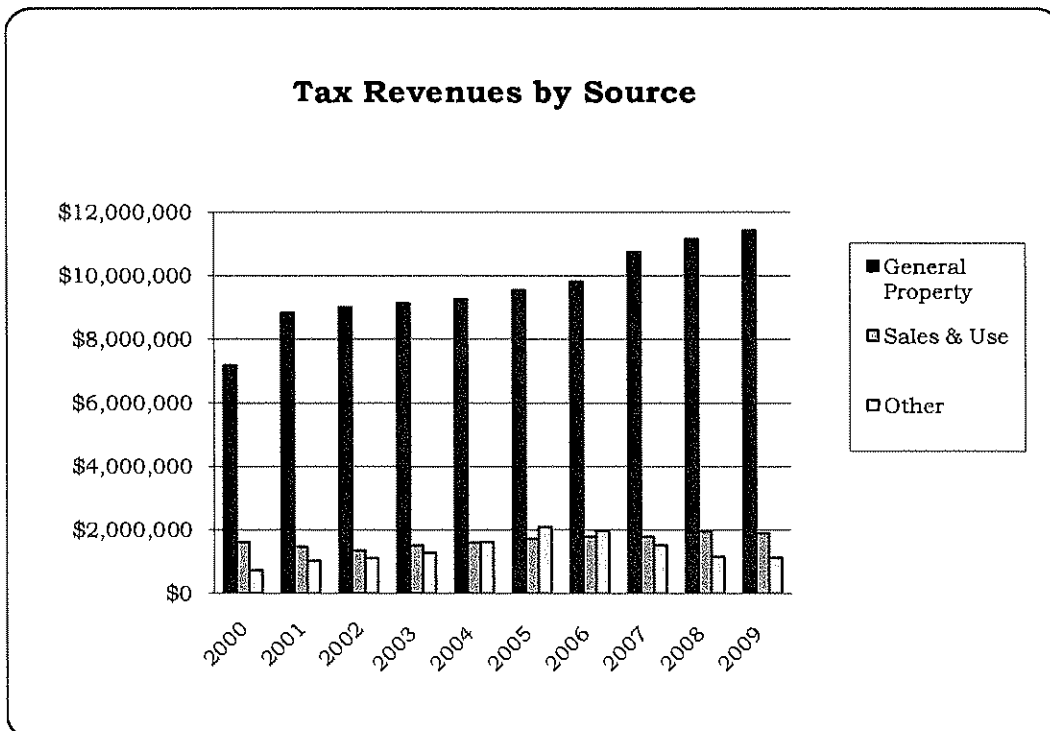


Table 4

City of Camas, Washington
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	General Fund			All Other Governmental Funds			Total All Other Governmental Funds
	Reserved	Unreserved	Total General Fund	Reserved	Unreserved Special Revenue Funds	Unreserved Capital Projects Funds	
2000	\$ 20,584	\$ 1,649,476	\$ 1,670,060	\$ 11,066,834	\$ 2,480,240	\$ (799,033)	\$ 12,748,041
2001	19,579	2,157,018	2,176,597	10,179,028	2,431,246	(1,154,566)	11,455,708
2002	18,544	2,257,765	2,276,309	5,149,310	1,825,310	-	6,974,620
2003	-	2,680,192	2,680,192	3,975,448	2,010,162	-	5,985,610
2004	-	3,465,119	3,465,119	3,757,869	1,298,723	64,512	5,121,104
2005	-	4,485,639	4,485,639	4,467,370	569,692	171,540	5,208,602
2006	-	4,801,484	4,801,484	5,289,129	755,377	-	6,044,506
2007	-	4,030,330	4,030,330	3,827,479	180,992	(70,324)	3,938,147
2008	-	3,379,176	3,379,176	3,611,654	196,854	71,377	3,879,885
2009	-	3,364,291	3,364,291	2,140,387	482,782	104,773	2,727,942

Table 5

City of Camas, Washington
Changes in Fund Balances, Government Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues	\$ 9,517,777	\$ 11,345,761	\$ 11,616,802	\$ 11,950,358	\$ 12,531,538	\$ 13,363,297	\$ 13,595,686	\$ 14,058,752	\$ 14,278,591	\$ 14,462,137
Taxes	492,063	502,318	725,162	567,226	480,952	739,315	460,489	442,146	414,887	303,168
Licenses and permits	1,554,460	1,902,341	2,052,116	1,983,993	7,387,056	3,196,992	2,894,189	2,335,029	2,155,029	2,730,088
Intergovernmental	2,650,232	2,803,677	3,333,234	3,212,621	3,284,823	4,463,883	3,864,707	3,512,854	3,202,921	3,190,269
Charges for services	232,195	215,387	223,159	210,106	218,984	163,908	193,472	215,806	270,518	216,185
Fines and forfeits	354,711	809,626	390,012	295,104	142,313	332,456	457,085	513,499	280,726	88,090
Interest earnings	-	-	56,117	58,570	55,307	46,677	39,478	9,086	41,235	45,068
Rents and royalties	-	-	-	-	3,670	55,251	115,626	78,381	10,387	31,627
Insurance premiums/recoveries	-	130,897	113,099	100,376	590,341	669,104	184,655	336,230	16,448	-
Contributions/donations	-	-	-	-	-	-	-	-	-	-
Interest on special assessments	6,651	7,710	-	-	-	-	-	-	-	-
Special assessment principal	40,711	25,578	-	32,007	50,822	98,926	21,168	33,812	59,502	41,673
Miscellaneous	72,954	69,734	37,282	18,010,361	24,745,756	23,095,821	21,833,754	21,492,649	20,765,177	21,184,753
Total revenues	15,121,744	17,813,029	18,546,983	18,010,361	24,745,756	23,095,821	21,833,754	21,492,649	20,765,177	21,184,753
Expenditures	1,333,817	1,420,046	1,465,641	1,347,847	1,441,193	1,675,583	1,705,674	1,859,674	1,857,059	1,898,842
General government	144,489	163,397	177,066	175,302	162,809	128,123	189,946	171,207	193,383	174,845
Judicial	5,578,029	6,255,368	6,742,626	7,223,576	7,397,496	7,476,465	8,237,257	9,346,168	9,669,711	10,491,709
Public safety	933,399	1,074,404	1,048,739	1,028,384	944,317	1,107,639	1,362,037	1,511,826	1,539,201	1,476,300
Physical environment	1,166,226	1,178,891	1,315,242	1,541,924	2,794,251	1,842,791	1,699,787	1,895,777	1,906,603	1,537,961
Transportation	421,834	330,135	670,491	424,064	402,821	405,871	401,368	539,781	552,661	482,843
Economic environment	1,954	-	-	-	-	-	-	-	-	-
Mental & physical health	1,453,603	1,840,530	1,898,547	1,836,926	1,929,451	2,035,604	2,198,915	3,111,724	2,644,558	2,603,814
Culture & recreation	499,661	695,337	730,524	708,444	842,268	1,086,341	1,111,454	1,229,723	1,228,607	1,202,796
Debt service	217,222	694,410	830,604	760,589	609,310	469,070	464,642	420,400	373,601	336,239
Principal retirement	11,569	-	-	-	-	38,744	-	-	-	-
Interest/fiscal charges	-	-	-	-	-	20,000	-	-	-	-
Bond issuance costs	-	-	-	-	-	20,000	-	-	-	-
Payment to escrow agent	5,417,571	5,445,006	7,944,301	3,926,384	9,485,914	5,009,356	4,689,933	4,212,531	1,669,731	2,555,072
Capitalized expenditures	17,179,374	19,097,524	22,824,781	18,973,640	26,009,830	21,295,587	22,062,076	24,298,811	21,635,115	22,760,421
Total expenditures	(2,057,630)	(1,284,495)	(4,277,798)	(963,279)	(1,264,074)	1,800,234	(228,322)	(2,806,162)	(849,938)	(1,575,668)
Excess of revenues over (under) expenditures	13,064,114	16,097,524	12,269,185	17,010,361	23,509,780	21,295,587	21,625,076	18,686,587	19,915,115	19,709,085
Other Financing Sources (Uses)	-	460,298	-	325,000	1,567,833	603,600	1,350,000	-	172,398	408,840
Intergovernmental loan proceeds	-	-	-	-	-	-	-	-	-	-
Long-term bond proceeds	-	38,401	-	53,152	-	5,432,000	30,071	-	-	-
Sale of fixed assets	-	-	-	-	-	(5,393,256)	-	-	-	-
Refunding bond issued	-	-	-	-	-	-	-	-	-	-
Payment to refunded debt escrow agent	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Transfers in	2,860,122	2,385,826	4,281,825	1,939,524	3,369,440	3,325,888	2,496,856	2,587,370	2,460,159	2,842,295
Transfers out	(2,867,962)	(2,385,826)	(4,385,403)	(1,939,524)	(3,387,591)	(3,369,671)	(2,496,856)	(2,587,370)	(2,460,159)	(2,842,295)
Total other financing sources (uses)	7,984,157	498,659	(103,578)	378,152	1,549,682	598,561	1,380,071	17,780	140,522	408,840
Net change in fund balances	\$ 5,926,527	\$ (785,796)	\$ (4,381,376)	\$ (585,127)	\$ 285,608	\$ 2,398,795	\$ 1,151,749	\$ (2,788,382)	\$ (709,416)	\$ (1,166,828)
Debt service as a percentage of noncapital expenditures	6.2%	10.2%	10.5%	9.8%	8.8%	9.9%	9.1%	8.2%	8.0%	7.6%

The City implemented GASB 44 in 2006 and has reported the information above retroactively.

Table 6

City of Camas, Washington
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Seven Fiscal Years

Fiscal Year	Real Property Assessed Value (1)			Personal Property Assessed Value	Less: Exemptions Real Property	Total Assessed Value	Estimated Actual Value	Total Direct Tax Rate per \$1,000 of Assessed Value	Ratio of total Assessed Value to Estimated Actual Value (2)
	Residential	Commercial	Industrial						
2003	\$ 1,083,048,777	\$ 79,738,306	\$ 837,252,218	\$ 189,386,531	\$ 6,581,640	\$ 2,182,844,192	\$ 2,292,903,563	\$ 4.21	95.20
2004	1,173,550,201	83,379,928	833,799,283	120,029,827	6,231,205	2,204,528,035	2,325,451,514	4.20	94.80
2005	1,387,716,003	65,544,524	742,837,935	103,096,755	11,281,005	2,287,914,212	2,413,411,616	4.19	94.80
2006	1,892,558,890	73,339,213	488,928,090	122,775,656	10,185,745	2,567,416,104	2,708,244,835	3.89	94.80
2007	2,274,712,864	74,767,470	526,092,453	124,383,801	10,427,780	2,989,528,808	3,211,094,316	3.66	93.10
2008	2,504,602,203	105,684,895	532,079,338	117,940,508	9,948,555	3,250,358,389	3,417,832,165	3.48	95.10
2009	2,454,428,294	109,466,504	501,933,159	102,706,017	9,675,700	3,158,585,419	3,407,319,762	3.66	92.70

The City implemented GASB 44 in 2006 and has reported the information above retroactively.

Source: Clark County Assessor's Office

- (1) The breakdown of real property was not available prior to 2003.
- (2) Ratios obtained from the Department of Revenue, State of Washington

Note: Property in the City is reassessed annually.

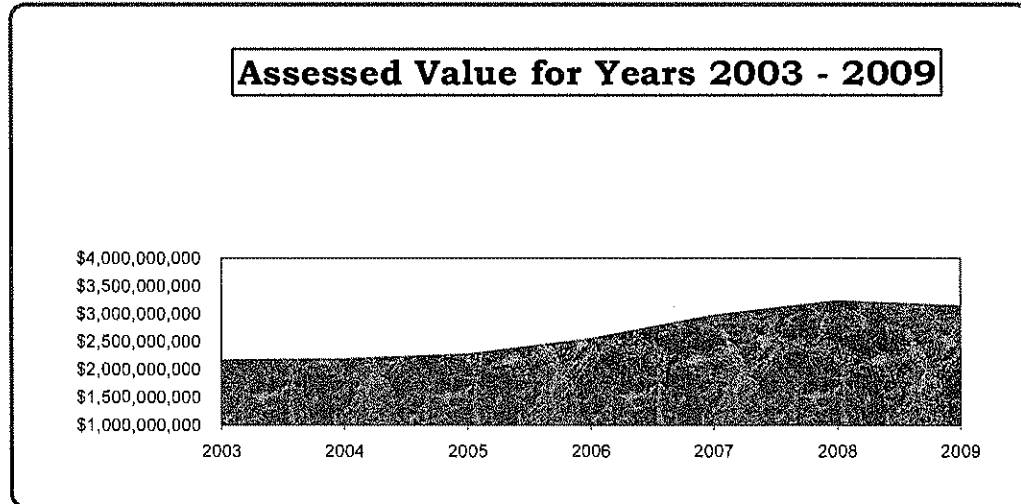


Table 7

City of Camas, Washington
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
 (rate per \$1,000 of assessed value)

Fiscal Year	Direct Tax Rate			Total Direct Tax Rate	Overlapping Tax Rate (1)						Total
	General Fund	General Obligation	Emergency Rescue		School	County	State School	Port (Corp. Limits)	Mosquito Control	Conservation Futures	
2000	0.3566	0.0052	0.0230	0.3849	0.3788	0.1561	0.3018	0.0494	0.0010	0.0063	1.2782
2001	0.3598	0.0385	0.0250	0.4233	0.4541	0.1611	0.3094	0.0513	0.0009	0.0063	1.4064
2002	0.3597	0.0366	0.0250	0.4213	0.4637	0.1609	0.2915	0.0505	0.0010	0.0063	1.3953
2003	0.3596	0.0362	0.0250	0.4208	0.4616	0.1579	0.2788	0.0497	0.0010	0.0063	1.3762
2004	0.3597	0.0360	0.0250	0.4207	0.4641	0.1511	0.2767	0.0507	0.0010	0.0063	1.3705
2005	0.3598	0.0345	0.0250	0.4193	0.4741	0.1505	0.2730	0.0507	0.0009	0.0063	1.3749
2006	0.3365	0.0296	0.0234	0.3894	0.4307	0.1374	0.2471	0.0435	0.0008	0.0063	1.2554
2007	0.3058	0.0256	0.0350	0.3663	0.4130	0.1527	0.3404	0.0373	0.0007	0.0053	1.3158
2008	0.2918	0.0231	0.0334	0.3482	0.4878	0.1078	0.1919	0.0344	0.0007	0.0049	1.1757
2009	0.3090	0.0219	0.0350	0.3659	0.5123	0.1119	0.1890	0.0362	0.0009	0.0051	1.2213

Source: Office of Clark County, Washington, Assessor.

Note: The above figures are stated by percent of assessed valuation. To arrive at millage, move the decimal point one place to the right.

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Camas. Not all overlapping rates apply to all Camas property owners.

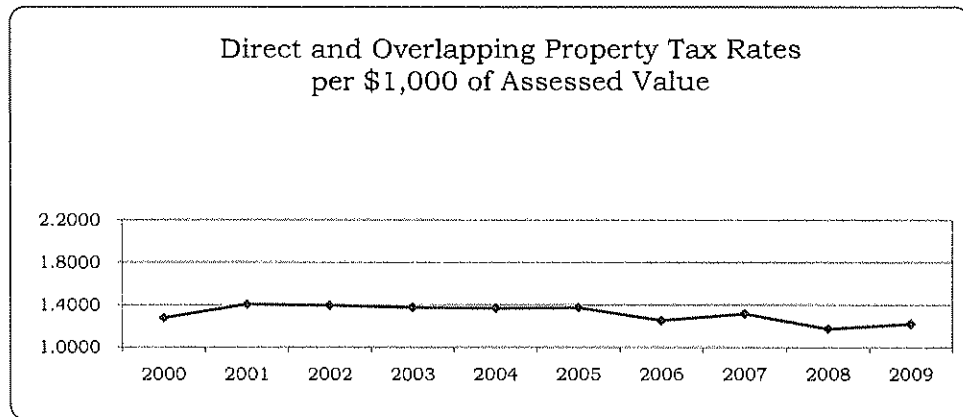


Table 8

City of Camas, Washington
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Business	2009 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2000 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Georgia Pacific	Paper Products	\$ 198,026,210	1	6.3	\$ 262,528,427	2	13.9
Wafertech	Micro-Electronics Mfg.	139,285,405	2	4.4	566,280,739	1	30.0
Pacificorp	Utility	37,980,710	3	1.2	18,869,806	7	1.0
Linear Technology	Analog Integrated Circuits	32,115,580	4	1.0	39,207,200	3	2.1
Sharp Microelectronics	Micro-Electronics	30,799,550	5	1.0	38,570,537	4	2.0
Underwriters Laboratories	Research and Testing	18,911,500	6	0.6	20,770,905	6	1.1
Industrial Materials Tech	Industrial Mfg.	15,338,800	7	0.5	18,191,720	8	1.0
Verizon Northwest	Utility	14,492,436	8	0.5	-	-	-
Northwest Natural Gas	Utility	14,310,354	9	0.5	-	-	-
Bruzzzone 4th St. LLC	Manufacturing	12,762,200	10	0.4	11,042,323	10	0.6
Camas Power Boiler	Utility	-	-	-	27,628,904	5	1.5
Heraeus Shin Etsu America	Micro-Electronics	-	-	-	17,470,583	9	0.9
	Totals	<u>\$ 514,022,745</u>		<u>16.3</u>	<u>\$ 1,020,561,144</u>		<u>54.1</u>

Source: Clark County Assessor

Table 9

City of Camas, Washington
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections	Tax Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2000	\$ 7,296,630	\$ 7,006,566	96.0	\$ 130,052	\$ 7,136,618	97.8
2001	8,642,706	8,201,892	94.9	261,049	8,462,941	97.9
2002	8,993,016	8,877,782	98.7	110,130	8,987,912	99.9
2003	9,162,698	9,028,000	98.5	123,987	9,151,987	99.9
2004	9,291,192	9,114,481	98.1	134,448	9,248,929	99.5
2005	9,557,385	9,405,109	98.4	146,876	9,551,985	99.9
2006	9,964,582	9,804,200	98.4	150,639	9,954,839	99.9
2007	10,884,004	10,555,207	97.0	229,326	10,784,533	99.1
2008	11,236,895	10,884,523	96.9	243,425	11,127,948	99.0
2009	11,447,490	11,191,144	97.8	-	11,191,144	97.8

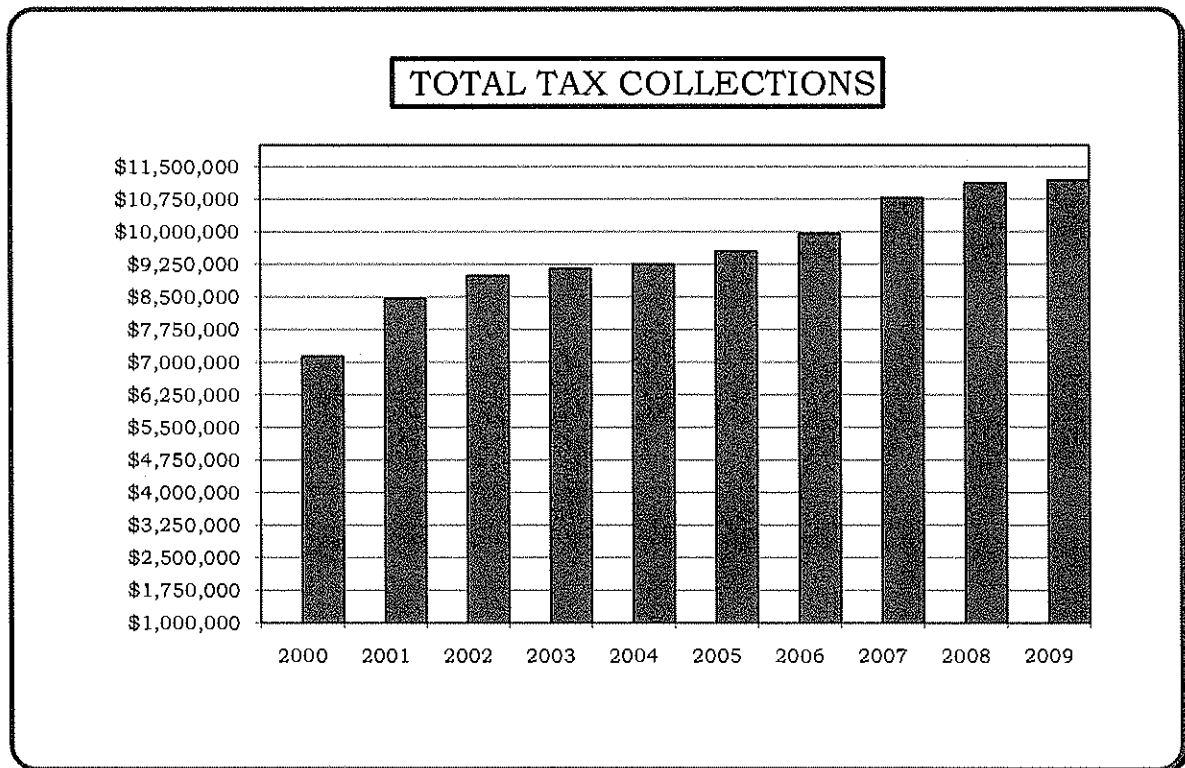


Table 10

City of Camas, Washington
Ratios of Outstanding Debt by Type
Last Eight Fiscal Years

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Government Loans	Revenue Bonds	Government Loans			
2002	\$10,305,000	\$2,620,298	\$4,965,000	\$12,646,023	\$30,536,321	284.68%	\$ 2,255
2003	9,750,000	2,791,854	4,695,000	12,081,159	29,318,013	263.41%	2,065
2004	9,165,000	4,102,419	4,415,000	11,499,322	29,181,741	250.77%	1,900
2005	8,943,000	4,323,679	4,105,000	10,899,778	28,271,457	225.06%	1,829
2006	8,267,000	5,238,225	3,785,000	10,281,758	27,571,983	207.13%	1,736
2007	7,554,000	4,751,501	8,860,000	10,429,691	31,595,192	220.36%	1,941
2008	6,820,000	4,571,022	8,410,000	9,894,347	29,695,369	Not available	1,778
2009	6,104,000	4,438,020	7,880,000	9,280,637	27,702,657	Not available	1,634

The City implemented GASB 44 in 2006 and has reported the information above retroactively from 2002.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See Table 15 for personal income and population data. These ratios were calculated using personal income and population for the calendar year.

Table 11

City of Camas, Washington
 Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Valuation	Gross Bonded Debt	Less Reserves	Net Bonded Debt	Percentage of Actual Taxable Value of Property	Net Bonded Debt Per Capita
2000	12,534	\$ 1,887,891,024	\$ 11,330,000	\$ 241,113	\$ 11,088,887	0.59	\$ 884.70
2001	12,970	2,049,965,014	10,830,000	237,457	10,592,543	0.52	816.70
2002	13,540	2,150,011,338	10,305,000	350,212	9,954,788	0.46	735.21
2003	14,200	2,182,844,192	9,750,000	308,627	9,441,373	0.43	664.89
2004	15,360	2,204,528,035	9,165,000	58,443	9,106,557	0.41	592.87
2005	15,460	2,287,914,212	8,943,000	64,766	8,878,234	0.39	574.27
2006	15,880	2,567,416,104	8,267,000	56,076	8,210,924	0.32	517.06
2007	16,325	2,989,498,808	7,554,000	30,225	7,523,775	0.25	460.87
2008	16,700	3,250,358,389	6,820,000	18,884	6,801,116	0.21	407.25
2009	16,950	3,158,585,419	6,104,000	12,736	6,091,264	0.19	359.37

(1) Source: Office of Financial Management, State of Washington

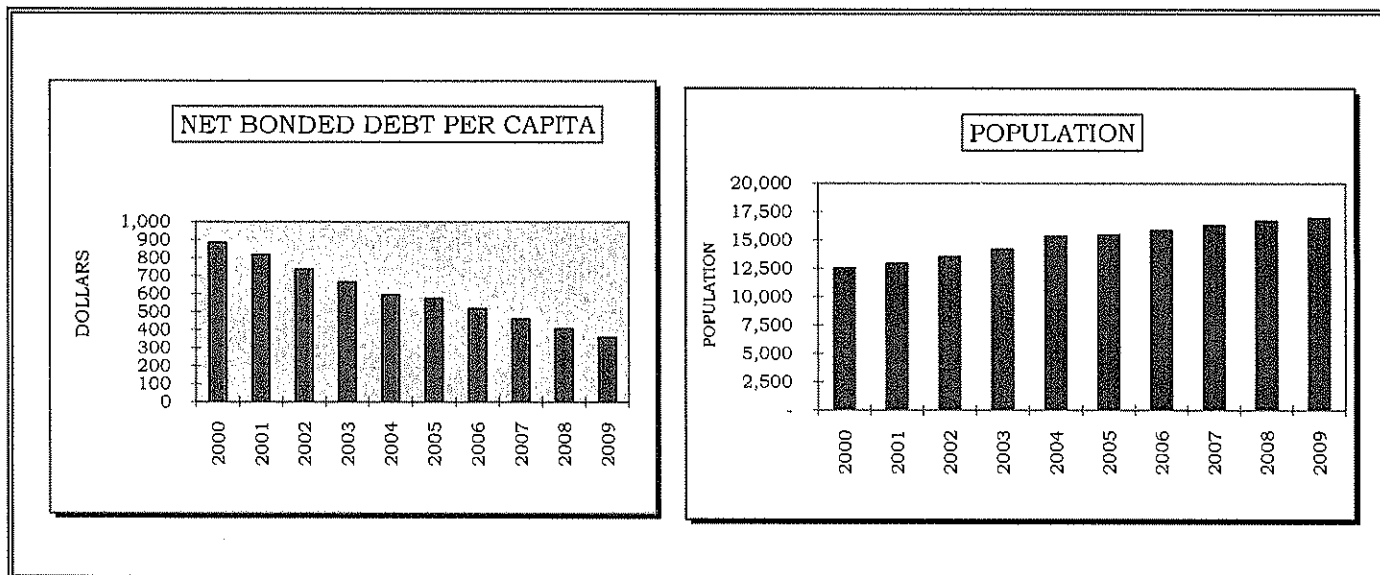


Table 12

City of Camas, Washington
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2009

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percent Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
City of Camas Direct Debt			\$ 6,104,000
Overlapping Debt:			
Debt repaid with property taxes			
Camas School District	\$ 151,970,000	71.67	\$ 108,914,579
Port of Camas-Washougal	4,885,000	52.33	2,556,263
Clark County	125,575,000	6.65	<u>8,350,324</u>
Total Overlapping Debt			<u>119,821,166</u>
Total Direct and Overlapping Debt			<u>\$ 125,925,166</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Clark County Department of Assessment or by each governmental unit. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Camas. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Table 13

City of Camas, Washington
Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year	General Purpose Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2000	\$ 81,998,600	\$ 14,691,226	\$ 67,307,374	17.92%
2001	85,701,400	14,450,795	71,250,605	16.86%
2002	87,050,502	13,661,779	73,388,723	15.69%
2003	87,931,873	13,346,088	74,585,785	15.18%
2004	91,065,328	14,335,344	76,729,984	15.74%
2005	102,289,214	14,505,884	87,783,330	14.18%
2006	119,162,841	14,766,559	104,396,282	12.39%
2007	129,671,024	13,436,714	116,234,310	10.36%
2008	126,007,998	12,927,822	113,080,176	10.26%
2009	109,986,099	12,196,028	97,790,071	11.09%

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed value (2009 Assessment for 2010 Revenue)	\$ 2,748,150,894
Debt Limit	
Debt limit with vote (2.5% of assessed value)	68,703,772
Debt applicable to with vote limit:	
General obligation bonds	5,549,000
Less: assets available	45,143
Total debt applicable to limit with vote	<u>5,503,857</u>
Total legal debt margin with vote	<u>\$ 63,199,915</u>
Debt limit without vote (1.5% of assessed value)	
Debt applicable to without vote limit:	
General obligation bonds	555,000
Other	6,092,028
Less: assets available	14,920
Total net debt applicable to limit without vote	<u>6,632,108</u>
Total legal debt margin without vote	<u>\$ 34,590,155</u>
Legal Debt Margin	<u>\$ 97,790,071</u>

Note: By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Table 14

City of Camas, Washington
 Pledged-Revenue Coverage
 Last Six Fiscal Years

Water-Sewer Revenue Bonds

Fiscal Year	Gross Revenue (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)		Coverage
				Principal	Interest	
2004	\$ 5,459,884	\$ 3,425,092	\$ 2,034,792	\$ 441,136	\$ 188,420	3.23
2005	5,681,952	3,771,476	1,910,476	450,000	189,318	2.99
2006	6,354,308	4,519,663	1,834,645	459,250	190,824	2.82
2007	6,550,613	4,411,784	2,138,829	466,316	189,921	3.26
2008	6,561,280	5,090,217	1,471,063	467,222	178,943	2.28
2009	7,195,056	4,760,825	2,434,231	463,529	167,841	3.86

The City implemented GASB 44 in 2006 and reports retroactively from 2004.

(1) Gross revenue is defined as all operating and nonoperating revenues of the Water-Sewer Enterprise Fund.

(2) Operating expenses do not include depreciation or amortization.

(3) Debt service is the average annual debt service

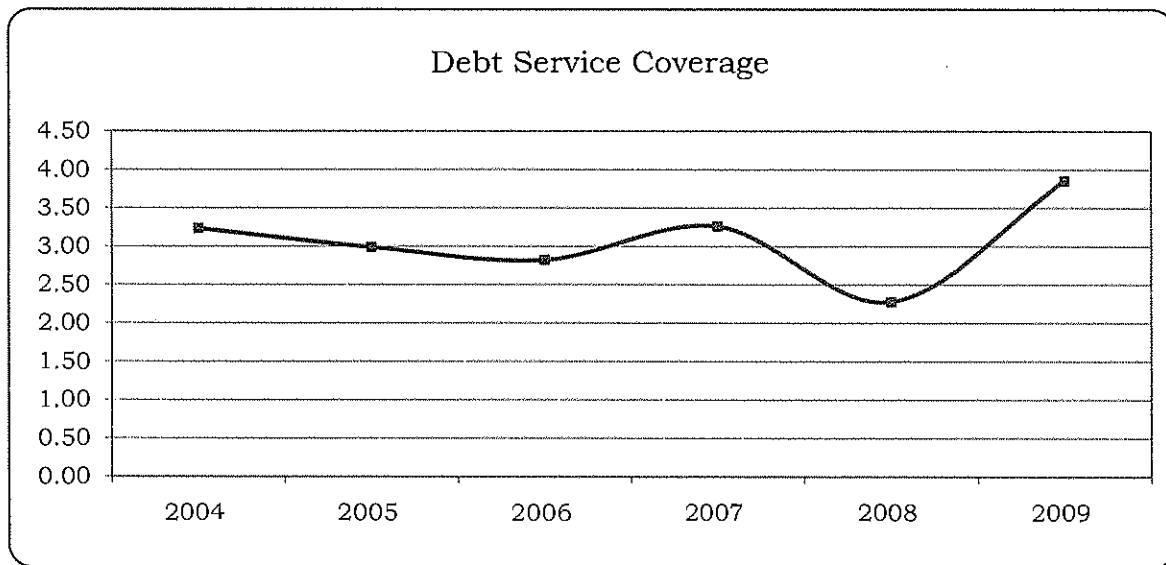


Table 15

City of Camas, Washington
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Income (2)	School Enrollment (3)	Unemployment Rate (4)
2000	12,534	\$ 10,040,451	\$ 28,890	3,845	4.6%
2001	12,970	10,606,771	29,541	4,086	7.9%
2002	13,540	10,726,564	28,997	4,307	8.2%
2003	14,200	11,130,206	29,306	4,720	8.9%
2004	15,360	11,637,058	29,658	4,989	6.3%
2005	15,460	12,561,689	31,431	5,224	5.0%
2006	15,880	13,311,600	32,621	5,449	4.7%
2007	16,280	14,338,002	34,426	5,659	5.5%
2008	16,700	not available	not available	5,700	8.7%
2009	16,950	not available	not available	5,813	14.3%

- Sources:
- (1) Office of Financial Management, State of Washington
 - (2) Bureau of Economic Analysis, Department of Commerce (PI and PCI for Clark County)
 - (3) Camas School District
 - (4) Washington State Employment Security

Table 16

City of Camas, Washington
Principal Employers
Current Year and Nine Years Ago

Taxpayer	2009			2000		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wafertech	955	1	15.9%	1,100	2	17.6%
Georgia Pacific (Fort James)	515	2	8.6%	1,500	1	24.0%
Camas School District	349	3	5.8%	448	4	7.2%
Underwriters Laboratories	300	4	5.0%	200	6/7	3.2%
C-Tech Industries	284	5	4.7%	200	6/7	3.2%
Sharp Microelectronics	250	6	4.2%	600	3	9.6%
Linear Technology	250	7	4.2%	275	5	4.4%
City of Camas	185	8	3.1%	146	9	2.3%
Furuno	68	9	1.1%	65	10	1.0%
Tidland Corporation	65	10	1.1%	150	8	2.4%
	<u>3,221</u>		<u>53.7%</u>	<u>4,684</u>		<u>74.8%</u>

Source: Columbia River Economic Development Council; Camas Washougal Chamber of Commerce, Taxpayer Human Resources Department; Human Resources Department of Individual Businesses

Table 17

City of Camas, Washington
 Full-time Equivalent City Government Employees by Function
 Last Ten Fiscal Years

Full-time Equivalent Employees as of December 31, 2009										
Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government										
Executive	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.45
Finance	7.50	7.50	7.50	7.00	7.00	7.25	8.00	8.00	8.00	7.88
Human Resources	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.10	1.15
Other	1.50	1.75	2.25	2.63	2.75	2.75	2.75	3.25	3.25	3.25
Public Safety										
Police	27.50	28.50	29.00	28.96	28.96	29.18	32.48	33.48	33.53	32.35
Fire	34.00	36.33	38.50	38.50	38.50	38.00	38.00	38.75	39.76	45.96
Physical environment	13.25	13.50	14.50	13.00	13.00	13.00	14.75	15.17	14.73	13.40
Transportation	13.50	13.00	14.25	13.13	12.67	12.41	12.49	12.49	12.64	11.79
Economic environment	8.50	9.50	9.80	9.30	8.80	9.62	11.01	11.01	11.01	9.01
Parks and recreation	13.20	14.90	14.60	14.05	14.05	14.51	15.99	17.08	16.86	16.14
Cemetery	-	-	-	-	-	-	-	1.33	1.50	1.25
Library	9.30	10.85	12.35	12.55	12.55	12.55	14.53	16.41	15.91	15.41
Water/Sewer	14.50	16.00	16.00	16.00	16.00	16.53	17.34	17.84	17.84	19.00
Storm water drainage	0.25	0.25	0.25	1.00	1.00	2.33	2.20	2.70	2.80	3.05
Sanitation	3.00	3.25	3.25	3.25	3.25	3.86	4.11	4.11	4.11	4.11
Total	<u>148.50</u>	<u>157.83</u>	<u>164.75</u>	<u>161.87</u>	<u>161.03</u>	<u>164.49</u>	<u>176.15</u>	<u>184.12</u>	<u>184.54</u>	<u>185.20</u>

Source: City budget documents

Table 18

City of Camas, Washington
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police										
Police reports	3,678	3,376	3,528	3,301	3,711	3,186	3,670	4,249	4,023	3,178
Arrests	579	651	694	791	610	610	743	734	861	705
Traffic stops	5,219	4,458	4,678	3,980	3,683	4,867	5,039	7,522	7,107	6,498
Service calls logged	6,984	7,048	8,558	9,303	4,892	4,014	11,056	10,770	13,857	11,402
Fire										
Fire alarms	57	55	67	58	40	89	83	87	85	90
Total fire responses	270	258	308	970	756	1,225	1,419	1,491	1,520	1,596
Total EMS responses	2,288	2,277	2,374	2,477	2,485	2,423	2,425	2,533	2,693	2,775
Inspections								500	412	390
Parks and recreation										
Community center visits	23,727	24,744	33,320	27,845	31,191	32,864	34,039	32,177	37,986	34,552
Recreation services participants	11,185	13,378	12,202	12,045	13,250	11,921	13,648	14,508	14,233	12,032
Recreation services events	188	242	248	252	241	256	266	307	304	353
Library										
Registered borrowers	8,163	10,290	11,360	13,060	10,250	10,738	10,461	10,695	11,985	12,844
Total holdings	62,881	57,924	61,089	72,927	82,491	78,791	90,319	98,709	90,895	97,647
Library visits	102,858	96,916	93,328	143,992	152,290	202,078	225,466	234,816	249,185	289,188
Water										
Water residential connections	4,827	5,105	5,514	5,825	6,043	6,329	6,555	6,656	6,643	6,699
Water non-residential connections	381	397	371	394	413	429	433	466	493	482
New connections	219	246	401	277	213	318	168	101	14	56
Average daily consumption (gallons)	3,270,292	3,440,000	3,929,927	4,135,650	4,342,588	3,579,024	4,153,269	3,765,626	3,708,451	3,705,137
Sewer										
Average daily sewage treatment (gallons)	1,799,300	1,640,000	1,615,000	1,879,083	2,098,000	2,292,000	2,553,000	2,396,164	2,254,794	2,228,250
Sewer residential connections	2,782	3,122	3,555	4,150	4,748	5,438	6,217	6,335	6,367	6,458
Sewer non-residential connections	195	206	212	221	227	243	248	250	246	246
Sanitation										
Refuse collected (tons)	5,402	5,618	5,875	6,389	6,990	7,192	7,179	7,114	6,854	6,560
Recycling collected (tons)	1,334	1,321	1,364	1,700	1,850	1,756	1,768	1,831	1,859	1,781
Sanitation customers	2,765	3,079	3,483	4,032	4,629	5,266	5,975	6,026	6,159	6,225

Source: Various City departments

Note: Indicators are not available for general government function

- * Implemented EMS activity of engines and trucks
- ** Implemented FireRMS, which resulted in greater accuracy in tracking engine/truck activity

Table 19

City of Camas, Washington
Capital Asset Statistics by Function
 Last Ten Fiscal Years

Function	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	10	11	9	7	7	6	7	8	8	8
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Engines	4	3	3	4	4	4	4	4	4	4
Ambulances	4	4	4	4	4	4	4	4	4	4
Parks and recreation										
Parks acreage	85.9	102.5	110.6	110.6	110.6	110.6	110.6	143.1	143.1	143.1
Parks	10	10	10	10	10	11	12	12	12	12
Swimming pools	1	1	1	1	1	1	1	1	1	1
Community centers	1	1	1	1	1	1	1	1	1	1
Skate parks	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	124.6	137.5	138.0	139.0	139.5	134.7	135.5	136.3	137.5	137.5
Sewer										
Sanitary sewers (miles)	82.8	93.4	93.9	94.8	97.0	99.5	100.3	101.1	101.2	101.2
Storm sewers (miles)	31.6	32.0	47.8	48.7	49.1	51.1	53.4	55.7	55.8	55.8
Treatment plants	1	1	1	1	1	1	1	1	1	1
Capacity (gallons per day)	6,100,000	6,100,000	6,100,000	6,100,000	6,100,000	6,100,000	6,100,000	6,100,000	6,100,000	6,100,000
Sanitation										
Collection trucks	2	3	3	3	3	4	4	4	4	4
City Streets										
Paved streets (miles)	81.32	82.8	86.8	87.7	88.2	93.8	97	99.8	105.1	105.1
Unpaved streets (miles)	3.27	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3

Source: Various City departments

Note: No capital asset indicators are available for the general government or library function