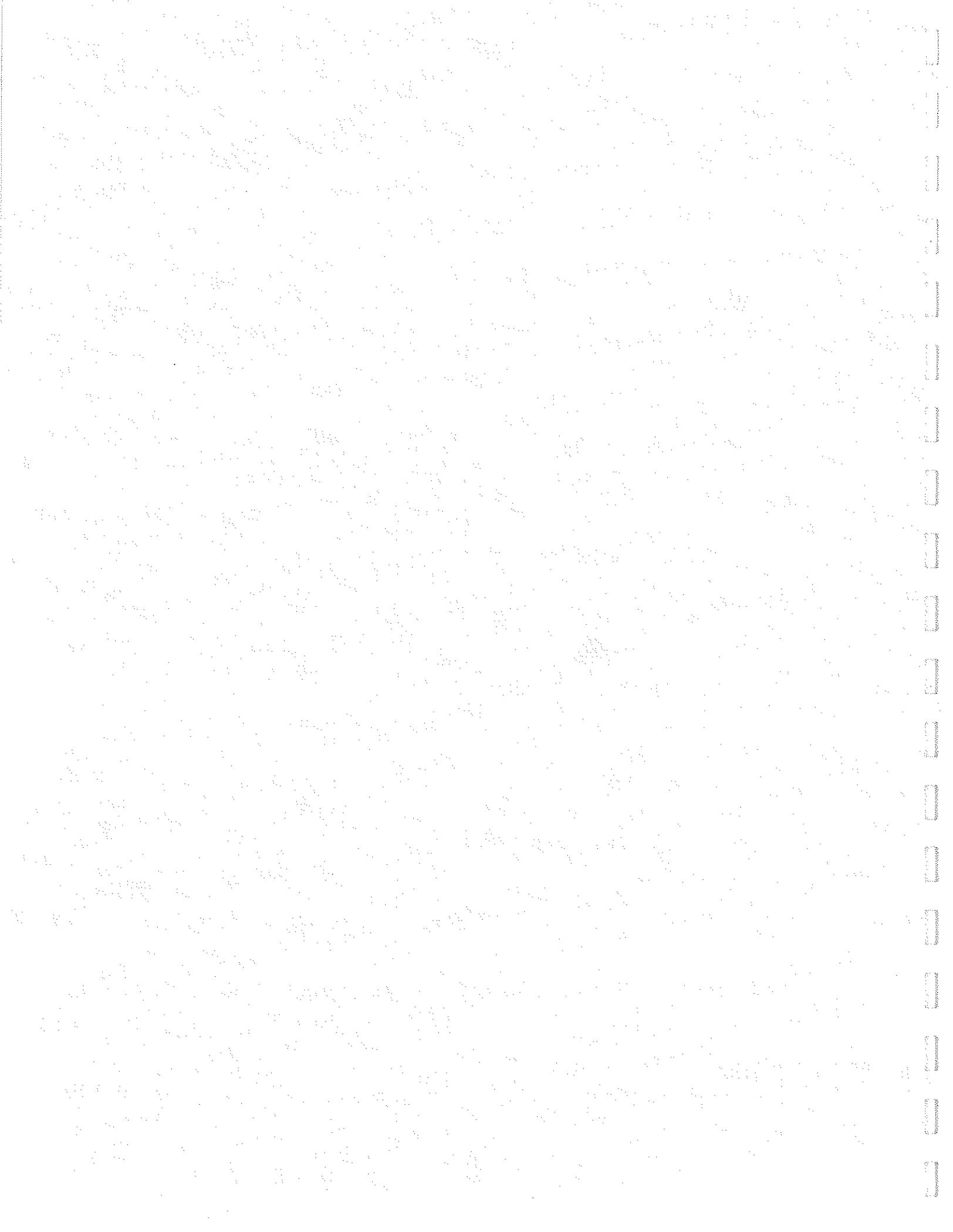

**CITY OF CAMAS
WASHINGTON**



**Comprehensive
Annual Financial Report**

For the Year Ended December 31, 2007



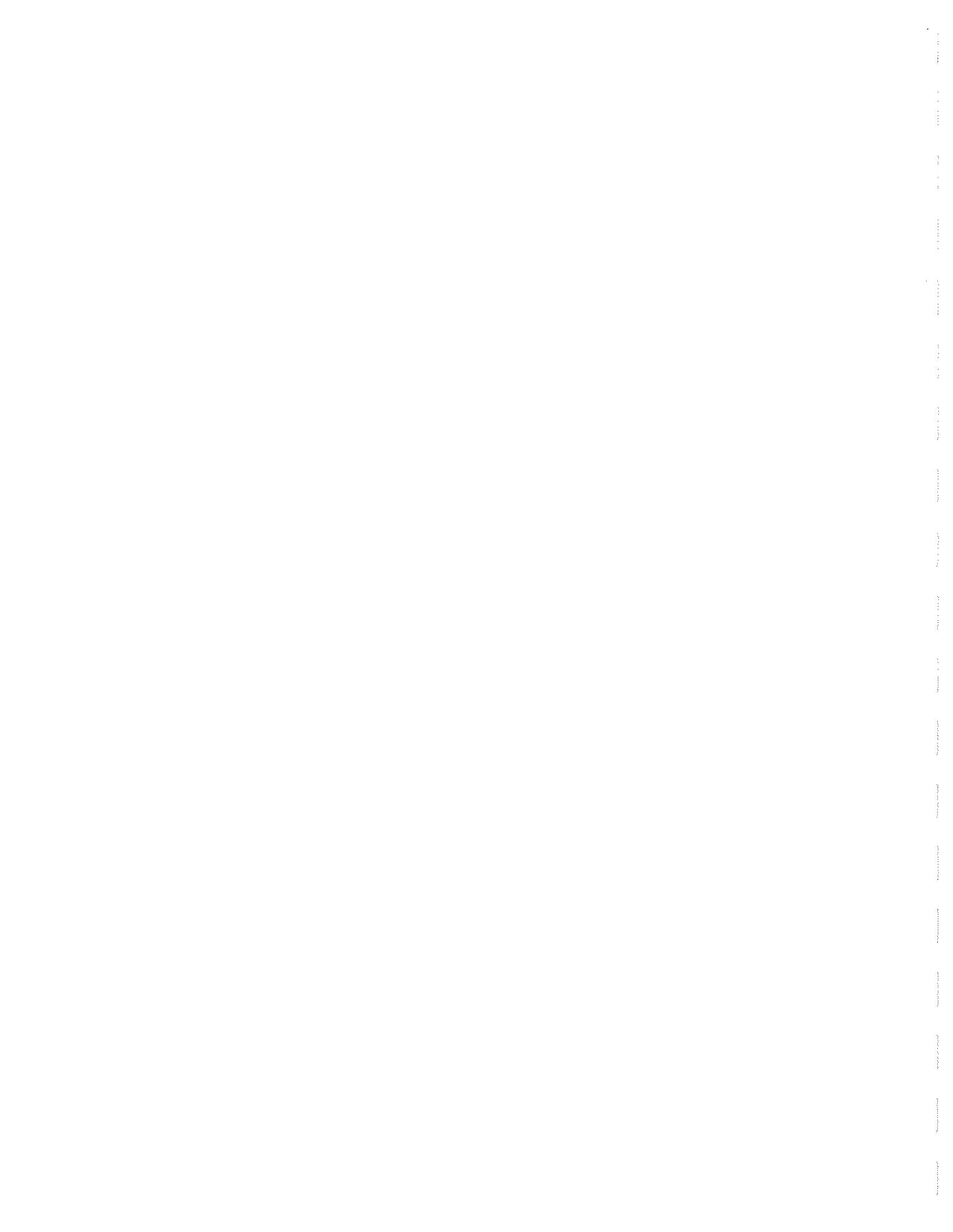
Comprehensive Annual Financial Report



City of Camas
Washington

For the year ended
December 31, 2007

Prepared by the Finance Department
Joan M. Durgin
Finance Director



CITY OF CAMAS, WASHINGTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year ended December 31, 2007

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CITY OF CAMAS, WASHINGTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year ended December 31, 2007

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CITY OF CAMAS

616 Northeast Fourth Avenue
P.O. Box 1055
Camas, Washington 98607
<http://www.ci.camass.wa.us>

June 30, 2008

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, 2007.

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, 2007, 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, 2007, 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.

The independent audit of the financial statements of the City of Camas was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also the audited government's internal controls and legal requirements involving the administration of federal awards. The City's Single Audit Report is issued separately and is available upon request.

Another 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 for this scope of the audit and 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 about 16,000 citizens and occupies a land area of 11.6 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.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Camas operates.

Local economy

The local economy including the housing market that had rallied for a number of years, significantly slowed down in 2007. The local robust residential development growth has now followed the national trend of a dormant housing market and homes on the market are taking a number of months and up to a year to sell, with a growing number of foreclosures. However, in the north part of the city at the Camas Corporate Center, commercial development continues with construction of office space buildings and several more buildings planned in the near future. The Camas School District is also expanding their facilities with construction of two new elementary schools and athletic fields, financed with a \$90 million bond issue.

Other locally related industrial news, consumer demand for technology, especially digital technology continues to grow. Because of this demand, a 9% growth is expected in the sale of semiconductor chips in 2008. Technology related jobs in the county has also grown about 9% in the last two years.

The revitalization efforts in the downtown retail area has been successful by the new restaurants, wine stores and additional retail stores that have opened. These compliment the existing upscale, high-end shops and boutiques.

Long-term financial planning

The City continues to plan, design and construct infrastructure and facilities to keep up with growth and to try to maintain the same level of service to our citizens and employees.

The largest and most costly infrastructure planned in the near future is the \$15 million expansion of the wastewater treatment plant. A \$1,000,000 low interest loan from the Public Works Trust Fund was received to finance the design phase of this project and an additional \$10,000,000 loan was received for the construction costs. Grant applications have been submitted to several agencies to assist in the funding of the remaining construction costs of this significant project.

A comprehensive review of the city's water facilities is planned for 2008. This plan is updated every six years and will outline detailed infrastructure needed to serve our growing community. Several water facility needs are planned in the near future with the search for a new reservoir site, construction of a well, and a large main water line that will cross the Washougal River to serve the newer residential developments.

In 2007 the city's Strategic Technology Plan was update this past year and a Technology Priority report was issued recommending the replacement of the city's fifteen year old phone system in 2008, with an anticipated cost of \$210,000.

An analysis of park impact fees is planned for 2008 and likely an adjustment will be made since these fees have not increased since 1994. The Park and Open Space Comprehensive Plan recommends facilities needed in the next six years and includes a sports complex partnering with the Camas School District. In addition to using impact fees for these projects, additional funding will need to be addressed.

Cash management policies and practices. The City of Camas invests temporarily idle funds of the City in investments and deposits authorized by state statute. These investments include certificates of deposit, U.S. Government securities, public funds investment pool, and the State Treasurer investment pool made available to political subdivisions. Investment income includes appreciation in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the City intends to hold to maturity.

The City's investment policy provides that the City should utilize maximum opportunities for the investment of temporarily idle treasury funds consistent with the safety and protection of such funds while maintaining necessary liquidity. All deposits are either federally insured or covered by the statewide financial collateral pool administered by the Washington Public Deposit Protection Commission. All investments are held by each financial institution's trust department in the City's name, except the State Treasurer Investment Pool and the public funds investment pool.

Risk management. The City belongs to the Washington Cities Insurance Authority. This authority consists of 126 member cities that have joined together to pool liability insurance. The City is self-insured up to \$5,000 per incident and up to \$20 million per occurrence by the self-insured pool for claims above the initial \$5,000. In addition, the City purchases property insurance at a reduced rate for pool members. The pool provides various risk management programs to its members, including employee training in methods to decrease the potential for accidents and other liability incidents.

Pension and other post-employment benefits. City employees are members of either the Public Employees Retirement System or the Law Enforcement Officers and Firefighters System. These plans are administered by the State of Washington Department of Retirement Systems (DRS), a department within the primary government of the State of Washington under a cost-sharing multiple-employer public employee retirement system. The City of Camas has no obligation in connection with employee benefits offered through these pension plans beyond its annual contractual payments to DRS.

The City of Camas also provides post-retirement health care benefits for certain retirees. As of the end of the current fiscal year, there were 15 public safety and 10 non-public safety retired employees receiving these benefits, which are financed on a pay-as-you-go basis. A liability of \$448,859 was recorded in the financial statements for the employer's obligation to provide these benefits.

The state Law Enforcement Officers and Firefighters System assumed the City-operated Firemen's Pension Fund obligations in 1970. Only three individuals are drawing minimal benefits under the City system and the system has no actuarial unfunded accrued liabilities.

Additional information on the City of Camas pension arrangements and post-employment benefits can be found in Notes V. C-D in the notes to the financial statements.

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, 2006. This was the twenty first 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.

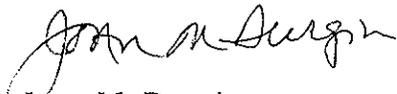
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

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 for all her 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,

A handwritten signature in cursive script that reads "Joan M. Durgin".

Joan M. Durgin
Finance Director

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, 2006

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.



Oliver S. Cox

President

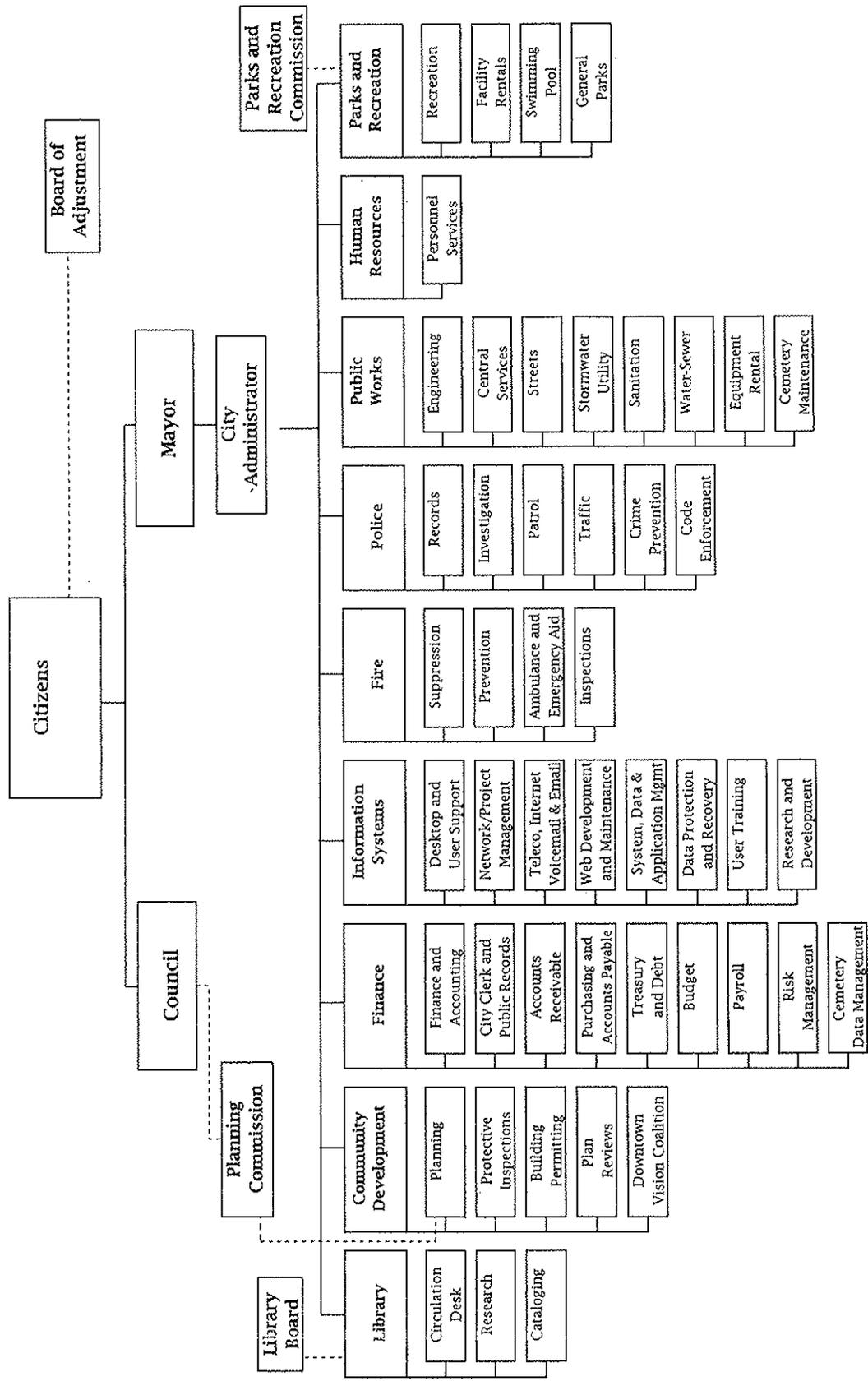
Jeffrey R. Emery

Executive Director



City of Camas, Washington

Organizational Chart



CITY OF CAMAS, WASHINGTON

DIRECTORY OF OFFICIALS AS OF DECEMBER 31, 2007

ELECTED

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

APPOINTED

City Administrator	Lloyd Halverson
City Attorney	Roger Knapp
Public Works Director	Monte Brachmann
Finance Director	Joan Durgin
Police Chief	Don Chaney
Fire Chief	Leo Leon
Library Director	David Zavortink



**Washington State Auditor
Brian Sonntag**

INDEPENDENT AUDITOR'S REPORT

June 25, 2008

Mayor and City Council
City of Camas
Camas, Washington

We have audited the accompanying financial statements of the 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, 2007, 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. 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, 2007, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, City Street Fund, and Emergency Management Services funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 5-G, during the year ended December 31, 2007, the City has implemented the Governmental Accounting Standards Board's Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.

The management's discussion and analysis on pages 12 through 22 and the information listed as Other Postemployment Benefits Plan – Schedule of Funding Progress on page 78 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and



presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information listed as Combining and Individual Fund Statements and Schedules on pages 79 through 91 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Sincerely,

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

BRIAN SONNTAG, CGFM
STATE AUDITOR

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Camas' discussion and analysis is a narrative overview of the City's financial activities for the fiscal year ended December 31, 2007. 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, 2007 by \$180.6 million.
- Capital Assets (net of depreciation and related debt) account for over three-fourths of this amount, with a value of \$169.2 million.
- Of the remaining net assets, \$1.9 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 an increase of \$9.7 million, or 5.7% during 2007.
- As of December 31, 2007, City of Camas' governmental funds reported combined ending fund balances of \$8 million. Over 40% of this total amount, \$3.3 million is available for spending at the government's discretion. Unreserved fund balance for the general fund was \$3.1 million at December 31, 2007.
- City of Camas' total bonded debt at December 31, 2007 was \$16 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 2007. 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 2007, 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 2007.

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, the City Street Fund, the Emergency Management Services Fund, and Growth Management 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 \$180,633,898 at December 31, 2007.

City of Camas

	Governmental Activities 2007	Governmental Activities 2006	Business-type Activities 2007	Business-type Activities 2006	Total Activities 2007	Total Activities 2006
Current and other assets	\$ 9,476,588	\$ 11,583,604	\$ 9,265,976	\$ 4,601,193	\$ 18,742,564	\$ 16,184,797
Capital assets (net of accumulated depreciation)	121,167,075	112,876,617	75,517,453	71,501,407	196,684,528	184,378,024
TOTAL ASSETS	130,643,663	124,460,221	84,783,429	76,102,600	215,427,092	200,562,821
Long-term liabilities	13,439,575	14,126,284	19,576,759	14,211,402	33,016,334	28,337,686
Other liabilities	1,240,398	679,495	536,462	729,301	1,776,860	1,408,796
TOTAL LIABILITIES	14,679,973	14,805,779	20,113,221	14,940,703	34,793,194	29,746,482
NET ASSETS						
Invested in capital assets net of related debt	109,153,090	99,722,570	60,034,976	57,819,783	169,188,066	157,542,353
Restricted	3,616,721	5,289,129	5,955,875	1,377,702	9,572,596	6,666,831
Unrestricted	3,193,879	4,642,743	(1,320,643)	1,964,412	1,873,236	6,607,155
TOTAL NET ASSETS	\$ 115,963,690	\$ 109,654,442	\$ 64,670,208	\$ 61,161,897	\$ 180,633,898	\$ 170,816,339

The largest portion of the City's net assets (94 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 5%. The remaining balance of \$1,873,236 (unrestricted net assets), represents the amount that may be used to meet the City's ongoing obligations.

At December 31, 2007, 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 present an unrestricted net asset deficit of \$1.3 million. This is a result of continuing to realize operating losses.

Statement of Activities

The City's total net assets increased by \$9.8 million in 2007. The increase was split among governmental (\$6.2 million) and business-type activities of (\$3.5 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.

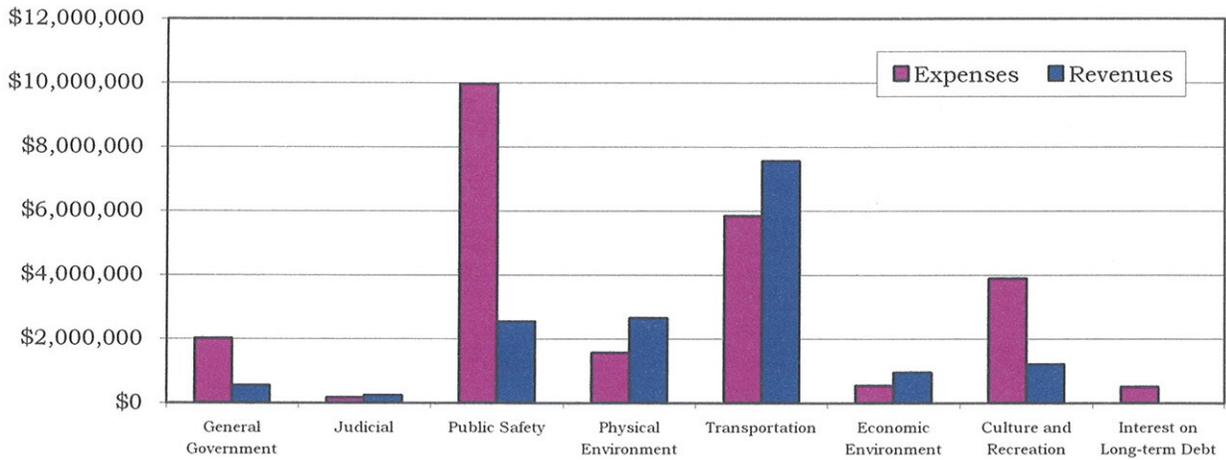
City of Camas Change in Net Assets

	Governmental Activities 2007	Governmental Activities 2006	Business-type Activities 2007	Business-type Activities 2006	Total 2007	Total 2006
Revenues:						
Program revenues:						
Charges for services	\$ 4,729,211	\$ 5,214,099	\$ 8,481,271	\$ 8,273,324	\$ 13,210,482	\$ 13,487,423
Operating grants and contributions	639,577	474,993	1,144	-	640,721	474,993
Capital grants and contributions	10,317,610	8,036,193	4,161,710	8,555,739	14,479,320	16,591,932
General revenues:						
Taxes:						
Property taxes levied for general purposes	9,842,349	8,777,308	-	-	9,842,349	8,777,308
Property taxes levied for debt service	1,047,568	1,043,174	-	-	1,047,568	1,043,174
Sales and use taxes	1,795,976	1,793,742	-	-	1,795,976	1,793,742
Business and occupation taxes	382,575	347,167	-	-	382,575	347,167
Excise taxes	1,135,599	1,634,916	-	-	1,135,599	1,634,916
Penalties and interest	49	775	-	-	49	775
Grants and contributions not restricted to specific programs						
Unrestricted investment earnings	523,808	472,455	285,474	212,329	809,282	684,784
Miscellaneous	6,934	57,811	124,168	182,157	131,102	239,968
Gain on sale of capital assets	-	-	3,225	-	3,225	-
Total revenues	30,766,756	28,161,220	13,056,992	17,223,549	43,823,748	45,384,769
Expenses:						
General government	2,004,973	1,755,980	-	-	2,004,973	1,755,980
Judicial	171,207	189,946	-	-	171,207	189,946
Public safety	9,956,452	8,579,033	-	-	9,956,452	8,579,033
Physical environment	1,560,735	1,375,731	-	-	1,560,735	1,375,731
Transportation	5,837,233	4,459,184	-	-	5,837,233	4,459,184
Economic environment	541,585	411,789	-	-	541,585	411,789
Culture and recreation	3,894,696	2,918,176	-	-	3,894,696	2,918,176
Interest on long-term debt	508,407	551,973	-	-	508,407	551,973
Water-Sewer	-	-	6,850,962	6,624,163	6,850,962	6,624,163
Storm Water Drainage	-	-	903,958	799,944	903,958	799,944
Sanitation	-	-	1,775,981	1,783,653	1,775,981	1,783,653
Total expenses	24,475,288	20,241,812	9,530,901	9,207,760	34,006,189	29,449,572
Increase in net assets before transfers	6,291,468	7,919,408	3,526,091	8,015,789	9,817,559	15,935,197
Transfers	17,780	(1,880,974)	(17,780)	1,880,974	-	-
Increase in net assets	6,309,248	6,038,434	3,508,311	9,896,763	9,817,559	15,935,197
Net assets - beginning	109,654,442	103,616,008	61,161,897	51,265,134	170,816,339	154,881,142
Net assets - ending	\$ 115,963,690	\$ 109,654,442	\$ 64,670,208	\$ 61,161,897	\$ 180,633,898	\$ 170,816,339

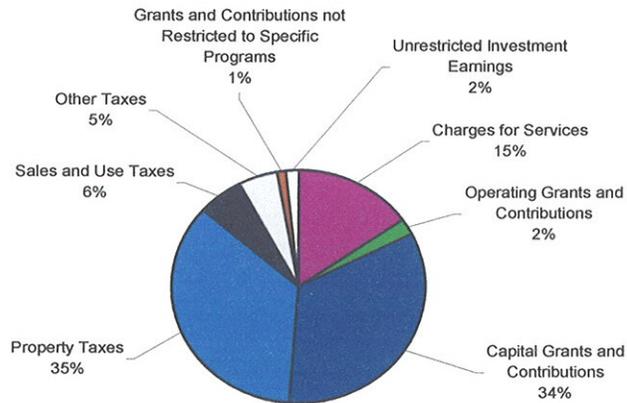
Governmental Activity Analysis

The City of Camas net assets increased by \$6.3 million, or 5.7%, corresponding to a \$6.2 million increase in total assets and a \$.1 million decrease in total liabilities. Program revenues increased \$2 million, or 14% over the previous year, primarily attributable to a \$2.3 million combined increase in contributions for parks land and infrastructure and the land and buildings contributed with the acquisition of the cemetery. Governmental program spending increased \$4.2 million in 2007, primarily due to an increase in public safety, transportation and culture and recreation expenditures.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Business-Type Activities Analysis

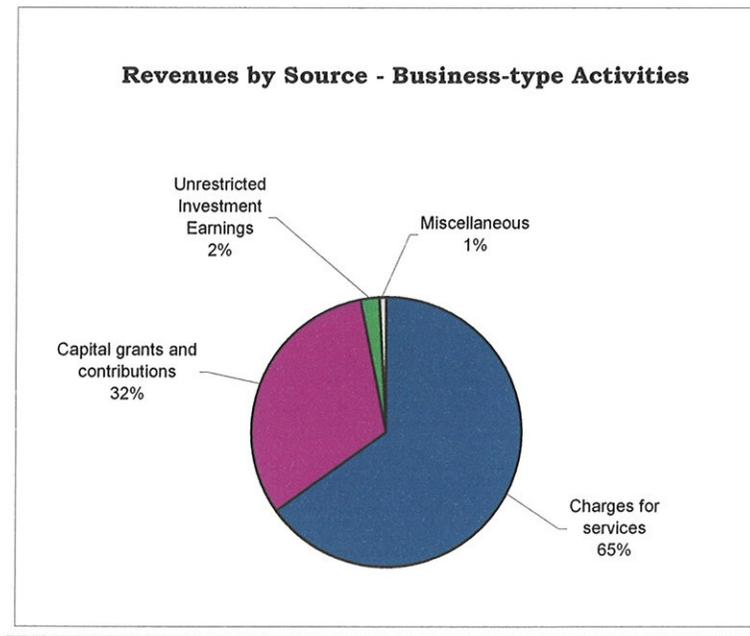
The Water-Sewer Fund is the largest proprietary fund in the City. The financial position of the City's business-type funds is strongly influenced by the Water-Sewer Fund. This year that fund had a \$159 thousand increase in charges for services revenues, and a \$227 thousand increase in expenses over the prior year, with an overall increase in net assets of 5.9%. The Sanitary Fund and Storm Water Drainage Fund are the other propriety funds.

Business-Type Activity Program Revenues

Water-Sewer	\$9,471,155	75%
Storm Water Drainage	1,390,281	11%
Sanitary	1,782,689	14%
		<u>100%</u>

Business-Type Activity Program Expenses

Water-Sewer	\$6,850,962	72%
Storm Water Drainage	903,958	9%
Sanitary	1,775,981	19%
		<u>100%</u>



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds Analysis

The City has 11 governmental funds, categorized into 4 fund types. Each fund type has a unique purpose. Four 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, the City Street Fund, the Emergency Management Services Fund and the Growth Management Fund.

The change in total governmental funds fund balance decreased 26% in 2007. Much of this change is attributable to the increase in public safety (13%) and culture and recreation (41%) expenditures.

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 \$4 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 \$4,030,330 is 29% of total general fund expenditures.

The General Fund had a decrease in fund balance of 16%. Expenditures and other financing uses exceeded revenues by \$771,154. Key factors in this fund balance decline are the 9% growth in expenditures while revenues remained fairly stable. Public Safety expenditures increased 9% and culture and recreation expenditures increased 13% over the prior year.

The fund balance in the City Street Fund decreased by 42%. This decrease is due to higher transportation expenses (11%) while revenues decreased 3%.

The Emergency Management Services Fund accounts for ambulance and emergency aid services. The fund balance decreased 53% as expenditures exceeded property taxes and charges for services. Also, this decrease includes a prior period adjustment that decreased fund balance by 23%.

The fund balance of the Growth Management Fund decreased by 12%. This resulted from a decrease of nearly \$500 thousand in the collection of real estate excise taxes due to the reduction of real estate sale activity. This fund is a capital projects fund. As such, the resources of the fund will fluctuate significantly based on the size, type, and stage of the current capital projects, and the types of funding for those projects.

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 82% of net assets for the enterprise funds at \$53 million. The Water-Sewer Fund had an increase in net assets of \$3 million. Revenues generated from operations were higher than the prior year by \$200 thousand (3%), and expenses increased by less than one percent. Capital contributions consisting of infrastructure from developers and development fees decreased in 2007 by over \$4.2 million. Depreciation expense increased by \$166,803 or 11%.

The Sanitary Fund remained fairly stable in 2007. The fund showed an increase in net assets of \$61,012 or 10%. This was primarily due to higher charges for services (2%) and a 50% decrease in transfers out to internal service funds.

The Storm Water Drainage Fund net assets increased 28% in 2007. In 2007, expenses increased over 20% with revenues only increasing 2%. However net assets increased by \$2.3 million from nearly \$1 million of developer capital contributions of infrastructure and \$1.8 million prior year adjustments.

The Internal Service Fund net assets showed a decrease of 3.5% in 2007. Although revenues increased 16% they did not stay consistent with the 18% increase in expenses. Further, the fund received less grants, capital contributions and transfers from other funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City budgets on an annual basis. General Fund revenues exceeded the anticipated budget amount by \$152,565 or 1%, while expenditures were 98% of the budget.

Differences between the original budget and the final amended budget consisted of internal adjustments between the departments in 2007, summarized as follows:

The Police department allocated \$130,000 to the following departments:

- \$5,000 to the legal department
- \$20,000 to the other governmental services department
- \$95,000 to the fire department
- \$10,000 to the IT department

The Engineering department allocated \$69,100 to the following departments:

- \$30,000 to the library
- \$5,500 to the legislative department
- \$3,000 to the executive department
- \$3,600 to the legal department
- \$1,500 to the IT department
- \$2,500 to the building department
- \$11,000 to Animal Control
- \$12,000 to other governmental services department

The community development department allocated \$5,500 to the engineering department and \$200 to the other governmental services department.

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

- 3% increase or \$250,906 in additional property tax
- Collection of only 24% of the projected \$400,000 in construction inspection fees, a \$302,571 difference
- 24% collection of the projected \$200,000 in plan review fees, a difference of \$152,181
- 38% increase or \$65,723 in interest earnings
- \$15,001 increase in the police department, \$39,130 increase in the fire department and \$26,630 increase in the library for personnel benefits
- Positive variance of \$48,000 in the downtown visioning coalition department
- 36% increase or \$60,658 in jail costs
- Positive variance of \$300,000 in facility costs in the police department

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, 2007, was \$196,684,528 (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 an increase in net capital assets of \$12.3 million during the year.

City of Camas Capital Assets

(net of depreciation)

	Governmental Activities		Business-Type Activities		Total Activities	
	1/1/2007	12/31/2007	1/1/2007	12/31/2007	1/1/2007	12/31/2007
Land	\$47,559,180	\$54,389,447	\$745,130	\$745,130	\$48,304,310	\$55,134,577
Buildings and systems	12,190,977	11,841,189	13,863,002	14,473,674	26,053,979	26,314,863
Improvements other than buildings	4,406,015	5,252,160	3,428,603	3,323,955	7,834,618	8,576,115
Machinery and equipment	3,772,028	3,958,470	11,683,498	11,308,149	15,455,526	15,266,619
Intangibles	66,621	163,629	168,406	327,204	235,027	490,833
Infrastructure	34,615,693	44,514,801	40,203,593	42,937,254	74,819,286	87,452,055
Construction in progress	10,266,103	1,047,379	1,409,175	2,402,087	11,675,278	3,449,466
Total	\$112,876,617	\$121,167,075	\$71,501,407	\$75,517,453	\$184,378,024	\$196,684,528

Major capital asset additions include additional \$1.8 million in cemetery land; another \$2.9 million was donated land for streets and \$3.1 million for construction of the streets donated by developers of subdivisions. Developers also donated \$2.4 million of improvements and infrastructure to the water and sewer system.

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, 2007, the City of Camas had total bonded debt outstanding of \$16.4 million. Of this amount, \$7.5 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 \$8.9 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 2007 and 2006 bonded debt (in thousands).

	Governmental Activities		Business-Type Activities		Total Activities	
	2007	2006	2007	2006	2007	2006
General obligation bonds	\$ 7,554	\$ 8,267	\$ -	\$ -	\$ 7,554	\$ 8,267
Revenue bonds	-	-	8,860	3,785	8,860	3,785
Total	\$ 7,554	\$ 8,267	\$ 8,860	\$ 3,785	\$ 16,414	\$ 12,052

The City of Camas' total bonded debt increased by \$4,362,000 during 2007. This increase is due to issuing revenue bonds in the amount of \$5.5 million offset by scheduled principal payments made throughout 2007. The City's remaining capacity for non-voted debt is approximately \$41 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 2008 budget.

- The local economy had slowed down, particularly in the housing construction market and is expected to continue to be slow in 2008. In addition, subdivision development applications had significantly decreased during 2007, indicating additional evidence of the slowing down of construction of residential homes.
- Several property tax limitation legislation in the past years allows only a 1% levy increase for 2008, plus taxes on new construction assessed value.

The City had many goals it wanted to achieve and other considerations in preparing the budget for 2008. One goal was to maintain the existing level of service to its citizens. Other goals were to continue investment in infrastructure, not increase the existing tax rate or add new taxes, and maintain a high level of reserves in the General Fund. With these goals and the economic factors above, \$825,144 of unreserved fund balance was budgeted to balance the General Fund.

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, 2007

	Governmental Activities	Business-type Activities	Total Primary Government
Assets:			
Cash and Cash Equivalents	\$ 7,501,085	\$ 2,426,131	\$ 9,927,216
Investments	1,163,893	-	1,163,893
Receivables (Net of Allowance for Uncollectible)	1,218,596	289,786	1,508,382
Internal Balances	(439,988)	439,988	-
Deferred Charges	33,002	91,931	124,933
Restricted Assets			
Cash	-	6,015,096	6,015,096
Accounts Receivable (Net)	-	3,044	3,044
Capital Assets Not Being Depreciated:			
Land	54,389,447	745,130	55,134,577
Construction Work in Progress	1,047,379	2,402,087	3,449,466
Capital Assets Net of Accumulated Depreciation:			
Buildings	11,841,189	14,473,674	26,314,863
Improvements Other than Buildings	5,252,160	3,323,955	8,576,115
Machinery and Equipment	3,958,470	11,308,149	15,266,619
Intangibles	163,629	327,204	490,833
Infrastructure	44,514,801	42,937,254	87,452,055
Total Assets	<u>130,643,663</u>	<u>84,783,429</u>	<u>215,427,092</u>
Liabilities:			
Accounts Payable and Other Current Liabilities	1,163,724	336,825	1,500,549
Accrued Interest Payable	56,386	188,963	245,349
Custodial Accounts	20,288	10,674	30,962
Noncurrent Liabilities:			
Due within One Year	1,232,625	1,123,546	2,356,171
Due in More than One Year	12,206,950	18,453,213	30,660,163
Total Liabilities	<u>14,679,973</u>	<u>20,113,221</u>	<u>34,793,194</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	109,153,090	60,034,976	169,188,066
Restricted for:			
Capital	3,582,915	5,140,081	8,722,996
Debt Service	33,806	815,794	849,600
Unrestricted	3,193,879	(1,320,643)	1,873,236
Total Net Assets	<u>\$ 115,963,690</u>	<u>\$ 64,670,208</u>	<u>\$ 180,633,898</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, 2007

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 GOVERNMENT							
Governmental Activities:							
General Government	\$ 2,004,973	\$ 547,926	\$ -	\$ -	(1,457,047)	\$ -	(1,457,047)
Judicial	171,207	239,509	-	-	68,302	-	68,302
Public Safety	9,956,452	2,275,001	74,135	182,125	(7,425,191)	-	(7,425,191)
Physical Environment	1,560,735	658,960	145,103	1,844,100	1,087,428	-	1,087,428
Transportation	5,837,233	26,659	384,780	7,144,619	1,718,825	-	1,718,825
Economic Environment	541,585	804,593	11,050	137,474	411,532	-	411,532
Culture and Recreation	3,894,696	176,563	24,509	1,009,292	(2,684,332)	-	(2,684,332)
Interest on Long-Term Debt	508,407	-	-	-	(508,407)	-	(508,407)
TOTAL GOVERNMENTAL ACTIVITIES	24,475,288	4,729,211	639,577	10,317,610	(8,788,890)	-	(8,788,890)
Business Type Activities:							
Water Sewer	6,850,962	6,222,686	-	3,248,469	-	2,620,193	2,620,193
Storm Water Drainage	903,958	475,896	1,144	913,241	-	486,323	486,323
Sanitary	1,775,981	1,782,689	-	-	-	6,708	6,708
TOTAL BUSINESS-TYPE ACTIVITIES	9,530,901	8,481,271	1,144	4,161,710	-	3,113,224	3,113,224
Total Primary Government	\$ 34,006,189	\$ 13,210,482	\$ 640,721	\$ 14,479,320	\$ (8,788,890)	\$ 3,113,224	\$ (5,675,666)
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 9,842,349	\$ -	\$ 9,842,349
Property Taxes, Levied for Debt Service					1,047,568	-	1,047,568
Sales and Use Taxes					1,795,976	-	1,795,976
Business and Occupation Taxes					382,575	-	382,575
Excise Taxes					1,135,599	-	1,135,599
Penalties and Interest					49	-	49
Grants and Contributions not Restricted to Specific Programs					345,500	-	345,500
Unrestricted Investment Earnings					523,808	285,474	809,282
Miscellaneous					6,934	124,168	131,102
Gain on Disposal of Capital Assets					-	3,225	3,225
Transfers					17,780	(17,780)	-
Total General Revenues and Transfers					15,098,138	395,087	15,493,225
Change in Net Assets					6,309,248	3,508,311	9,817,559
Net Assets - Beginning					111,535,416	59,330,316	170,865,732
Prior Period Adjustments					(1,880,974)	1,831,581	(49,393)
Net Assets - Ending					\$ 115,963,690	\$ 64,670,208	\$ 180,633,898

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

CITY OF CAMAS, WASHINGTON
Governmental Funds
Balance Sheet
December 31, 2007

	General Fund	City Street Fund	Emergency Management Services Fund	Growth Management Fund	Other Governmental Funds	Total Governmental Funds
Assets:						
Cash and Cash Equivalents	\$ 3,790,057	\$ 322,283	\$ 104,609	\$ 2,242,943	\$ 715,696	\$ 7,175,588
Investments	200,249	-	-	963,644	-	1,163,893
Property Taxes Receivables (net)	299,980	-	52,137	-	28,863	380,980
Sales Taxes Receivable	291,476	-	-	46,502	-	337,978
Accounts Receivable	12,412	4,938	197,401	-	-	214,751
Interest Receivable	745	-	-	22,867	-	23,612
Assessments Receivable	-	-	-	-	4,288	4,288
Interfund Loan Receivable	175,000	-	-	-	-	175,000
Due from Other Governmental Units	3,116	17,407	2,702	228,825	-	252,050
Total Assets	\$ 4,773,035	\$ 344,628	\$ 356,849	\$ 3,504,781	\$ 748,847	\$ 9,728,140
Liabilities and Fund Balances:						
Liabilities:						
Accounts Payable	\$ 453,771	\$ 133,870	\$ 15,353	\$ 501,015	\$ 3,038	\$ 1,107,047
Interfund Loan Payable	-	-	-	-	175,000	175,000
Due to Other Governmental Units	9,717	-	-	-	-	9,717
Custodial Deposits	20,288	-	-	-	-	20,288
Deferred Revenues	258,929	-	160,504	-	28,178	447,611
Total Liabilities	742,705	133,870	175,857	501,015	206,216	1,759,663
Fund Balances:						
Reserved for						
Debt Service	-	-	-	-	33,806	33,806
Capital	-	-	-	3,003,766	579,149	3,582,915
Designated	947,746	210,758	-	-	-	1,158,504
Undesignated	3,082,584	-	180,992	-	-	3,263,576
Unreserved, Reported in Nonmajor:						
Special Revenue Funds	-	-	-	-	(70,324)	(70,324)
Total Fund Balances	4,030,330	210,758	180,992	3,003,766	542,631	7,968,477
Total Liabilities and Fund Balances	\$ 4,773,035	\$ 344,628	\$ 356,849	\$ 3,504,781	\$ 748,847	

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	118,392,022
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds	447,611
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	2,576,356
Long-term liabilities that are not due and payable in the current period and are not reported in the funds	(13,420,776)
Net assets of governmental activities	\$ 115,963,690

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 year ended December 31, 2007

	General Fund	City Street Fund	Emergency Management Services Fund	Growth Management Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property Taxes	\$ 8,670,906	\$ -	\$ 1,026,079	\$ -	\$ 1,047,568	\$ 10,744,553
Sales and Use Taxes	1,795,976	-	-	-	-	1,795,976
Other Taxes	412,959	-	-	1,105,264	-	1,518,223
License and Permits	442,146	-	-	-	-	442,146
Intergovernmental	529,068	788,884	440,773	448,977	128,284	2,335,986
Charges for Services	2,029,503	12,119	781,713	620,847	68,672	3,512,854
Fines and Forfeits	215,806	-	-	-	-	215,806
Interest Earnings	252,151	10,963	4,333	200,909	45,143	513,499
Rents and Royalties	34,478	-	-	-	-	34,478
Insurance Premiums and Recoveries	-	9,086	-	-	-	9,086
Contributions/Donations	18,609	175,752	2,040	2,385	137,444	336,230
Miscellaneous	25,626	5,453	233	-	2,500	33,812
Total Revenues	<u>14,427,228</u>	<u>1,002,257</u>	<u>2,255,171</u>	<u>2,378,382</u>	<u>1,429,611</u>	<u>21,492,649</u>
Expenditures:						
Current						
General Government	1,859,674	-	-	-	-	1,859,674
Judicial	171,207	-	-	-	-	171,207
Public Safety	7,104,011	-	2,242,157	-	-	9,346,168
Physical Environment	1,351,527	-	-	-	160,299	1,511,826
Transportation	-	1,895,777	-	-	-	1,895,777
Economic Environment	539,781	-	-	-	-	539,781
Culture and Recreation	2,454,723	-	-	657,001	-	3,111,724
Capitalized Expenditures	281,488	1,199,055	132,098	1,028,544	1,571,346	4,212,531
Debt Service	-	-	-	-	1,229,723	1,229,723
Principal Retirement	-	-	-	-	414,240	420,400
Interest/Fiscal Charges	-	-	-	6,160	-	6,160
Total Expenditures	<u>13,762,411</u>	<u>3,094,832</u>	<u>2,374,255</u>	<u>1,691,705</u>	<u>3,375,608</u>	<u>24,298,811</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	664,817	(2,092,575)	(119,084)	686,677	(1,945,997)	(2,806,162)
Other Financing Sources (Uses)						
Transfers In	18,000	1,937,163	-	-	632,207	2,587,370
Transfers Out	(1,453,971)	-	-	(1,107,619)	(8,000)	(2,569,590)
Total Other Financing Sources and Uses	<u>(1,435,971)</u>	<u>1,937,163</u>	<u>-</u>	<u>(1,107,619)</u>	<u>624,207</u>	<u>17,780</u>
Net Change in Fund Balances	(771,154)	(155,412)	(119,084)	(420,942)	(1,321,790)	(2,788,382)
Fund Balance at Beginning of Year	4,801,484	366,170	389,207	3,424,708	1,864,421	10,845,990
Prior period adjustment	-	-	(89,131)	-	-	(89,131)
Fund Balance at End of Year	<u>\$ 4,030,330</u>	<u>\$ 210,758</u>	<u>\$ 180,992</u>	<u>\$ 3,003,766</u>	<u>\$ 542,631</u>	<u>\$ 7,968,477</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, 2007

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

Net changes in fund balances - total governmental funds: \$ (2,788,382)

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. (694,162)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets. 9,027,291

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 168,102

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. 1,229,723

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. (556,299)

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. (77,025)

\$ 6,309,248

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, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Property Taxes	\$ 8,420,000	\$ 8,420,000	\$ 8,670,906	\$ 250,906
Sales and Use Taxes	1,810,000	1,810,000	1,795,976	(14,024)
Other Taxes	416,300	416,300	412,959	(3,341)
License and Permits	499,300	499,300	442,146	(57,154)
Intergovernmental	434,501	434,501	529,068	94,567
Charges for Services	2,588,792	2,588,792	2,029,503	(559,289)
Fines and Forfeits	174,900	174,900	215,806	40,906
Interest Earnings	183,000	183,000	252,151	69,151
Rents and Royalties	32,000	32,000	34,478	2,478
Contributions/Donations	8,000	10,000	18,609	8,609
Miscellaneous	13,000	11,000	25,626	14,626
Total Revenues	<u>14,579,793</u>	<u>14,579,793</u>	<u>14,427,228</u>	<u>(152,565)</u>
Expenditures:				
Current				
General Government	1,842,513	1,920,313	1,859,674	60,639
Judicial	172,935	172,935	171,207	1,728
Public Safety	7,323,238	7,028,138	7,104,011	(75,873)
Physical Environment	1,405,066	1,346,966	1,351,527	(4,561)
Economic Environment	572,695	620,195	539,781	80,414
Culture and Recreation	2,493,685	2,495,285	2,454,723	40,562
Capitalized Expenditures	263,700	490,000	281,488	208,512
Total Expenditures	<u>14,073,832</u>	<u>14,073,832</u>	<u>13,762,411</u>	<u>311,421</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	505,961	505,961	664,817	158,856
Other Financing Sources (Uses):				
Transfers In	47,000	91,000	18,000	(73,000)
Transfers Out	(1,315,882)	(1,453,971)	(1,453,971)	-
Total Other Financing Sources and Uses	<u>(1,268,882)</u>	<u>(1,362,971)</u>	<u>(1,435,971)</u>	<u>(73,000)</u>
Net Change in Fund Balance	(762,921)	(857,010)	(771,154)	85,856
Fund Balances at Beginning of Year	4,801,484	4,801,484	4,801,484	-
Fund Balances at End of Year	<u>\$ 4,038,563</u>	<u>\$ 3,944,474</u>	<u>\$ 4,030,330</u>	<u>\$ 85,856</u>

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

CITY OF CAMAS, WASHINGTON
City Street Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 931,124	\$ 931,124	\$ 788,884	\$ (142,240)
Charges for Services	1,000	1,000	12,119	11,119
Interest Earnings	-	-	10,963	10,963
Insurance Premiums and Recoveries	-	-	9,086	9,086
Contributions/Donations	-	-	175,752	175,752
Miscellaneous	-	-	5,453	5,453
Total Revenues	<u>932,124</u>	<u>932,124</u>	<u>1,002,257</u>	<u>70,133</u>
Expenditures:				
Current				
Transportation	1,737,095	1,737,095	1,895,777	(158,682)
Capitalized Expenditures	<u>1,848,000</u>	<u>1,848,000</u>	<u>1,199,055</u>	<u>648,945</u>
Total Expenditures	<u>3,585,095</u>	<u>3,585,095</u>	<u>3,094,832</u>	<u>490,263</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	(2,652,971)	(2,652,971)	(2,092,575)	560,396
Other Financing Sources (Uses):				
Transfers In	<u>2,497,971</u>	<u>2,497,971</u>	<u>1,937,163</u>	<u>(560,808)</u>
Total Other Financing Sources and Uses	<u>2,497,971</u>	<u>2,497,971</u>	<u>1,937,163</u>	<u>(560,808)</u>
Net Change in Fund Balance	(155,000)	(155,000)	(155,412)	(412)
Fund Balances at Beginning of Year	<u>366,170</u>	<u>366,170</u>	<u>366,170</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 211,170</u>	<u>\$ 211,170</u>	<u>\$ 210,758</u>	<u>\$ (412)</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, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Property Taxes	\$ 1,045,000	\$ 1,045,000	\$ 1,026,079	\$ (18,921)
Intergovernmental	475,000	475,000	440,773	(34,227)
Charges for Services	764,500	764,500	781,713	17,213
Interest Earnings	1,000	1,000	4,333	3,333
Contributions/Donations	500	500	2,040	1,540
Miscellaneous	-	-	233	233
Total Revenues	2,286,000	2,286,000	2,255,171	(30,829)
Expenditures:				
Current				
Security/Persons and Property	2,263,006	2,255,506	2,242,157	13,349
Capitalized Expenditures	-	101,500	132,098	(30,598)
Total Expenditures	2,263,006	2,357,006	2,374,255	(17,249)
Excess (Deficiency) of Revenues				
Over (under) Expenditures	22,994	(71,006)	(119,084)	(48,078)
Other Financing Sources (Uses):				
Transfers Out	(25,000)	(25,000)	-	25,000
Total Other Financing Sources and Uses	(25,000)	(25,000)	-	25,000
Net Change in Fund Balance	(2,006)	(96,006)	(119,084)	(23,078)
Fund Balances at Beginning of Year	389,207	389,207	389,207	-
Prior year adjustments	-	-	(89,131)	-
Fund Balances at End of Year	\$ 387,201	\$ 293,201	\$ 180,992	\$ (23,078)

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, 2007

	Enterprise Funds				(Governmental Activities)
	Water-Sewer	Storm Water Drainage	Sanitary	Total	Internal Service - Equipment Rental
Assets:					
Current Assets:					
Cash and Cash Equivalents	\$ 958,307	\$ 753,311	\$ 714,513	\$ 2,426,131	\$ 325,497
Receivables (net)					
Accounts	230,564	10,873	47,205	288,642	4,937
Restricted Assets					
Cash and Cash Equivalents	6,015,096	-	-	6,015,096	-
Accounts Receivable (Net)	3,044	-	-	3,044	-
Due from Other Governmental Units		1,144	-	1,144	-
Total Current Assets	<u>7,207,011</u>	<u>765,328</u>	<u>761,718</u>	<u>8,734,057</u>	<u>330,434</u>
Noncurrent Assets:					
Deferred Charges	91,931	-	-	91,931	-
Property, Plant and Equipment (Net)					
Land	745,130	-	-	745,130	104,731
Building	14,473,674	-	-	14,473,674	838,202
Intangible Assets	229,038	98,166	-	327,204	-
Improvements Other than Buildings	3,323,955	-	-	3,323,955	99,223
Machinery and Equipment	11,308,149	-	-	11,308,149	1,732,850
Infrastructure	33,193,941	9,743,313	-	42,937,254	-
Construction in Progress	2,370,665	31,422	-	2,402,087	47
Total Noncurrent Assets	<u>65,736,483</u>	<u>9,872,901</u>	<u>-</u>	<u>75,609,384</u>	<u>2,775,053</u>
Total Assets	<u>72,943,494</u>	<u>10,638,229</u>	<u>761,718</u>	<u>84,343,441</u>	<u>3,105,487</u>
Liabilities					
Current Liabilities:					
Accounts Payable	287,439	6,486	42,900	336,825	46,960
Custodial Accounts	10,374	-	-	10,374	-
Accrued Interest Payable	188,963	-	-	188,963	-
Accrued Employee Benefits	12,699	-	4,190	16,889	3,909
Bonds, Notes and Loans Payable	655,344	-	-	655,344	-
Bonds, Notes and Loans Payable from Restricted Assets - Current	442,441	-	-	442,441	-
Total Current Liabilities	<u>1,597,260</u>	<u>6,486</u>	<u>47,090</u>	<u>1,650,836</u>	<u>50,869</u>
Noncurrent Liabilities:					
Custodial Accounts	300	-	-	300	-
Bonds, Notes and Loan Payable	18,299,761	-	-	18,299,761	-
Accrued Employee Benefits	121,521	-	40,803	162,324	38,274
Total Noncurrent Liabilities	<u>18,421,582</u>	<u>-</u>	<u>40,803</u>	<u>18,462,385</u>	<u>38,274</u>
Total Liabilities	<u>20,018,842</u>	<u>6,486</u>	<u>87,893</u>	<u>20,113,221</u>	<u>89,143</u>
Net Assets:					
Invested in Capital Assets, Net of Related Debt	50,162,075	9,872,901	-	60,034,976	2,775,053
Restricted for Capital Purposes	5,140,081	-	-	5,140,081	-
Restricted for Debt Service	815,794	-	-	815,794	-
Unrestricted	(3,193,298)	758,842	673,825	(1,760,631)	241,291
Total Net Assets	<u>\$ 52,924,652</u>	<u>\$ 10,631,743</u>	<u>\$ 673,825</u>	<u>\$ 64,230,220</u>	<u>\$ 3,016,344</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				439,988	
Net Assets of Business-type Activities				<u>\$ 64,670,208</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, 2007

	Enterprise Funds				(Governmental Activities)
	Water-Sewer	Storm Water Drainage	Sanitary	Total	Internal Service - Equipment Rental
Operating Revenues:					
Charge for Services	\$ 6,222,686	\$ 475,896	\$ 1,782,689	\$ 8,481,271	\$ 1,155,355
Total Operating Revenues	<u>6,222,686</u>	<u>475,896</u>	<u>1,782,689</u>	<u>8,481,271</u>	<u>1,155,355</u>
Operating Expenses:					
Collection and Disposal	-	-	1,450,555	1,450,555	-
Storm Drainage Operations and Maintenance	-	513,269	-	513,269	-
Water Operations and Maintenance	1,601,516	-	-	1,601,516	-
Sewer Operations and Maintenance	1,713,616	-	-	1,713,616	-
Customer Accounts	27,049	-	126,006	153,055	-
Administration	825,443	-	53,739	879,182	-
Equipment Rental Operations	-	-	-	-	889,820
Taxes	244,160	4,439	80,220	328,819	-
Depreciation	1,810,151	362,566	-	2,172,717	491,289
Total Operating Expenses	<u>6,221,935</u>	<u>880,274</u>	<u>1,710,520</u>	<u>8,812,729</u>	<u>1,381,109</u>
Operating Income (loss)	751	(404,378)	72,169	(331,458)	(225,754)
Nonoperating Revenues (Expenses)					
Interest Earnings	214,055	36,097	35,322	285,474	10,309
State and Federal Grants	-	1,144	-	1,144	-
Interest and Fiscal Charges	(595,405)	-	-	(595,405)	-
Gain (Loss) on Disposal of Assets	3,225	-	-	3,225	(10,421)
Miscellaneous Revenue (Expense)	110,647	-	13,521	124,168	9,827
Total Nonoperating Revenues (Expenses)	<u>(267,478)</u>	<u>37,241</u>	<u>48,843</u>	<u>(181,394)</u>	<u>9,715</u>
Income (Loss) before Contributions and Transfers	(266,727)	(367,137)	121,012	(512,852)	(216,039)
Capital Contributions	3,248,469	913,241	-	4,161,710	16,247
Transfers In	-	-	-	-	88,000
Transfers Out	(12,780)	(33,000)	(60,000)	(105,780)	-
Increase (Decrease) in Net Assets	<u>2,968,962</u>	<u>513,104</u>	<u>61,012</u>	<u>3,543,078</u>	<u>(111,792)</u>
Total Net Assets at Beginning of Year	49,955,690	8,287,058	612,813		3,128,136
Prior Year Adjustments	-	1,831,581	-		-
Total Net Assets at End of Year	<u>\$ 52,924,652</u>	<u>\$ 10,631,743</u>	<u>\$ 673,825</u>		<u>\$ 3,016,344</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(34,767)	
Change in Net Assets of Business-type Activities				<u>\$ 3,508,311</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, 2007

	Enterprise Funds				(Governmental Activities)
	Water-Sewer	Storm Water Drainage	Sanitary	Total	Internal Service - Equipment Rental
Cash Flows from Operating Activities:					
Cash received from Customers	\$ 6,109,994	\$ 475,823	\$ 1,775,226	\$ 8,361,043	\$ -
Cash received from Interfund Services Provided		-	-	-	1,192,994
Cash payments to Suppliers	(2,555,895)	(199,802)	(370,608)	(3,126,305)	(513,400)
Cash payments to Employees	(1,316,693)	(149,744)	(351,979)	(1,818,416)	(351,904)
Cash payments to Disposal Contractor		-	(542,591)	(542,591)	-
Cash payments for Interfund Services Used	(718,860)	(210,620)	(443,022)	(1,372,502)	(25,882)
Cash received for Connection Fees	73,816	-	-	73,816	-
Cash received from Other Non-Operating Revenues	113,447	-	13,521	126,968	1,162
Net Cash Provided by Operating Activities	<u>1,705,809</u>	<u>(84,343)</u>	<u>80,547</u>	<u>1,702,013</u>	<u>302,970</u>
Cash Flows from Noncapital Financing Activities:					
Proceeds from Interfund Loan	154,407	-	-	154,407	-
Transfers - Out	(12,780)	(33,000)	(60,000)	(105,780)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>141,627</u>	<u>(33,000)</u>	<u>(60,000)</u>	<u>48,627</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:					
Proceeds from Revenue Bonds	5,576,259	-	-	5,576,259	-
Proceeds from Other Long Term Debt	750,000	-	-	750,000	-
Acquisition and Construction of Capital Assets	(2,704,368)	(6,817)	-	(2,711,185)	(442,790)
Principal Paid on Revenue Bonds	(445,000)	-	-	(445,000)	-
Principal Paid on Other Long Term Obligations	(602,067)	-	-	(602,067)	-
Interest Paid on Revenue Bonds and Other Long Term Debt	(546,788)	-	-	(546,788)	-
Capital Contributed from Customers and Developers	684,559	-	-	684,559	-
Proceeds from Sale of Property	-	-	-	-	-
Proceeds from Insurance Recoveries	-	-	-	-	8,665
Transfers - In	-	-	-	-	88,000
Net Cash Provided for Capital and Related Financing Activities	<u>2,712,595</u>	<u>(6,817)</u>	<u>-</u>	<u>2,705,778</u>	<u>(346,125)</u>
Cash Flows from Investing Activities:					
Interest on Investments	221,605	37,030	38,885	297,520	10,309
Proceeds from Sale and Maturities of Investment Securities	599,858	199,684	400,000	1,199,542	-
Net Cash Used by Investing Activities	<u>821,463</u>	<u>236,714</u>	<u>438,885</u>	<u>1,497,062</u>	<u>10,309</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,381,494	112,554	459,432	5,953,480	(32,846)
Cash and Cash Equivalents at Beginning of Year	1,591,909	640,757	255,081	2,487,747	358,343
Cash and Cash Equivalents at End of Year	<u>\$ 6,973,403</u>	<u>\$ 753,311</u>	<u>\$ 714,513</u>	<u>\$ 8,441,227</u>	<u>\$ 325,497</u>
Cash and cash equivalents	\$ 958,307	\$ 753,311	\$ 714,513	\$ 2,426,131	\$ 325,497
Restricted cash and cash equivalents	6,015,096	-	-	6,015,096	-
Total Cash and Cash Equivalents	<u>\$ 6,973,403</u>	<u>\$ 753,311</u>	<u>\$ 714,513</u>	<u>\$ 8,441,227</u>	<u>\$ 325,497</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, 2007

	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)	\$ 751	\$ (404,378)	\$ 72,169	\$ (331,458)	\$ (225,754)
Adjustments to Reconcile Net					
Operating Income (Loss) to Net					
Cash Provided by Operations:					
Depreciation Expense	1,810,151	362,566	-	2,172,717	491,288
(Increase) Decrease in Receivables	(49,250)	(73)	(7,463)	(56,786)	37,639
Increase (Decrease) in Current Payables	(191,330)	(42,458)	(4,619)	(238,407)	13,576
Increase (Decrease) in Accrued Employee Benefits	11,666	-	6,939	18,605	(14,941)
Increase (Decrease) in Custodial Accounts	10,374	-	-	10,374	-
Receipt of Non-Operating Revenues	113,447	-	13,521	126,968	1,162
Total Adjustments	<u>1,705,058</u>	<u>320,035</u>	<u>8,378</u>	<u>2,033,471</u>	<u>528,724</u>
Net Cash Provided by Operating Activities	<u>\$ 1,705,809</u>	<u>\$ (84,343)</u>	<u>\$ 80,547</u>	<u>\$ 1,702,013</u>	<u>\$ 302,970</u>
Noncash Investing, Financing and Capital Activities					
Capital Assets Donated	\$ 2,563,910	\$ 913,241	\$ -	\$ 3,477,151	\$ 16,247
Net Change in Fair Value of Investments	566	(379)	562	749	-
Disposal of Capital Assets	-	-	-	-	(10,650)

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, 2007

	<u>2007</u>
Assets:	
Cash and Cash Equivalents	\$ 1,363,063
Investments (at Fair Value):	
U.S. Government securities	849,000
Receivables	
Interest	<u>8,602</u>
Total Assets	<u>2,220,665</u>
Liabilities:	
Total Liabilities	<u>-</u>
Net Assets	
Held in Trust for Pension Benefits	<u><u>\$ 2,220,665</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, 2007

	2007
Additions:	
Employer Contributions:	
For Pension Benefits	\$ 27,284
Total Contributions	27,284
Investment Income:	
Interest Earnings	112,560
Net increase in the fair value of investments	(548)
Net Investment Income	112,012
Total Additions	139,296
Deductions:	
Pension Benefits	14,910
Total Deductions	14,910
Net Increase in Fiduciary Net Assets	124,386
Net Assets - Beginning	2,096,279
Net Assets - Ending	\$ 2,220,665

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

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2007

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 changes in net assets) 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, 2007

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 *City Street Fund* accounts for money received and the expenditures made in providing maintenance and improvements of streets, bridges and sidewalks.

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 *Growth Management Fund* is a capital projects fund and was established to account for construction projects of certain capital facilities funded by the two-quarters of 1% real estate excise tax and impact fees.

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

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2007

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 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

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2007

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 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 and the State Treasurer's Investment Pool. Investments for the city are reported at fair value. The State Treasurer Investment Pool operates 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.

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2007

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.

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

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2007

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 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.

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2007

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)

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 \$9,572,596 of restricted net assets, of which \$4,238,723 is restricted by enabling legislation. Net assets restricted for capital also includes unexpended proceeds of capital related debt in the business-type activities totaling \$3,823,138.

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>	<u>City Street Fund</u>
Tax interim stabilization	\$ 700,000	\$ -
Advance travel/petty cash	2,675	-
Police drug buy fund	83,388	-
Capital improvements	161,683	-
Street improvements	-	208,652
Trails and paths	-	2,106
	<u>\$ 947,746</u>	<u>\$ 210,758</u>

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
 December 31, 2007

**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 \$2,576,356 difference are as follows:

Net assets of the internal service funds	\$ 3,016,344
Less: Internal payable representing charges in excess of cost to business-type activities - prior years	(474,755)
Add: Internal receivable representing cost to business -type activities in excess of charges - current year	34,767
Net adjustment to increase fund balance - total governmental funds to arrive at <i>net assets - governmental activities</i>	\$ 2,576,356

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	\$ 12,275,501
Less: Deferred charge on refunding	(261,515)
Plus: Deferred amount for issuance costs	(33,002)
Accrued Interest Payable	56,386
Net Pension Obligation	261,280
Compensated Absences	1,122,126
Net adjustment to reduce fund balance - total governmental funds to arrive at <i>net assets - governmental activities</i>	\$ 13,420,776

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2007

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	\$ 4,212,531
Depreciation expense	<u>(4,906,693)</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>\$ (694,162)</u>

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 \$9,027,291 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	\$ 9,095,696
Net book value of assets retired	<u>(68,405)</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>\$ 9,027,291</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 \$1,229,723 difference are as follows:

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2007

Principal repayments:	
General obligation debt	\$ <u>1,229,723</u>
Net adjustment to decrease <i>net changes in fund balances</i> - total governmental funds to arrive at <i>changes in net assets</i> <i>of governmental activities</i>	\$ <u><u>1,229,723</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 \$(556,299) difference are as follows:

Compensated Absences	\$ (207,012)
Accrued Interest	4,210
Net OPEB Obligation	(261,280)
Amortization of issuance costs/deferred amount on refunding	(92,217)
Net adjustment to decrease <i>net changes in fund balances</i> - total governmental funds to arrive at <i>changes in net assets</i> <i>of governmental activities</i>	\$ <u><u>(556,299)</u></u>

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 \$(77,025) difference are as follows:

Change in net assets of internal service funds	\$ (111,792)
Less: Profit from charges to business-type activities	34,767
Net adjustment to increase <i>net changes in fund balances</i> - total governmental funds to arrive at <i>changes in net assets</i> <i>of governmental activities</i>	\$ <u><u>(77,025)</u></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.

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
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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 2007, two supplemental appropriations were approved. One appropriation increased the Cemetery Fund as follows: \$27,000 to fund salary and related personnel benefits, \$11,000 to pay for supplies, and \$1,000 for insurance expense. The second appropriation increased the Emergency Management Services Fund \$94,000 for machinery and equipment to used to refurbish an ambulance.

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, 2007, the Limited General Obligation Debt Service Fund exceeded appropriations by \$67,592. This was covered by transfers in from the Growth Management Capital Projects Fund. The SE 1st Street/Lake Road Construction Fund exceeded appropriations by \$71,346.

C. DEFICIT FUND BALANCE

As of December 31, 2007, the SE 1st Street/Lake Road Construction Fund had a deficit fund balance of \$172,398. This is due to timing issues related to the Public Works Trust Fund loan close out and cash outlay. When the Public Works Trust Fund close out is complete, additional loan funds will be received to cover this deficit.

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2007

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	\$ 2,012,893	.11
State Treasurer's Investment Pool	<u>10,414,667</u>	.14
Total fair value	<u>\$12,427,561</u>	
Portfolio weighted average maturity		.25

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 2.96 months at December 31, 2007.

Credit rate risk. The city has no investment policy that would further limit its investment choices. As of December 31, 2007, 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 and Fitch Ratings.

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, 2007. 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

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2007

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.

B. RECEIVABLES

Receivables as of December 31, 2007 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:

	Taxes	Accounts Receivable	Special Assessments	Due from Other Gov'ts	Interest	Total
General Fund	\$ 591,456	\$ 12,412	\$ -	\$ 3,116	\$ 745	\$ 607,729
City Street	-	4,938	-	17,407	-	22,345
Emergency Management Services	52,137	197,401	-	2,702	-	252,240
Growth Management	46,502	-	-	228,825	22,867	298,194
Other Governmental Funds	28,863	-	4,288	-	-	33,151
Water-Sewer	-	230,564	-	-	-	230,564
Storm Water Drainage	-	10,873	-	1,144	-	12,017
Sanitary	-	47,205	-	-	-	47,205
Internal Service	-	4,937	-	-	-	4,937
Fiduciary	-	-	-	-	8,602	8,602
Net Receivables	<u>\$ 718,958</u>	<u>\$ 508,330</u>	<u>\$ 4,288</u>	<u>\$ 253,194</u>	<u>\$ 32,214</u>	<u>\$ 1,516,984</u>

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
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* 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	\$1,508,382
Restricted accrued interest receivable	<u>8,602</u>
Net Receivables	<u>\$1,516,984</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:

	<u>Unavailable</u>
Property taxes receivable (general fund)	\$ 258,929
Property taxes receivable (special revenue fund)	47,437
Property taxes receivable (debt service fund)	23,891
Accounts receivable (special revenue fund)	113,067
Special assessments not yet due (debt service fund)	<u>4,287</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 447,611</u>

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
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C. CAPITAL ASSETS

A summary of capital asset activity for the year ended December 31, 2007 was as follows:

	Balance 12/31/06	Prior Period Adjustment	Beginning Balance 01/01/07	Increases	Decreases	Ending Balance 12/31/07
Governmental activities						
Capital assets, not being depreciated						
Land	\$ 47,559,180	\$ -	\$ 47,559,180	\$ 6,830,267	\$ -	\$ 54,389,447
Construction in progress	12,147,077	(1,880,974)	10,266,103	695,687	9,914,411	1,047,379
Total capital assets, not being depreciated	<u>59,706,257</u>	<u>(1,880,974)</u>	<u>57,825,283</u>	<u>7,525,954</u>	<u>9,914,411</u>	<u>55,436,826</u>
Capital assets, being depreciated/depleted						
Buildings	14,978,822	-	14,978,822	45,000	96,100	14,927,722
Improvements other than buildings	6,516,537	-	6,516,537	1,348,787	-	7,865,324
Machinery and equipment	8,219,105	-	8,219,105	1,025,446	166,530	9,078,021
Intangibles	71,438	-	71,438	111,697	-	183,135
Infrastructure	64,391,128	-	64,391,128	13,625,021	-	78,016,149
Total capital assets being depreciated	<u>94,177,030</u>	<u>-</u>	<u>94,177,030</u>	<u>16,155,951</u>	<u>262,630</u>	<u>110,070,351</u>
Less accumulated depreciation for:						
Buildings	2,787,845	-	2,787,845	326,383	27,695	3,086,533
Improvements other than buildings	2,110,522	-	2,110,522	502,642	-	2,613,164
Machinery and equipment	4,447,077	-	4,447,077	828,354	155,880	5,119,551
Intangibles	4,817	-	4,817	14,689	-	19,506
Infrastructure	29,775,435	-	29,775,435	3,725,913	-	33,501,348
Total accumulated depreciation	<u>39,125,696</u>	<u>-</u>	<u>39,125,696</u>	<u>5,397,981</u>	<u>183,575</u>	<u>44,340,102</u>
Total capital assets, being depreciated, net	55,051,334	-	55,051,334	10,757,970	79,055	65,730,249
Governmental activities capital assets, net	<u>\$ 114,757,591</u>	<u>\$ (1,880,974)</u>	<u>\$ 112,876,617</u>	<u>\$ 18,283,924</u>	<u>\$ 9,993,466</u>	<u>\$ 121,167,075</u>

CITY OF CAMAS, WASHINGTON
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	Balance 12/31/06	Prior Period Adjustment	Beginning Balance 01/01/07	Increases	Decreases	Ending Balance 12/31/07
Business-type activities						
Capital assets,						
not being depreciated:						
Land	\$ 745,130	\$ -	\$ 745,130	\$ -	\$ -	\$ 745,130
Construction in progress	1,409,175	-	1,409,175	2,658,058	1,665,146	2,402,087
Total capital assets, not being depreciated:	<u>2,154,305</u>	<u>-</u>	<u>2,154,305</u>	<u>2,658,058</u>	<u>1,665,146</u>	<u>3,147,217</u>
Capital assets, being depreciated:						
Buildings and system	15,924,178	-	15,924,178	951,558	-	16,875,736
Intangibles	214,684	-	214,684	183,018	-	397,702
Improvements other than buildings	4,915,994	-	4,915,994	17,500	-	4,933,494
Machinery and equipment	15,854,533	-	15,854,533	97,402	-	15,951,935
Infrastructure	47,393,011	1,880,974	49,273,985	3,946,373	-	53,220,358
Total capital assets, being depreciated	<u>84,302,400</u>	<u>1,880,974</u>	<u>86,183,374</u>	<u>5,195,851</u>	<u>-</u>	<u>91,379,225</u>
Less accumulated depreciation for:						
Buildings and system	2,061,176	-	2,061,176	340,886	-	2,402,062
Intangibles	46,278	-	46,278	24,220	-	70,498
Improvements other than buildings	1,487,391	-	1,487,391	122,148	-	1,609,539
Machinery and equipment	4,171,035	-	4,171,035	472,751	-	4,643,786
Infrastructure	9,020,999	49,393	9,070,392	1,212,712	-	10,283,104
Total accumulated depreciation	<u>16,786,879</u>	<u>49,393</u>	<u>16,836,272</u>	<u>2,172,717</u>	<u>-</u>	<u>19,008,989</u>
Total capital assets, being depreciated, net	67,515,521	1,831,581	69,347,102	3,023,134	-	72,370,236
Business-type activities capital assets, net	<u>\$ 69,669,826</u>	<u>\$ 1,831,581</u>	<u>\$ 71,501,407</u>	<u>\$ 5,681,192</u>	<u>\$ 1,665,146</u>	<u>\$ 75,517,453</u>

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

Governmental activities:

General government	\$ 42,602
Public safety	256,767
Transportation, including depreciation of general infrastructure assets	3,894,174
Physical environment	5,854
Culture and recreation	707,297
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>491,289</u>
Total depreciation expense—governmental activities	<u>\$ 5,397,893</u>

CITY OF CAMAS, WASHINGTON
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Business-type activities:

Water-Sewer	\$ 1,810,151
Storm Water Drainage	<u>362,566</u>
Total depreciation expense—business-type activities	<u>\$ 2,172,171</u>

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 \$200,000 from the Firemen's Pension Fund for cash needs pending the receipt of property taxes. The following table displays the composition of interfund balances as of December 31, 2007.

	Interfund Loans Receivable	Interfund Loans Payable
General Fund	\$ 175,000	\$ -
SE 1st/Lake Road Fund	-	175,000
Total government-wide	<u>\$ 175,000</u>	<u>\$ 175,000</u>

The interfund loan is scheduled to be paid in full during fiscal year 2008.

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	Growth Management	Nonmajor Gov't Funds	Water- Sewer	Sanitary Fund	Storm Water Drainage	Total
General Fund	\$ -	\$ -	\$ 8,000	\$ 5,000	\$ 5,000	\$ -	\$ 18,000
City Street	1,403,971	525,412	-	7,780	-	-	1,937,163
Nonmajor Governmental Funds	50,000	582,207	-	-	-	-	632,207
Internal Service Fund	-	-	-	-	55,000	33,000	88,000
Total	<u>\$ 1,453,971</u>	<u>\$ 1,107,619</u>	<u>\$ 8,000</u>	<u>\$ 12,780</u>	<u>\$ 60,000</u>	<u>\$ 33,000</u>	<u>\$ 2,675,370</u>

During 2007 the following significant non-routine and infrequent transfers were made: The Sanitary Fund transferred \$55,000 to the Equipment Rental Internal Service Fund to help fund the purchase of a new sanitation truck.

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2007

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 construction - Water-Sewer	529,220
Bond construction fund - Water-Sewer	3,438,170
Capital reserve account - Water-Sewer	1,234,956
Total	\$ 6,018,140

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 Unlimited GO (\$1,000,000)	Refunding	11/1/1996	6/1/2009	3.8% to 5.45%	\$ 175,000
1996 Limited GO (\$3,110,000)	Capital & Refunding	11/1/1996	12/1/2011	3.8% to 5.45%	1,060,000
2000 Unlimited GO (\$7,960,000)	Capital	12/1/2000	12/1/2010	5.00%	1,060,000
2005 Unlimited GO (\$5,432,000)	Refunding	10/11/2005	12/1/2020	3.70%	5,259,000
Total General Obligation Bonds					\$ 7,554,000

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
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\$30,225 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:

Governmental Activities			
	Principal	Interest	Total Requirements
2008	\$ 734,000	\$ 313,246	\$ 1,047,246
2009	716,000	274,743	990,743
2010	682,000	240,236	922,236
2011	719,000	205,602	924,602
2012	450,000	174,011	624,011
2013-2017	2,513,000	607,688	3,120,688
2017-2020	1,740,000	130,425	1,870,425
	\$ 7,554,000	\$ 1,945,951	\$ 9,499,951

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

1996 Unlimited Tax GO Refunding Bonds				
	Coupon Rates	Principal	Interest	Total Requirements
2008	5.20	\$ 115,000	\$ 9,160	\$ 124,160
2009	5.30	60,000	1,590	61,590
		\$ 175,000	\$ 10,750	\$ 185,750

1996 Limited Tax GO Bonds				
	Coupon Rates	Principal	Interest	Total Requirements
2008	5.20	\$ 245,000	\$ 56,503	\$ 301,503
2009	5.25	260,000	43,763	303,763
2010	5.40	270,000	30,113	300,113
2011	5.45	285,000	15,533	300,533
		\$ 1,060,000	\$ 145,912	\$ 1,205,912

CITY OF CAMAS, WASHINGTON
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2000 Unlimited Tax GO Bonds

	Coupon				Total
	Rates		Principal	Interest	Requirements
2008	5.00	\$	335,000	\$ 53,000	\$ 388,000
2009	5.00		355,000	36,250	391,250
2010	5.00		370,000	18,500	388,500
		\$	<u>1,060,000</u>	<u>\$ 107,750</u>	<u>\$ 1,167,750</u>

2005 Unlimited Tax GO Refunding Bonds

	Coupon				Total
	Rates		Principal	Interest	Requirements
2008	3.70	\$	39,000	\$ 194,583	\$ 233,583
2009	3.70		41,000	193,140	234,140
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
2013-2017	3.70		2,513,000	607,688	3,120,688
2018-2020	3.70		1,740,000	130,425	1,870,425
		\$	<u>5,259,000</u>	<u>\$ 1,681,539</u>	<u>\$ 6,940,539</u>

CITY OF CAMAS, WASHINGTON
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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%	\$ 867,857
1997 PWTF (\$810,000)	Capital	7/1/1997	7/1/2017	3%	578,572
2001 PWTF (\$613,731)	Capital	3/26/2001	7/1/2022	0.50%	465,523
2003 State LOCAL (\$325,000)	Capital	9/12/2003	6/1/2008	2.82%	34,318
2002 PWTF (\$1,018,000)	Capital	3/22/2004	7/1/2012	0.50%	643,824
2003 PWTF (\$2,350,000)	Capital	5/21/2004	7/1/2023	0.50%	2,131,407
Governmental Total					<u>4,721,501</u>
<u>Business-type Activities</u>					
1999 PWTF (\$3,195,000)	Water-Sewer	5/5/1999	7/1/2019	1%	2,029,105
Comm. Econ. Revital. Board (\$600,000)	Water-Sewer	1/1/2001	1/1/2016	5.85%	402,298
1996 Department of Ecology (EPA) (\$1,185,920)	Water-Sewer	1996	4/17/2017	4.30%	685,923
1998 Department of Ecology (EPA) (\$8,826,516)	Water-Sewer	1998	9/15/2020	4.10%	6,562,365
2007 PWTF (\$1,000,000)	Water-Sewer	8/6/2007	7/1/2012	0.50%	750,000
Business-type Total					<u>10,429,691</u>
<i>Total Government Loans</i>					<u>\$ 15,151,192</u>

CITY OF CAMAS, WASHINGTON
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Government loan debt service requirements to maturity are as follows:

Governmental Activities			
			Total
	Principal	Interest	Requirements
2008	\$ 483,833	\$ 60,081	\$ 543,914
2009	449,516	53,491	503,007
2010	449,516	47,387	496,903
2011	449,516	41,283	490,799
2012	449,515	35,178	484,693
2013-2017	1,507,322	90,756	1,598,078
2018-2022	799,071	14,983	814,054
2023	133,212	666	133,878
	\$ 4,721,501	\$ 343,825	\$ 5,065,326

Business-type Activities			
			Total
	Principal	Interest	Requirements
2008	\$ 655,345	\$ 341,157	\$ 996,502
2009	863,709	318,967	1,182,676
2010	885,478	294,568	1,180,046
2011	908,192	269,226	1,177,418
2012	931,892	242,897	1,174,789
2013-2017	4,011,998	791,314	4,803,312
2018-2020	2,173,077	138,952	2,312,029
	\$ 10,429,691	\$ 2,397,081	\$ 12,826,772

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

	Principal	Interest	Total Requirements
2008	\$ 96,429	\$ 26,036	\$ 122,465
2009	96,429	23,143	119,572
2010	96,429	20,250	116,679
2011	96,429	17,357	113,786
2012	96,429	14,464	110,893
2013-2016	385,712	28,929	414,641
	<u>\$ 867,857</u>	<u>\$ 130,179</u>	<u>\$ 998,036</u>

1997 Public Works Trust Fund Loan

	Principal	Interest	Total Requirements
2008	\$ 57,857	\$ 17,357	\$ 75,214
2009	57,857	15,621	73,478
2010	57,857	13,886	71,743
2011	57,857	12,150	70,007
2012	57,857	10,414	68,271
2013-2017	289,287	26,036	315,323
	<u>\$ 578,572</u>	<u>\$ 95,464</u>	<u>\$ 674,036</u>

2001 Public Works Trust Fund Loan

	Principal	Interest	Total Requirements
2008	\$ 33,252	\$ 2,328	\$ 35,580
2009	33,252	2,161	35,413
2010	33,252	1,995	35,247
2011	33,252	1,829	35,081
2012	33,252	1,663	34,915
2013-2017	166,257	5,819	172,076
2018-2021	133,006	1,663	134,669
	<u>\$ 465,523</u>	<u>\$ 17,458</u>	<u>\$ 482,981</u>

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
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2003 Local Option Capital Asset Lending (LOCAL) Loan

		Principal	Interest	Total Requirements
2008	\$	34,318	\$ 484	\$ 34,802
		34,318	\$ 484	\$ 34,802

2002 Public Works Trust Fund Loan

		Principal	Interest	Total Requirements
2008	\$	128,765	\$ 3,219	\$ 131,984
2009		128,765	2,575	131,340
2010		128,765	1,931	130,696
2011		128,765	1,288	130,053
2012		128,764	644	129,408
	\$	643,824	\$ 9,657	\$ 653,481

2003 Public Works Trust Fund Loan

		Principal	Interest	Total Requirements
2008	\$	133,213	\$ 10,657	\$ 143,870
2009		133,213	9,991	143,204
2010		133,213	9,325	142,538
2011		133,213	8,659	141,872
2012		133,213	7,993	141,206
2013-2017		666,065	29,972	696,037
2018-2022		666,065	13,320	679,385
2023		133,212	666	133,878
	\$	2,131,407	\$ 90,583	\$ 2,221,990

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
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1999 Public Works Trust Fund Loan

	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2008 \$	169,092 \$	20,291 \$	189,383
2009	169,092	18,600	187,692
2010	169,092	16,909	186,001
2011	169,092	15,218	184,310
2012	169,092	13,527	182,619
2013-2017	845,461	42,274	887,735
2018-2019	338,184	5,073	343,257
\$	<u>2,029,105 \$</u>	<u>131,892 \$</u>	<u>2,160,997</u>

2001 Community Economic Revitalization Board

	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2008 \$	35,227 \$	23,534 \$	58,761
2009	37,288	21,474	58,762
2010	39,469	19,292	58,761
2011	41,778	16,983	58,761
2012	44,222	14,539	58,761
2013-2016	204,314	30,730	235,044
\$	<u>402,298 \$</u>	<u>126,552 \$</u>	<u>528,850</u>

1996 Department of Ecology (EPA) Loan

	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2008 \$	59,856 \$	28,858 \$	88,714
2009	62,457	26,257	88,714
2010	65,172	23,542	88,714
2011	68,004	20,710	88,714
2012	70,960	17,754	88,714
2013-2017	359,474	39,770	399,244
\$	<u>685,923 \$</u>	<u>156,891 \$</u>	<u>842,814</u>

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
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1998 Department of Ecology (EPA) Loan			
	Principal	Interest	Total Requirements
2008 \$	391,170	\$ 265,088	\$ 656,258
2009	407,372	248,886	656,258
2010	424,245	232,012	656,257
2011	441,818	214,440	656,258
2012	460,118	196,140	656,258
2013-2017	2,602,749	678,540	3,281,289
2018-2020	1,834,893	133,879	1,968,772
	\$ 6,562,365	\$ 1,968,985	\$ 8,531,350

2007 Public Work Trust Fund Loan			
	Principal	Interest	Total Requirements
2008 \$	-	\$ 3,385	\$ 3,385
2009	187,500	3,750	191,250
2010	187,500	2,813	190,313
2011	187,500	1,875	189,375
2012	187,500	938	188,438
	\$ 750,000	\$ 12,761	\$ 762,761

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 \$6,240,000. The water sewer revenue bonds are issued to finance capital projects. In 2007, the city issued an additional \$5,520,000 in revenue bonds 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%	\$ 3,385,000
2007 Water Sewer (\$5,520,000)	9/6/2007	12/1/2026	4.25% to 5.00%	5,475,000
<i>Total Revenue Bonds</i>				\$ 8,860,000

CITY OF CAMAS, WASHINGTON
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Revenue bond debt service requirements to maturity are as follows:

Revenue Bonds				
		Principal	Interest	Total Requirements
2008	\$	450,000	\$ 387,511	\$ 837,511
2009		530,000	367,591	897,591
2010		555,000	345,346	900,346
2011		575,000	321,975	896,975
2012		600,000	297,682	897,682
2013-2017		2,960,000	1,058,063	4,018,063
2018-2022		1,620,000	563,830	2,183,830
2023-2026		1,570,000	176,295	1,746,295
	\$	8,860,000	\$ 3,518,293	\$ 12,378,293

\$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:

1998 Water-Sewer Refunding Bond				
	Coupon Rates	Principal	Interest	Total Requirements
2008	3.98	\$ 265,000	\$ 137,513	\$ 402,513
2009	4.05	335,000	125,456	460,456
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
2013-2016	4.20-4.45	1,690,000	152,763	1,842,763
		\$ 3,385,000	\$ 705,542	\$ 4,090,542

2007 Water-Sewer Bond				
	Coupon Rates	Principal	Interest	Total Requirements
2008	4.25	\$ 185,000	\$ 249,998	\$ 434,998
2009	4.25	195,000	242,135	437,135
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
2013-2017	5.00	1,270,000	905,300	2,175,300
2018-2022	4.30-5.00	1,620,000	563,830	2,183,830
2023-2026	4.30-4.40	1,570,000	176,295	1,746,295
		\$ 5,475,000	\$ 2,812,751	\$ 8,287,751

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2007

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 126 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 \$3 million per occurrence self insured layer, and \$12 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 \$15 million per occurrence subject to aggregate sublimits in the excess layers. The Board of Directors determines the limits and terms of coverage annually. The city retains risk for unemployment.

Insurance coverage for property, automobile physical damage, fidelity, inland marine, and boiler and machinery are purchased on a group basis. The city has a \$5,000 deductible for each 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 reinsurance. The city only retains risk for its deductible.

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

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

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

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

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2007

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 usually 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 22.5 cents per \$1,000 if the city has a firemen's pension fund.
- The city's regular levy for 2007 was \$ 3.663 per \$1,000 on an assessed valuation of \$2.9 (billion) for a total regular levy of \$8,806,094.
- 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*.

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

Plan Description:

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

Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals and Superior courts (other than judges 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

CITY OF CAMAS, WASHINGTON
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December 31, 2007

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.

PERS 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 an employee completes five years of eligible service. Plan 1 members are eligible for retirement at any age 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 pension 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. Plan 1 retirements from inactive status prior to the age of 65 may receive actuarially reduced benefits. The benefit is actuarially reduced to reflect the choice of a survivor option. A cost-of-living allowance (COLA) is granted at age 66 based on years of service times the COLA amount (indexed to the Seattle Consumer Price Index), capped at 3 percent annually.

Plan 2 retirement benefits are vested after an employee completes five years of eligible service. Plan 2 members may retire at the age of 65 with five years of service, or at the age of 55 with 20 years of service, with an allowance of 2 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 retirements 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. There is no cap on years of service credit; and a cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index), and capped at three percent annually.

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. Retirements 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

CITY OF CAMAS, WASHINGTON
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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.

Judicial Benefit Multiplier:

Beginning January 1, 2007 through December 31, 2007, judicial members of PERS may choose to participate in the Judicial Benefit Multiplier Program (JBM). Current justices or judges in PERS Plan 1 and 2 may make a one-time irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit would be capped at 75 percent of average financial compensation. Judges in PERS Plan 3 can elect a 1.6 percent of pay per year of service benefit, capped at 37.5 percent of average compensation.

Members who choose to participate in JBM will accrue service credit at the higher multiplier beginning with the date of their election, pay higher contributions, stop contributing to the Judicial Retirement Account (JRA), and be given the option to increase the multiplier on past judicial service. Members who do not choose to participate will: continue to accrue service credit at the regular multiplier; continue to participate in JRA, if applicable; never be a participant in the JBM Program; and continue to pay contributions at the regular PERS rate.

Justices and judges who are newly elected or appointed to judicial service and choose to become PERS members on or after January 1, 2007, or who have not previously opted into PERS membership, are required to participate in the JBM Program.

There are 1,188 participating employers in PERS. Membership in PERS consisted of the following at September 30, 2006:

Retirees and Beneficiaries Receiving Benefits	70,201
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	25,610
Active Plan Members Vested	105,215
Active Plan Members Nonvested	49,812
Total	<u>250,838</u>

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. 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

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2007

employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the employee's age. As a result of the Judicial Benefit Multiplier (JBM) Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program. 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, 2007 were as follows:

Members not participating in JBM:

	<u>PERS Plan 1</u>	<u>PERS Plan 2</u>	<u>PERS Plan 3</u>
Employer*	6.13%**	6.13%**	6.13%***
Employee	6.00%****	4.15%****	*****

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

**The employer rate for state elected officials is 9.12% for Plan 1 and 6.13% for Plan 2 and Plan3.

***Plan 3 defined benefit portion only.

****The employee rate for state elected officials is 7.5% for Plan 1 and 4.15% for Plan 2.

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

Members participating in JBM:

	<u>PERS Plan 1</u>	<u>PERS Plan 2</u>	<u>PERS Plan 3</u>
Employer-State Agency *	8.63%**	8.63%	8.63%**
Employer – Local Gov't*	6.13%	6.13%	6.13%**
Employee – State Agency	9.76%	7.88%	7.50%***
Employee – Local Gov't	12.26%	10.38%	7.50%***

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

**Plan 3 defined benefit portion only.

*** Minimum rate.

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

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Notes To Financial Statements
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	<u>PERS Plan 1</u>	<u>PERS Plan 2</u>	<u>PERS Plan 3</u>
2007	\$27,093	\$284,880	\$23,544
2006	15,504	140,300	9,599
2005	10,897	75,877	4,771

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. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement offices, who were first included prospectively effective July 23, 2003, being an exception. In addition, effective July 24, 2005, current members of PERS who are emergency medical technicians can elect to become members of LEOFF Plan 2.

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

LEOFF defined 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.

Plan 1 retirement benefits are vested after an employee completes 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. If membership was established in LEOFF after February 18, 1974, the service retirement benefit is capped at 60 percent of final average salary. A cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index).

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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 retirements prior to the age of 53 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 (indexed to the Seattle Consumer Price Index), capped at 3 percent annually.

There are 383 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of September 30, 2006:

Retirees and Beneficiaries Receiving Benefits	8,951
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	602
Active Plan Members Vested	12,711
Active Plan Members Nonvested	3,603
Total	25,867

Funding Policy:

As of July 1, 2000, 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. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board in accordance with 41.45 RCW. All employers are required to contribute at the level required by state law. The Legislature has the ability, by means of a special funding arrangement, to appropriate money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 1 and 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 state does not contribute anything on behalf of the city. Contributions are made by the city and the city's employees to the plan.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2006 were as follows:

	<u>LEOFF Plan 1</u>	<u>LEOFF Plan 2</u>
Employer*	.16%	5.35%**
Employee	0.00%	8.64%
State	N/A	3.45%

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

**The employer rate for ports and universities is 8.80%.

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
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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>
2007	\$ 194	\$234,878
2006	196	195,992
2005	224	145,218

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 \$849,000 in US government issued or guaranteed investments with the fair values determined by marked quotations as of December 31, 2007, and as reported by fund managers.

A recent actuarial survey has not been done because annual benefits are approximately \$15,000 and the net assets held in trust for pension benefits are over \$2,000,000. 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.

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.

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2007

As of year-end, there were ten 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, 2007, there are twelve participants who have retired and receive these benefits and one participant eligible to 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 \$448,859, but only contributed \$174,157 at December 31, 2007. This \$174,157 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 \$274,702 is the actuarial accrued liability recognized on the government wide statement of net assets. \$264,377 and \$10,325 is recognized as a liability on the governmental activities and a business type statement of net assets, respectively.

The total unfunded actuarial liability (UAAL) is \$5,966,966. The covered payroll (annual payroll of active employees covered by the plan) was \$7,755,426 and the ratio of the UAAL to the covered payroll was 77 percent.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2007 is as follows:

Fiscal Year Ended	Annual OPEB Costs	Percentage of Annual OPEB Costs Contributed	Net OPEB Obligation
2007	\$ 448,859	39%	\$ 274,702

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2007

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 12/31/07)	\$ 431,595
Interest on Net OPEB Obligation (NOO)	17,264
Adjustment to NOO	-
Annual OPEB Cost	<u>448,859</u>
Employer Contributions	<u>174,157</u>
Increase (Decrease) in NOO	<u>274,702</u>
Net OPEB Obligation January 1, 2007	-
Net OPEB Obligation December 31, 2007	<u><u>\$ 274,702</u></u>

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.

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:

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2007

	Pre-65 Medical	LEOFF I
Valuation Date	1/1/2007	1/1/2007
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	11%	11%
Healthcare Cost Trend Rate - Ultimate	5%	5%
Amortization Method	Level Dollar	Level Dollar
Amortization Period - Closed	30	19

E. FEDERAL FINANCIAL ASSISTANCE

The city recorded the following federal grant revenues and loans for 2007.

Federal Catalog No.	Government	Program	Amount
14.218	Dept. of H.U.D.	Community Development Block Grant	\$ 182,900
15.916	Dept. of Interior	Outdoor Recreation Acquisition	226,758
20.205	Dept. of Transportation	Highway Planning & Construction	214,920
20.600	Dept. of Transportation	State and Community Highway Safety	2,000
20.602	Dept. of Transportation	Occupant Protection	660
97.044	Dept of Homeland Sec.	Assistance to Firefighters Grant	62,412
	Total Federal Financial Assistance		<u>\$ 689,650</u>

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. ACCOUNTING AND REPORTING CHANGES

Implementation of GASB 45

The city implemented GASB 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions". (see Note V item D). As a result of implementing this GASB, the city recognized a Net OPEB obligation on the government

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2007

wide statement of net assets. Additionally, required supplementary information is presented.

H. PRIOR PERIOD ADJUSTMENTS

At December 31, 2007, the city recognized a prior period adjustment of (\$1,880,974) and \$1,831,581 on the Statement of Activities for the Governmental Activities and Business-type Activities, respectively. These amounts represent construction work in progress related to the Lake Road project erroneously recorded in the governmental activities instead of the Storm Drainage Enterprise Fund. Additionally, the storm drainage fund recognized prior year depreciation expense on this amount of \$49,393.

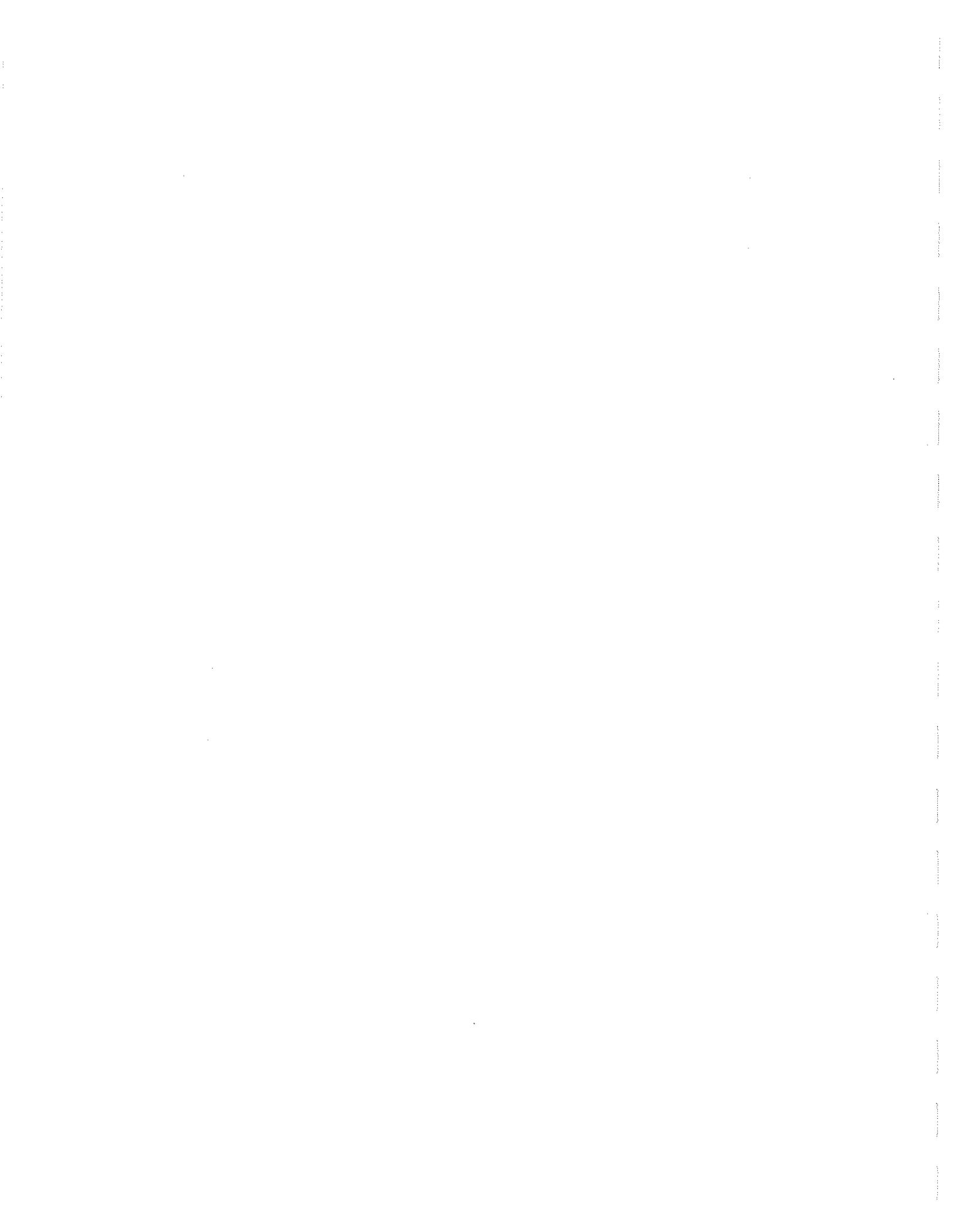
At December 31, 2007, the city recognized a prior period adjustment of (\$89,131) in the Emergency Management Services Fund on the Statement of Revenues, Expenditures and Changes in Fund Balance. This represents an increase to the deferred revenue account that had been recognized as revenue.

I. SUBSEQUENT EVENTS

In December 2007, the Sanitary Proprietary fund entered into a Loan Agreement with the State of Washington for the purchase of a garbage truck. The authorized loan amount of \$225,000 has not been received or spent. The interest rate on this loan is 3.9 percent payable over four years.

Subsequent to December 31, 2007, the city received a \$10,000,000 Public Works Trust Fund loan for construction activities for wastewater treatment facility improvements. Interest is payable at 0.50% and the loan matures in twenty years.

Subsequent to December 31, 2007, the city received a \$160,000 Public Works Trust Fund loan for pre-construction activities to include preparation of plans, specifications and permits for water and sewer improvements to NW 38th Avenue. Interest is payable at 0.50% and the loan matures in five years.



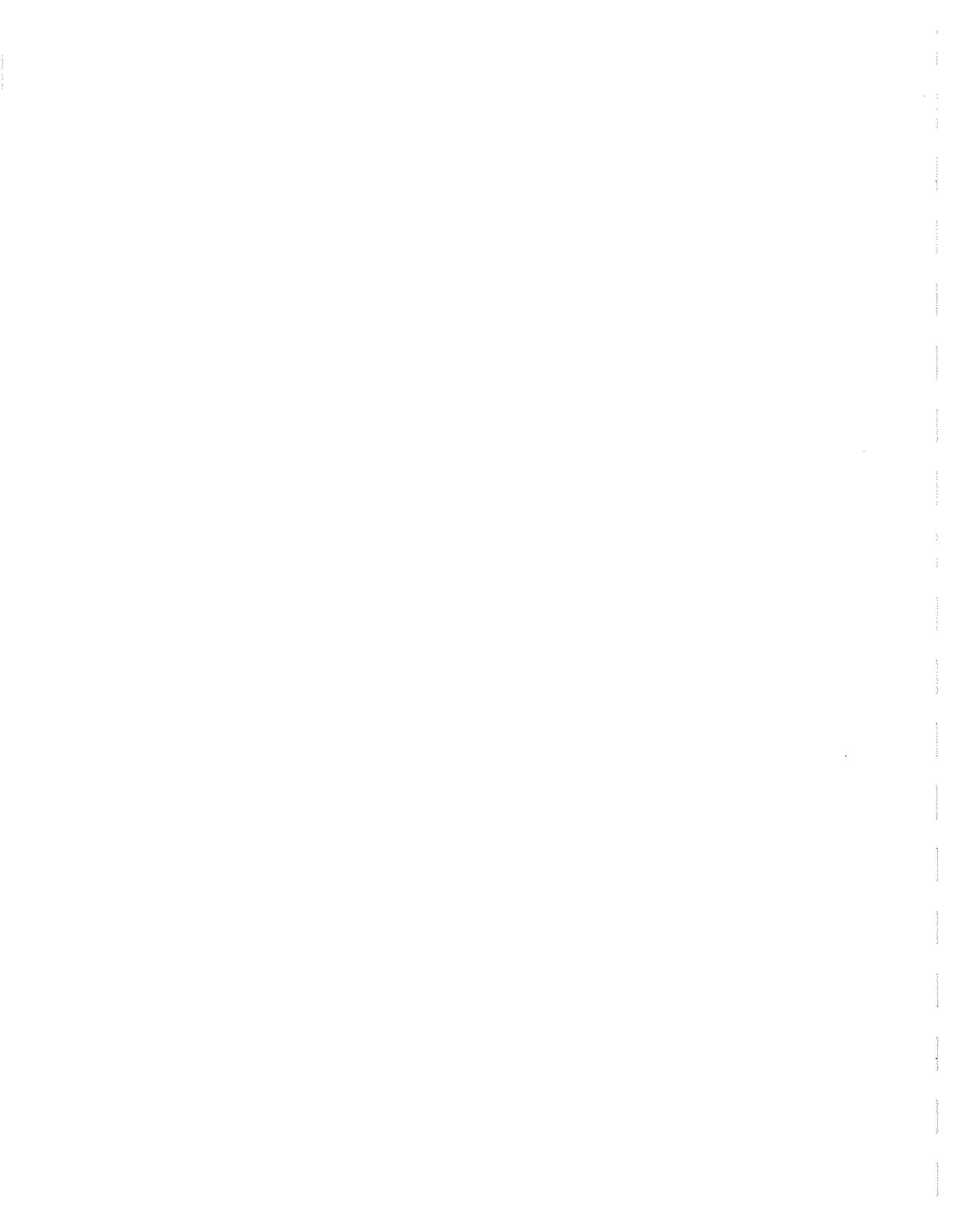
CITY OF CAMAS, WASHINGTON

General Fund

Schedule of Expenditures By Department - Budget (GAAP Basis) and Actual
Year Ended December 31, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
General Governmental Services Departments:				
Legislative	\$ 99,550	\$ 105,050	\$ 104,938	\$ 112
Executive	208,100	211,100	210,897	203
Financial and Administrative	610,614	610,614	609,056	1,558
Legal	85,900	94,500	94,461	39
Personnel	172,699	172,699	136,301	36,398
Central Services	208,856	208,856	185,873	22,983
Information Services	321,894	333,394	333,155	239
Other General Governmental Services	179,600	216,300	216,258	42
Total General Governmental Services	1,887,213	1,952,513	1,890,939	61,574
Judicial Department:				
	172,935	172,935	171,207	1,728
Total Judicial	172,935	172,935	171,207	1,728
Public Safety Departments:				
Law Enforcement	3,878,557	3,748,557	3,626,162	122,395
Fire Control	2,579,236	2,674,236	2,665,455	8,781
Detention and/or Correction	368,949	368,949	366,942	2,007
Emergency Services	15,500	15,500	15,017	483
Protective Inspections	528,396	530,896	530,512	384
Total Public Safety	7,370,638	7,338,138	7,204,088	134,050
Physical Environment Departments:				
Engineering	1,322,686	1,259,086	1,258,968	118
Animal Control	82,380	93,380	92,559	821
Total Physical Environment	1,405,066	1,352,466	1,351,527	939
Economic Environment Departments:				
Information and Outreach	17,200	17,200	9,703	7,497
Planning and Community Development	461,069	451,869	420,495	31,374
Downtown Visioning Coalition	146,426	145,426	109,583	35,843
Total Economic Environment	624,695	614,495	539,781	74,714
Culture and Recreation Departments:				
Parks and Recreation	1,386,776	1,386,776	1,352,152	34,624
Community Education and Senior Programs	16,100	16,100	14,267	1,833
Library Services	1,210,409	1,240,409	1,238,450	1,959
Total Culture and Recreation	2,613,285	2,643,285	2,604,869	38,416
Other Financing Uses:				
Operating Transfers Out	1,453,971	1,453,971	1,453,971	-
Total Other Financing Uses	1,453,971	1,453,971	1,453,971	-
Total Expenditures	\$ 15,527,803	\$ 15,527,803	\$ 15,216,382	\$ 311,421

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



Nonmajor Governmental Funds

Special Revenue Funds

SE 1st Street/Lake Road Construction Fund - This fund was established to account for the revenues and the construction improvements to SE 1st Street.

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

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, 2007

	Special Revenue Funds	Debt Service Funds	Capital Project Fund Library Construction	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 107,714	\$ 28,833	\$ 579,149	\$ 715,696
Property Taxes Receivables (net)	-	28,863	-	28,863
Assessments Receivable	-	4,288	-	4,288
Total Assets	\$ 107,714	\$ 61,984	\$ 579,149	\$ 748,847
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 3,038	\$ -	\$ -	\$ 3,038
Interfund Loan Payable	175,000	-	-	175,000
Deferred Revenues	-	28,178	-	28,178
Total Liabilities	178,038	28,178	-	206,216
Fund Balances:				
Reserved for				
Debt Service	-	33,806	-	33,806
Capital	-	-	579,149	579,149
Unreserved				
Undesignated	(70,324)	-	-	(70,324)
Total Fund Balances	(70,324)	33,806	579,149	542,631
Total Liabilities and Fund Balances	\$ 107,714	\$ 61,984	\$ 579,149	\$ 748,847

CITY OF CAMAS, WASHINGTON
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 For the fiscal year ended December 31, 2007

	Special Revenue Funds	Debt Service Funds	Capital Project Fund Library Construction	Total Nonmajor Governmental Funds
Revenues:				
Property Taxes	\$ -	\$ 1,047,568	\$ -	\$ 1,047,568
Intergovernmental	128,284	-	-	128,284
Charges for Services	68,672	-	-	68,672
Interest Earnings	16,373	340	28,430	45,143
Contributions/Donations	137,444	-	-	137,444
Miscellaneous	1,273	1,227	-	2,500
Total Revenues	<u>352,046</u>	<u>1,049,135</u>	<u>28,430</u>	<u>1,429,611</u>
Expenditures:				
Current:				
Physical Environment	160,299	-	-	160,299
Capitalized Expenditures	1,571,346	-	-	1,571,346
Debt Service				
Principal Retirement	-	1,229,723	-	1,229,723
Interest/Fiscal Charges	-	414,240	-	414,240
Total Expenditures	<u>1,731,645</u>	<u>1,643,963</u>	<u>-</u>	<u>3,375,608</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,379,599)	(594,828)	28,430	(1,945,997)
Other Financing Sources (Uses):				
Transfers In	50,000	582,207	-	632,207
Transfers Out	-	(8,000)	-	(8,000)
Total Other Financing Sources and Uses	<u>50,000</u>	<u>574,207</u>	<u>-</u>	<u>624,207</u>
Net Change in Fund Balances	(1,329,599)	(20,621)	28,430	(1,321,790)
Fund Balances at Beginning of Year	1,259,275	54,427	550,719	1,864,421
Fund Balances at End of Year	<u>\$ (70,324)</u>	<u>\$ 33,806</u>	<u>\$ 579,149</u>	<u>\$ 542,631</u>

CITY OF CAMAS, WASHINGTON
Nonmajor Special Revenue Funds
Combining Balance Sheet
December 31, 2007

	<u>SE 1st Street/ Lake Road Construction</u>	<u>Fire Equipment Cumulative Reserve</u>	<u>Cemetery</u>	<u>Total Nonmajor Special Revenue Funds</u>
Assets:				
Cash and Cash Equivalents	\$ 5,349	\$ 50,898	\$ 51,467	\$ 107,714
Total Assets	<u>\$ 5,349</u>	<u>\$ 50,898</u>	<u>\$ 51,467</u>	<u>\$ 107,714</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 2,747	\$ -	\$ 291	\$ 3,038
Interfund Loan Payable	175,000	-	-	175,000
Total Liabilities	<u>177,747</u>	<u>-</u>	<u>291</u>	<u>178,038</u>
Fund Balances:				
Unreserved				
Undesignated	(172,398)	50,898	51,176	(70,324)
Total Fund Balances	<u>(172,398)</u>	<u>50,898</u>	<u>51,176</u>	<u>(70,324)</u>
Total Liabilities and Fund Balances	<u>\$ 5,349</u>	<u>\$ 50,898</u>	<u>\$ 51,467</u>	<u>\$ 107,714</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, 2007

	SE 1st Street/ Lake Road Construction	Fire Equipment Cumulative Reserve	Cemetery	Total Nonmajor Special Revenue Funds
Revenues:				
Intergovernmental	\$ 128,284	\$ -	\$ -	\$ 128,284
Charges for Services	-	-	68,672	68,672
Interest Earnings	11,389	898	4,086	16,373
Contributions/Donations	-	-	137,444	137,444
Miscellaneous	-	-	1,273	1,273
Total Revenues	139,673	898	211,475	352,046
Expenditures:				
Current:				
Physical Environment	-	-	160,299	160,299
Capitalized Expenditures	1,571,346	-	-	1,571,346
Total Expenditures	1,571,346	-	160,299	1,731,645
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,431,673)	898	51,176	(1,379,599)
Other Financing Sources (Uses)				
Transfers In	-	50,000	-	50,000
Total Other Financing Sources (Uses)	-	50,000	-	50,000
Net Change in Fund Balances	(1,431,673)	50,898	51,176	(1,329,599)
Fund Balances at Beginning of Year	1,259,275	-	-	1,259,275
Fund Balances at End of Year	\$ (172,398)	\$ 50,898	\$ 51,176	\$ (70,324)

CITY OF CAMAS, WASHINGTON

Nonmajor Debt Service Funds

Combining Balance Sheet

December 31, 2007

	Unlimited Tax Redemption	Limited Tax Redemption	Special Assessment Debt	Total Nonmajor Debt Service Funds
Assets:				
Cash and Cash Equivalents	\$ 24,536	\$ 717	\$ 3,580	\$ 28,833
Property Taxes Receivable (net)	25,257	3,606	-	28,863
Assessments Receivable	-	-	4,288	4,288
Total Assets	\$ 49,793	\$ 4,323	\$ 7,868	\$ 61,984
 Liabilities and Fund Balances:				
Liabilities:				
Deferred Revenues	\$ 21,707	\$ 2,184	\$ 4,287	\$ 28,178
Total Liabilities	21,707	2,184	4,287	28,178
 Fund Balances:				
Reserved for Debt Service	28,086	2,139	3,581	33,806
Total Fund Balances	28,086	2,139	3,581	33,806
 Total Liabilities and Fund Balances	 \$ 49,793	 \$ 4,323	 \$ 7,868	 \$ 61,984

CITY OF CAMAS, WASHINGTON
 Nonmajor Debt Service Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 Year Ended December 31, 2007

	Unlimited Tax Redemption	Limited Tax Redemption	Special Assessment Debt	Total Nonmajor Debt Service Funds
Revenues:				
Property Taxes	\$ 746,728	\$ 300,840	\$ -	\$ 1,047,568
Interest Earnings	-	-	340	340
Miscellaneous	-	-	1,227	1,227
Total Revenues	<u>746,728</u>	<u>300,840</u>	<u>1,567</u>	<u>1,049,135</u>
Expenditures:				
Debt Service				
Principal Retirement	478,000	751,723	-	1,229,723
Interest/Fiscal Charges	280,269	133,971	-	414,240
Total Expenditures	<u>758,269</u>	<u>885,694</u>	<u>-</u>	<u>1,643,963</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,541)	(584,854)	1,567	(594,828)
Other Financing Sources (Uses):				
Transfers In	-	582,207	-	582,207
Transfers Out	-	-	(8,000)	(8,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>582,207</u>	<u>(8,000)</u>	<u>574,207</u>
Net Change in Fund Balances	(11,541)	(2,647)	(6,433)	(20,621)
Fund Balances at Beginning of Year	<u>39,627</u>	<u>4,786</u>	<u>10,014</u>	<u>54,427</u>
Fund Balances at End of Year	<u>\$ 28,086</u>	<u>\$ 2,139</u>	<u>\$ 3,581</u>	<u>\$ 33,806</u>

CITY OF CAMAS, WASHINGTON
SE 1st Street - Lake Road Construction Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		Actual Amount	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 500,000	\$ 500,000	\$ 128,284	\$ (371,716)
Interest Earnings			11,389	11,389
Total Revenues	<u>500,000</u>	<u>500,000</u>	<u>139,673</u>	<u>(360,327)</u>
Expenditures:				
Capitalized Expenditures	1,500,000	1,500,000	1,571,346	(71,346)
Total Expenditures	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,571,346</u>	<u>(71,346)</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	(1,000,000)	(1,000,000)	(1,431,673)	(431,673)
Other Financing Sources (Sources):				
Intergovernmental Loan Proceeds	1,000,000	1,000,000	-	(1,000,000)
Total Other Financing Sources and Uses	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>(1,000,000)</u>
Net Change in Fund Balance	-	-	(1,431,673)	(1,431,673)
Fund Balances at Beginning of Year	<u>1,259,275</u>	<u>1,259,275</u>	<u>1,259,275</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 1,259,275</u>	<u>\$ 1,259,275</u>	<u>\$ (172,398)</u>	<u>\$ (1,431,673)</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, 2007

	<u>Budgeted Amounts</u>		Actual Amount	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest Earnings	\$ -	\$ -	\$ 898	\$ 898
Total Revenues	<u>-</u>	<u>-</u>	<u>898</u>	<u>898</u>
Expenditures:				
Capitalized Expenditures	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	(50,000)	(50,000)	898	50,898
Other Financing Sources (Uses):				
Transfers In	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	50,898	50,898
Fund Balances at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,898</u>	<u>\$ 50,898</u>

CITY OF CAMAS, WASHINGTON

Cemetary

Schedule of Revenues, Expenditures and Changes in Fund Balances
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for Services	\$ 25,000	\$ 25,000	\$ 68,672	\$ 43,672
Interest Earnings	-	-	4,086	4,086
Endowments	110,518	110,518	-	(110,518)
Contributions/Donations	-	-	137,444	137,444
Miscellaneous	-	-	1,273	1,273
Total Revenues	135,518	135,518	211,475	75,957
Expenditures:				
Current:				
Physical Environment	110,518	149,518	160,299	(10,781)
Capitalized Expenditures	25,000	25,000	-	25,000
Total Expenditures	135,518	174,518	160,299	14,219
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	-	(39,000)	51,176	90,176
Fund Balances at Beginning of Year	-	-	137,444	137,444
Fund Balances at End of Year	\$ -	\$ (39,000)	\$ 188,620	\$ 213,401

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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 758,269	\$ 758,269	\$ 746,728	\$ (11,541)
Total Revenues	<u>758,269</u>	<u>758,269</u>	<u>746,728</u>	<u>(11,541)</u>
Expenditures:				
Debt service:				
Principal Retirement	478,000	478,000	478,000	-
Interest/Fiscal Charges	<u>280,269</u>	<u>280,269</u>	<u>280,269</u>	-
Total Expenditures	<u>758,269</u>	<u>758,269</u>	<u>758,269</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	-	-	(11,541)	(11,541)
Fund Balances at Beginning of Year	<u>39,627</u>	<u>39,627</u>	<u>39,627</u>	-
Fund Balances at End of Year	<u>\$ 39,627</u>	<u>\$ 39,627</u>	<u>\$ 28,086</u>	<u>\$ (11,541)</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 303,488	\$ 303,488	\$ 300,840	\$ (2,648)
Total Revenues	<u>303,488</u>	<u>303,488</u>	<u>300,840</u>	<u>(2,648)</u>
Expenditures:				
Debt service:				
Principal Retirement	687,018	687,018	751,723	(64,705)
Interest/Fiscal Charges	<u>131,084</u>	<u>131,084</u>	<u>133,971</u>	<u>(2,887)</u>
Total Expenditures	<u>818,102</u>	<u>818,102</u>	<u>885,694</u>	<u>(67,592)</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	(514,614)	(514,614)	(584,854)	(70,240)
Other Financing Sources (Uses):				
Transfers In	<u>514,614</u>	<u>514,614</u>	<u>582,207</u>	<u>67,593</u>
Total Other Financing Sources and Uses	<u>514,614</u>	<u>514,614</u>	<u>582,207</u>	<u>67,593</u>
Net Change in Fund Balance	-	-	(2,647)	(2,647)
Fund Balances at Beginning of Year	<u>3,167</u>	<u>3,167</u>	<u>3,167</u>	-
Fund Balances at End of Year	<u>\$ 3,167</u>	<u>\$ 3,167</u>	<u>\$ 520</u>	<u>\$ (2,647)</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	93
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	99
These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.	
Debt Capacity	103
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	108
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	110
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.

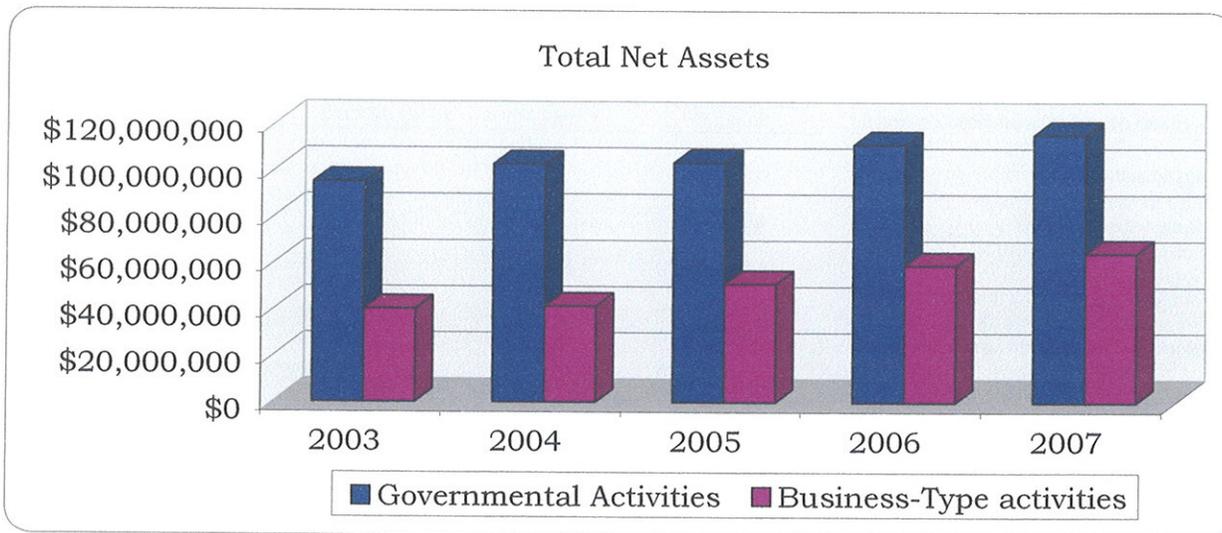


Table 1

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

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental activities					
Invested in capital assets, net of related debt	\$85,833,269	\$93,870,877	\$93,679,540	\$101,603,544	\$109,153,090
Restricted	3,975,448	3,757,869	4,467,370	5,289,129	3,616,721
Unrestricted	5,382,693	5,230,473	5,469,098	4,642,743	3,193,879
Total governmental activities net assets	<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>
Business-type activities					
Invested in capital assets, net of related debt	\$35,629,710	\$37,913,666	\$45,827,539	\$55,988,202	\$60,477,417
Restricted	1,146,774	1,139,080	1,733,544	1,377,702	5,955,875
Unrestricted	3,429,395	2,415,796	3,704,051	1,964,412	(1,763,084)
Total business-type activities net assets	<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>
Primary government					
Invested in capital assets, net of related debt	\$121,462,979	\$131,784,543	\$139,507,079	\$157,591,746	\$169,630,507
Restricted	5,122,222	4,896,949	6,200,914	6,666,831	9,572,596
Unrestricted	8,812,088	7,646,269	9,173,149	6,607,155	1,430,795
Total primary government net assets.	<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>

The City implemented GASB 44 in 2006 and has reported the information above retroactively from 2003.



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

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses					
Governmental activities:					
General government	\$ 1,406,284	\$ 1,536,540	\$ 1,795,617	\$ 1,755,980	\$ 2,004,973
Judicial	175,302	162,809	128,123	189,946	171,207
Public Safety	7,507,992	7,762,855	7,806,609	8,579,033	9,956,452
Physical Environment	1,037,200	975,887	1,152,737	1,375,731	1,560,735
Transportation	4,536,003	5,711,115	4,689,307	4,459,184	5,837,233
Economic Environment	422,431	406,890	396,146	411,789	541,585
Culture and Recreation	2,391,712	2,642,890	2,729,050	2,918,176	3,894,696
Interest on Long-Term Debt	701,154	607,247	481,324	551,973	508,407
Total governmental activities expenses	<u>18,178,078</u>	<u>19,806,233</u>	<u>19,178,913</u>	<u>20,241,812</u>	<u>24,475,288</u>
Business-type activities:					
Water - Sewer	5,311,346	5,977,917	6,460,350	6,624,163	6,850,962
Storm Water Drainage	-	- *	492,823 *	750,551 *	903,958
Sanitary	1,407,293	1,376,742	1,533,002	1,783,653	1,775,981
Total business-type activities expenses	<u>6,718,639</u>	<u>7,354,659</u>	<u>8,486,175</u>	<u>9,158,367</u>	<u>9,530,901</u>
Total primary government expenses	<u>\$ 24,896,717</u>	<u>\$ 27,160,892</u>	<u>\$ 27,665,088</u>	<u>\$ 29,400,179</u>	<u>\$ 34,006,189</u>
Program Revenues					
Governmental activities:					
Charges for services:					
Public safety	\$ 2,236,291	\$ 2,097,121	\$ 2,494,910	\$ 2,529,134	\$ 2,275,001
Economic environment	1,145,639	1,142,821	2,209,793	1,183,598	804,593
Other activities	1,091,717	1,298,955	1,225,255	1,501,367	1,649,617
Operating grants and contributions	344,469	502,790	434,006	474,993	639,577
Capital grants and contributions	4,307,061	7,941,282	6,457,006	8,036,193	10,317,610
Total governmental activities program revenues	<u>9,125,177</u>	<u>12,982,969</u>	<u>12,820,970</u>	<u>13,725,285</u>	<u>15,686,398</u>
Business-type activities:					
Charges for services:					
Water - Sewer	4,981,073	5,301,666	5,525,412	6,062,899	6,222,686
Storm Water Drainage	-	- *	383,454 *	466,555 *	475,896
Sanitary	1,446,303	1,574,511	1,679,644	1,743,870	1,782,689
Operating grants and contributions	-	-	-	-	1,144
Capital grants and contributions	2,241,531	1,185,204	3,425,815	8,555,739	4,161,710
Total business-type activities program revenues	<u>8,668,907</u>	<u>8,061,381</u>	<u>11,014,325</u>	<u>16,829,063</u>	<u>12,644,125</u>
Total primary government program revenues	<u>\$ 17,794,084</u>	<u>\$ 21,044,350</u>	<u>\$ 23,835,295</u>	<u>\$ 30,554,348</u>	<u>\$ 28,330,523</u>
Net (expenses)/revenue					
Governmental activities	\$ (9,052,901)	\$ (6,823,264)	\$ (6,357,943)	\$ (6,516,527)	\$ (8,788,890)
Business-type activities	1,950,268	706,722	2,528,150	7,670,696	3,113,224
Total primary government net expense	<u>\$ (7,102,633)</u>	<u>\$ (6,116,542)</u>	<u>\$ (3,829,793)</u>	<u>\$ 1,154,169</u>	<u>\$ (5,675,666)</u>

The City implemented GASB 44 in 2006 and has reported the information above retroactively from 2003.

* 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 Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	\$ 9,139,398	\$ 9,007,595	\$ 9,564,242	\$ 9,820,482	\$ 10,889,917
Sales and use taxes	2,517,357	2,170,046	1,719,533	1,793,742	1,795,976
Business and occupation taxes	205,659	227,580	289,518	347,167	382,575
Excise taxes	62,496	65,924	1,804,376	1,634,916	1,135,599
Penalties and interest	4,757	3,366	2,357	775	49
Unrestricted grants and contributions	241,395	259,149	367,232	308,587	345,500
Investment earnings	301,381	401,261	343,204	472,455	523,808
Miscellaneous	14,986	9,012	17,953	57,811	6,934
Gain on Disposal of Capital Assets	13,113	-	63,040	-	-
Transfers	-	(43,578)	(24,658)	-	17,780
Total governmental activities	<u>12,500,542</u>	<u>12,100,355</u>	<u>14,146,797</u>	<u>14,435,935</u>	<u>15,098,138</u>
Business-type activities:					
Investment earnings	150,376	186,024	106,855	212,329	285,474
Miscellaneous	62,676	53,380	104,864	182,157	124,168
Gain on Disposal of Capital Assets	-	-	-	-	3,225
Transfers	-	43,578	24,658	-	(17,780)
Total business-type activities	<u>213,052</u>	<u>282,982</u>	<u>236,377</u>	<u>394,486</u>	<u>395,087</u>
Total primary government	<u>\$ 12,713,594</u>	<u>\$ 12,383,337</u>	<u>\$ 14,383,174</u>	<u>\$ 14,830,421</u>	<u>\$ 15,493,225</u>
Change in Net Assets					
Governmental activities	\$ 3,447,641	\$ 2,328,057	\$ 7,788,954	\$ 7,919,408	\$ 6,309,248
Business-type activities	2,163,320	1,552,505	2,764,527	8,065,182	3,508,311
Total primary government	<u>\$ 5,610,961</u>	<u>\$ 3,880,562</u>	<u>\$ 10,553,481</u>	<u>\$ 15,984,590</u>	<u>\$ 9,817,559</u>

The City implemented GASB 44 in 2006 and has reported the information above retroactively from 2003.

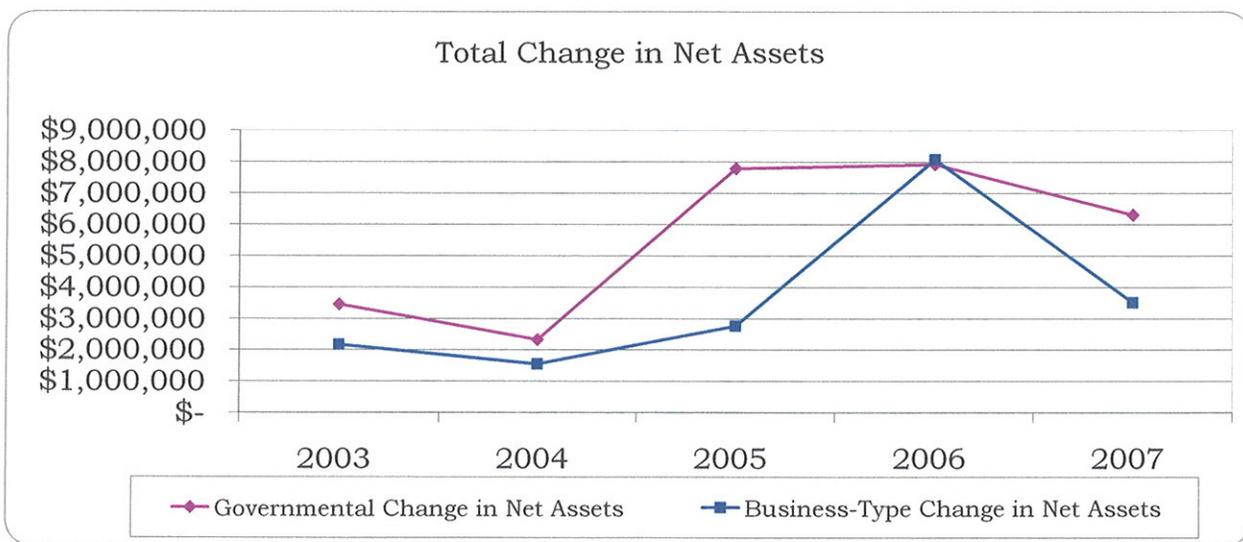


Table 3

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

Fiscal Year	General Property Taxes	Sales and Use Taxes	Other Taxes	Total Taxes
1998	\$ 5,408,791	\$ 1,228,484	\$ 523,648	\$ 7,160,923
1999	7,278,756	1,567,919	545,020	9,391,695
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

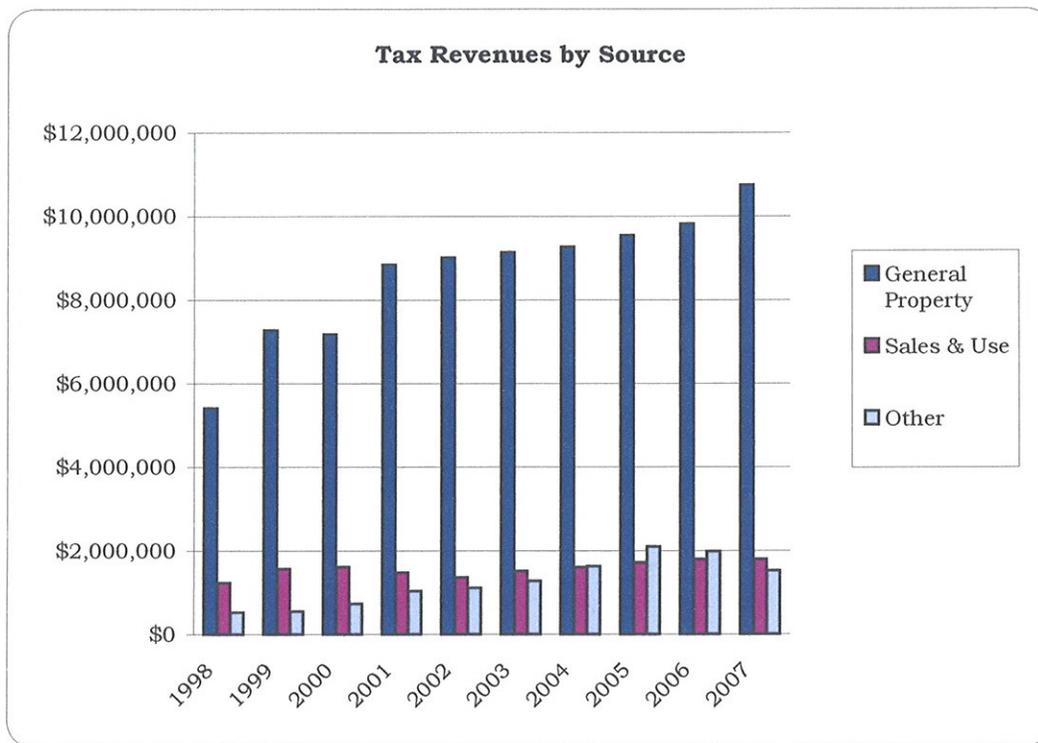


Table 4

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	
1998	\$ 21,139	\$ 1,220,178	\$ 1,241,317	\$ 3,934,868	\$ 1,780,755	\$ -	\$ 5,715,623
1999	21,214	2,768,023	2,789,237	3,880,344	1,821,993	-	5,702,337
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

Table 5

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues										
Taxes	\$ 7,160,923	\$ 9,391,695	\$ 9,517,777	\$ 11,345,761	\$ 11,616,802	\$ 11,950,358	\$ 12,531,538	\$ 13,363,297	\$ 13,595,686	\$ 14,058,752
Licenses and permits	376,960	318,846	492,053	502,318	725,162	567,226	460,952	739,315	460,489	442,146
Intergovernmental	1,758,416	1,847,394	1,554,460	1,902,341	2,052,116	1,583,993	7,387,056	3,195,992	2,894,189	2,335,966
Charges for services	2,818,759	2,574,890	2,650,232	2,803,677	3,333,234	3,212,621	3,284,823	4,463,883	3,864,707	3,512,854
Fines and forfeits	236,134	224,455	232,195	215,387	223,159	210,106	218,934	163,908	193,472	215,806
Interest earnings	540,138	399,238	554,711	809,626	393,012	295,104	142,313	332,456	457,065	513,499
Rents and royalties	-	-	-	-	56,117	58,570	55,307	55,251	46,577	34,478
Insurance premiums/recoveries	-	-	-	-	-	-	3,670	12,689	115,626	9,066
Contributions/donations	14,080	12,479	6,651	130,897	113,099	100,376	590,341	669,104	184,655	396,230
Interest on special assessments	42,057	42,291	40,711	25,578	37,282	32,007	50,822	98,926	21,168	33,812
Special assessment principal	483,801	57,705	72,954	69,734	18,346,983	18,010,361	24,745,756	23,095,821	21,833,754	21,492,649
Miscellaneous	13,431,268	14,868,993	15,121,744	17,813,029	18,346,983	18,010,361	24,745,756	23,095,821	21,833,754	21,492,649
Total revenues										
Expenditures										
General government	1,066,364	1,100,987	1,353,817	1,420,046	1,465,641	1,347,647	1,441,193	1,675,583	1,706,727	1,859,674
Judicial	144,841	157,395	144,489	163,397	177,066	175,302	162,809	128,123	189,946	171,207
Public safety	5,054,546	5,043,913	5,578,029	6,255,368	6,742,626	7,223,576	7,397,496	7,476,465	8,237,267	9,346,168
Physical environment	638,440	682,148	933,399	1,074,404	1,048,739	1,028,384	944,317	1,107,639	1,362,037	1,511,826
Transportation	903,661	912,429	1,166,226	1,178,891	1,316,242	1,541,924	2,794,251	1,842,791	1,699,787	1,895,777
Economic environment	302,450	319,523	421,834	330,135	670,491	424,064	402,821	405,871	401,368	539,781
Mental & physical health	2,250	1,866	1,994	1,840,530	1,898,547	1,836,926	1,929,451	2,035,504	2,198,915	3,111,724
Culture & recreation	1,186,099	1,309,933	1,453,603	1,453,603	1,453,603	1,453,603	1,453,603	1,453,603	1,453,603	1,453,603
Debt service	325,085	425,476	499,661	695,337	730,524	708,444	842,268	1,086,341	1,111,454	1,229,723
Principal retirement	220,177	207,584	217,222	694,410	830,604	760,589	609,310	469,070	464,642	420,400
Interest/fiscal charges	-	-	11,569	-	-	-	-	38,744	-	-
Bond issuance costs	-	-	-	-	-	-	-	20,000	-	-
Payment to escrow agent	-	-	-	-	-	-	-	5,009,356	-	-
Capitalized expenditures	4,414,975	3,250,981	5,417,571	5,445,006	7,944,301	3,926,584	9,485,914	5,009,356	4,689,933	4,212,531
Total expenditures	14,258,888	13,412,235	17,179,374	19,097,524	22,824,781	18,973,640	26,009,830	21,293,587	22,062,076	24,238,811
Excess of revenues over (under) expenditures	(827,620)	1,456,758	(2,057,630)	(1,284,495)	(4,277,798)	(663,279)	(1,264,074)	1,800,234	(228,322)	(2,806,162)
Other Financing Sources (Uses)										
Intergovernmental loan proceeds	-	-	-	460,298	-	325,000	1,567,833	609,600	1,350,000	-
Interfund loan proceeds	-	-	-	-	-	-	-	-	-	-
Long-term bond proceeds	-	-	7,991,997	38,401	-	53,152	-	-	30,071	-
Sale of fixed assets	-	-	-	-	-	-	-	5,432,000	-	-
Refunding bond issued	-	-	-	-	-	-	-	(5,393,256)	-	-
Payment to refunded debt escrow agent	-	-	-	-	-	-	-	-	-	-
Other	-	4,400	-	-	-	-	-	-	-	-
Transfers in	1,353,687	1,315,326	2,860,122	2,385,826	4,281,825	1,939,524	3,369,440	3,325,888	2,496,856	2,587,370
Transfers out	(1,353,687)	(1,315,326)	(2,860,122)	(2,385,826)	(4,281,825)	(1,939,524)	(3,369,440)	(3,325,888)	(2,496,856)	(2,587,370)
Total other financing sources (uses)	-	4,400	7,984,157	498,699	(103,578)	378,152	1,549,682	596,361	1,380,071	17,780
Net change in fund balances	(827,620)	\$ 1,461,158	\$ 5,926,527	\$ (785,796)	\$ (4,381,376)	\$ (585,127)	\$ 285,608	\$ 2,398,795	\$ 1,151,749	\$ (2,788,382)
Debt service as a percentage of noncapital expenditures	5.5%	6.2%	6.2%	10.2%	10.5%	9.8%	8.8%	9.9%	9.1%	8.2%

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 Six 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						
2002	\$ 996,062,444	\$ 77,536,167	\$ 872,281,874	\$ 211,607,174	\$ 7,476,320	\$ 2,150,011,338	\$ 2,251,320,773	4.21	95.50
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

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 2002.
- (2) Ratios obtained from the Department of Revenue, State of Washington

Note: Property in the City is reassessed annually.

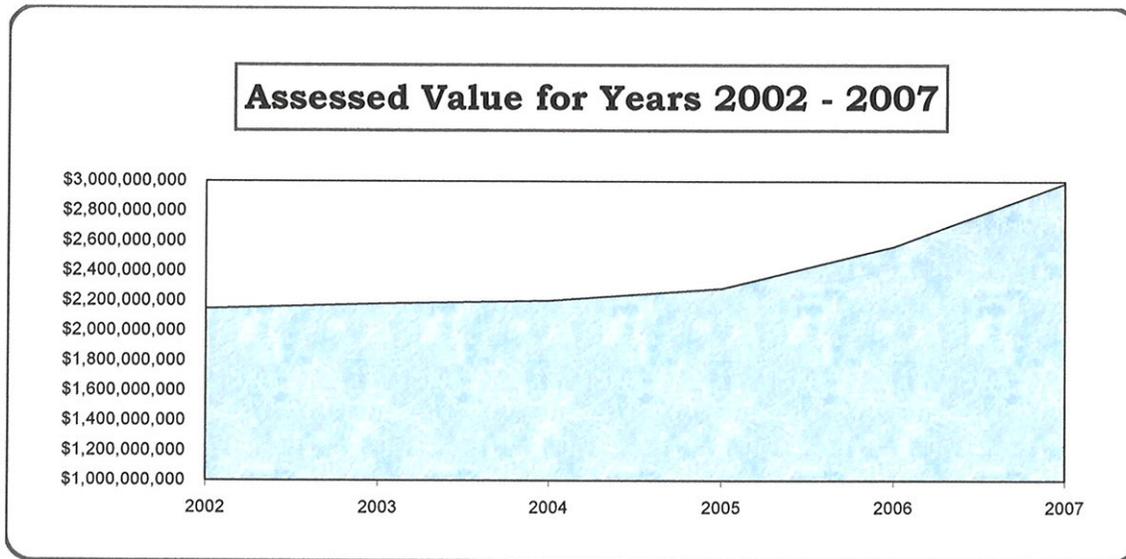


Table 7

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		
1998	\$ 0.3595	\$ 0.0097	\$ 0.2500	\$ 0.6192	\$ 0.4683	\$ 0.1657	\$ 0.3347	\$ 0.0442	\$ 0.0011	\$ 0.0063	\$ 1.6395	
1999	0.3393	0.0081	0.2356	0.5830	0.4271	0.1595	0.3219	0.0454	0.0010	0.0063	1.5441	
2000	0.3566	0.0052	0.2304	0.5922	0.3788	0.1561	0.3018	0.0494	0.0010	0.0063	1.4856	
2001	0.3598	0.0385	0.2500	0.6483	0.4541	0.1611	0.3094	0.0513	0.0009	0.0063	1.6314	
2002	0.3597	0.0366	0.2500	0.6463	0.4637	0.1609	0.2915	0.0505	0.0010	0.0063	1.6203	
2003	0.3596	0.0362	0.2500	0.6458	0.4616	0.1579	0.2788	0.0497	0.0010	0.0063	1.6012	
2004	0.3597	0.0360	0.2500	0.6457	0.4641	0.1511	0.2767	0.0507	0.0010	0.0063	1.5955	
2005	0.3598	0.0345	0.2500	0.6443	0.4741	0.1505	0.2730	0.0507	0.0009	0.0063	1.5999	
2006	0.3365	0.0296	0.2337	0.5998	0.4307	0.1374	0.2471	0.0435	0.0008	0.0063	1.4657	
2007	0.3058	0.0256	0.3500	0.6813	0.4130	0.1527	0.3404	0.0373	0.0007	0.0053	1.6308	

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.

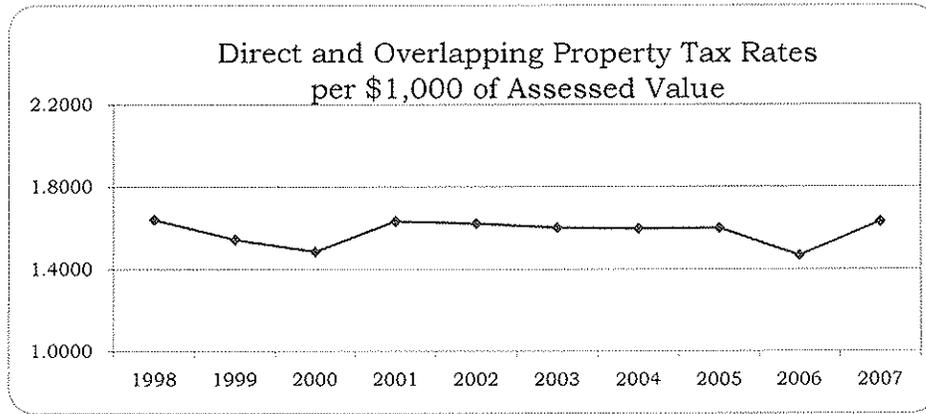


Table 8

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

Taxpayer	Type of Business	2007		Percentage		1998		Percentage	
		Assessed Valuation	Rank	of Total Assessed Valuation	Assessed Valuation	Rank	of Total Assessed Valuation		
Georgia Pacific **	Paper Products	\$ 207,009,620	1	6.9	\$ 246,560,530	2	17.9		
Wafertech	Micro-Electronics	190,027,335	2	6.4	269,696,680	1	19.5		
Linear Technology	Analog Integrated Circuits	41,283,830	3	1.4	37,592,430	4	2.7		
Sharp Microelectronics	Micro-Electronics	33,528,675	4	1.1	50,925,351	3	3.7		
Underwriters Laboratories	Research and Testing	20,727,995	5	0.7	20,610,240	8	1.5		
Bodycote IMT Inc.	Thermal Processing Mfg.	16,660,710	6	0.6	-		-		
Pacificcorp	Utility	16,188,031	7	0.5	21,186,192	6	1.5		
Pacific Links LLC	Land Development	15,210,100	8	0.5	-		-		
Talbitzer Construction LLC	Land Development	14,872,900	9	0.5	-		-		
Bruzzone 4th St. LLC	Manufacturing	12,762,200	10	0.4	-		-		
Camas Power Boiler	Utility	12,490,800		0.4	32,211,100	5	2.3		
Heracus Shin Etsu America	Micro-Electronics	-		-	20,997,400	7	1.5		
General Telephone Company	Utility	-		-	8,159,557	9	0.6		
Tidland Corporation	Machinery Mfg.	-		-	5,167,830	10	0.4		
	Totals	<u>\$ 580,762,196</u>		<u>19.4</u>	<u>\$ 713,107,310</u>		<u>51.7</u>		

** 1998 valuation is for Fort James Corp. Georgia Pacific acquired Fort James Corp. in 2000.

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
1998	\$ 5,420,481	\$ 5,317,039	98.0	\$ 91,752	\$ 5,408,791	99.8
1999	5,878,776	7,182,179	122.0	90,973	7,273,152	123.7
2000	7,284,045	7,006,566	96.2	171,046	7,177,612	98.5
2001	8,643,304	8,263,450	95.6	199,491	8,462,941	97.9
2002	9,029,591	8,750,239	96.9	431,625	9,181,864	101.7
2003	9,162,698	8,974,217	97.9	261,748	9,235,965	100.8
2004	9,249,734	9,138,121	98.8	162,910	9,301,031	100.6
2005	9,547,424	9,374,248	98.2	155,850	9,530,098	99.8
2006	9,964,582	9,644,790	96.8	196,945	9,841,735	98.8
2007	10,910,515	10,744,266	98.5	134,732	10,878,998	99.7



City of Camas, Washington
Ratios of Outstanding Debt by Type
Last Five 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			
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	224.99%	1,829
2006	8,267,000	5,238,225	3,785,000	10,281,758	27,571,983	Not available	1,736
2007	7,554,000	4,751,501	8,860,000	10,429,691	31,595,192	Not available	1,941

The City implemented GASB 44 in 2006 and has reported the information above retroactively from 2003.

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
1998	10,300	\$ 1,380,239,672	\$ 3,980,000	\$ 93,375	\$ 3,886,625	0.28	\$ 377.34
1999	10,870	1,593,716,856	3,685,000	228,585	3,456,415	0.22	317.98
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	54,116	7,499,884	0.25	459.41

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

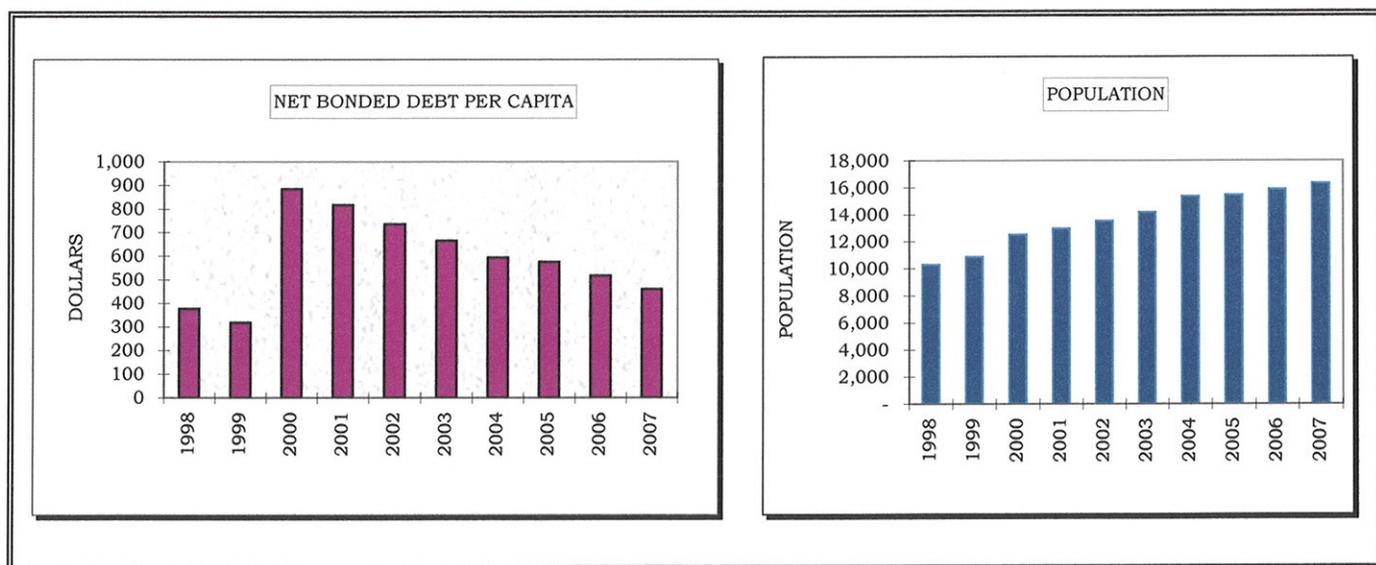


Table 12

City of Camas, Washington
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2007

<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			\$ 7,554,000
Overlapping Debt:			
Debt repaid with property taxes			
Camas School District	\$ 137,575,075	61.37	\$ 84,426,474
Port of Camas-Washougal	6,045,000	54.87	3,316,700
Clark County	136,970,000	6.18	<u>8,468,919</u>
Total Overlapping Debt			<u>96,212,093</u>
Total Direct and Overlapping Debt			<u><u>\$ 103,766,093</u></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
1998	\$ 63,367,030	\$ 7,056,990	\$ 56,310,040	11.14%
1999	75,193,840	7,317,358	67,876,482	9.73%
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%

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed value (2007 Assessment for 2008 Revenue)	\$ 3,240,409,834
Debt Limit	
Debt limit with vote (2.5% of assessed value)	81,010,246
Debt applicable to with vote limit:	
General obligation bonds	6,494,000
Less: assets available	<u>49,793</u>
Total debt applicable to limit with vote	<u>6,444,207</u>
Total legal debt margin with vote	<u>\$ 74,566,039</u>
Debt limit without vote (1.5% of assessed value)	
Debt applicable to without vote limit:	
General obligation bonds	1,060,000
Other	5,882,714
Less: assets available	<u>4,838</u>
Total net debt applicable to limit without vote	<u>6,937,876</u>
Total legal debt margin without vote	<u>\$ 41,668,272</u>
Legal Debt Margin	<u>\$ 116,234,310</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 Five Fiscal Years

Water-Sewer Revenue Bonds

Fiscal Year	Gross Revenue (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2003	\$ 5,189,850	\$ 3,323,885	\$ 1,865,965	\$ 280,000	\$ 191,740	3.96
2004	5,459,884	3,425,092	2,034,792	310,000	179,370	4.16
2005	5,681,952	3,771,476	1,910,476	320,000	166,452	3.93
2006	6,354,308	4,519,663	1,834,645	340,000	152,829	3.72
2007	6,550,613	4,411,784	2,138,829	450,000	387,511	2.55

The City implemented GASB 44 in 2006 and reports retroactively from 2003.

- (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.

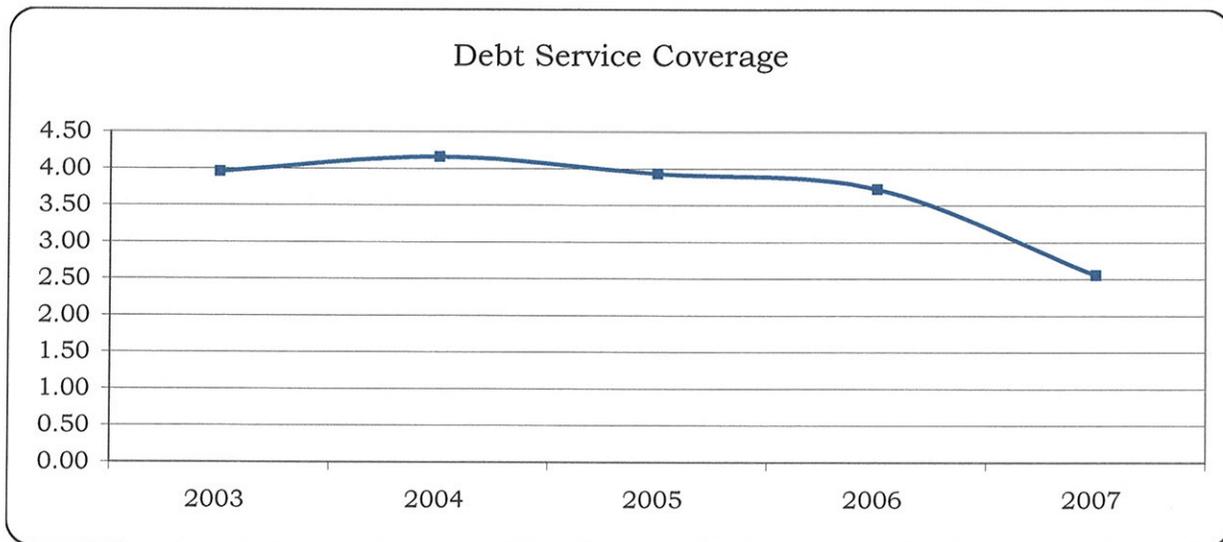


Table 15

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)
1998	10,300	\$ 8,732,204	\$ 26,405	3,496	3.8%
1999	10,870	9,141,864	26,924	3,618	3.3%
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	12,565,701	31,098	5,224	5.0%
2006	15,880	not available	not available	5,449	4.7%
2007	16,280	not available	not available	5,659	5.5%

- 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

Taxpayer	Type of Business	2007		Percentage of Total City Employment
		Employees	Rank	
Wafertech	Micro-Electronics	1,000	1	17.0%
Camas School District	Education	750	2	12.7%
Georgia Pacific	Paper Products	460	3	7.8%
Sharp Microelectronics	Micro-Electronics	335	4	5.7%
Linear Technology	Analog Integrated Circuits	300	5	5.1%
Underwriters Laboratories	Research and Testing	268	6	4.5%
C-Tech Industries	Manufacturing - Pressure Washers	257	7	4.4%
City of Camas	Government	184	8	3.1%
Tidland Corporation	Manufacturing - Core Shafts	148	9	2.5%
Furuno	Marine Electronics	70	10	1.2%
	Totals	<u>3,772</u>		<u>64.0%</u>

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

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,										
Function	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General government										
Executive	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Finance	8.66	9.00	7.50	7.50	7.50	7.00	7.00	7.25	8.00	8.00
Human Resources	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Other	-	-	1.50	1.75	2.25	2.63	2.75	2.75	2.75	3.25
Public Safety										
Police	23.50	26.50	27.50	28.50	29.00	28.96	28.96	29.18	32.48	33.48
Fire	28.50	34.00	34.00	36.33	38.50	38.50	38.50	38.00	38.00	38.75
Physical environment	11.00	11.25	13.25	13.50	14.50	13.00	13.00	13.00	14.75	15.17
Transportation	12.50	12.50	13.50	13.00	14.25	13.13	12.67	12.41	12.49	12.49
Economic environment	8.50	8.50	8.50	9.50	9.80	9.30	8.80	9.62	11.01	11.01
Parks and recreation	7.80	12.70	13.20	14.90	14.60	14.05	14.05	14.51	15.99	17.08
Cemetery	-	-	-	-	-	-	-	-	-	1.33
Library	9.30	9.30	9.30	10.85	12.35	12.55	12.55	12.55	14.53	16.41
Water/Sewer	12.50	13.00	14.50	16.00	16.00	16.00	16.00	16.53	17.34	17.84
Storm water drainage	-	0.25	0.25	0.25	0.25	1.00	1.00	2.33	2.20	2.70
Sanitation	3.00	3.00	3.00	3.25	3.25	3.25	3.25	3.86	4.11	4.11
Total	<u>127.76</u>	<u>142.50</u>	<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>

Source: City budget documents

Table 18

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

Function	Fiscal Year							
	2000	2001	2002	2003	2004	2005	2006	2007
Police								
Police reports	3,678	3,376	3,528	3,301	3,711	3,186	3,670	4,249
Arrests	579	651	694	791	610	610	743	734
Traffic stops	5,219	4,458	4,678	3,980	3,683	4,867	5,039	7,522
Service calls	6,984	7,048	8,558	9,303	4,892	4,014	11,056	10,770
Fire								
Fire alarms	57	55	67	58	40	89	83	87
Total fire responses	270	258	308	970	756	1,225	1,419	1,491
Total EMS responses	2,288	2,277	2,374	2,477	2,485	2,423	2,425	2,533
Inspections								500
Parks and recreation								
Community center visits	23,727	24,744	33,320	27,845	31,191	32,864	34,039	32,177
Recreation services participants	11,185	13,378	12,202	12,045	13,250	11,921	13,648	14,508
Recreation services events	188	242	248	252	241	256	266	307
Library								
Registered borrowers	8,163	10,290	11,360	13,050	10,250	10,738	10,461	10,695
Total holdings	62,881	57,924	61,089	72,927	82,491	78,791	90,319	98,709
Library visits	102,858	96,916	93,328	143,992	152,290	202,078	225,466	234,816
Water								
Water residential connections	4,827	5,105	5,514	5,825	6,043	6,329	6,555	6,656
Water non-residential connections	381	397	371	394	413	429	433	466
New connections	219	246	401	277	213	318	168	101
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
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
Sewer residential connections	2,782	3,122	3,555	4,150	4,748	5,438	6,217	6,335
Sewer non-residential connections	195	206	212	221	227	243	248	250
Sanitation								
Refuse collected (tons)	5,402	5,618	5,875	6,389	6,990	7,192	7,179	7,114
Recycling collected (tons)	1,334	1,321	1,364	1,700	1,850	1,756	1,768	1,831
Sanitation customers	2,765	3,079	3,483	4,032	4,629	5,266	5,975	6,026

The City implemented GASB 44 in 2006 and information prior to 2000 is not readily available.

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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	10	10	10	11	9	7	7	6	7	8
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Engines	4	4	4	3	3	4	4	4	4	4
Ambulances	3	4	4	4	4	4	4	4	4	4
Parks and recreation										
Parks acreage	57.8	71.4	85.9	102.5	110.6	110.6	110.6	110.6	110.6	143.1
Parks	9	10	10	10	10	10	10	11	12	12
Swimming pools	2	2	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)	68.4	124.3	124.6	137.5	138.0	139.0	139.5	134.7	135.5	136.3
Sewer										
Sanitary sewers (miles)	75.1	82.4	82.8	93.4	93.9	94.8	97.0	99.5	100.3	101.1
Storm sewers (miles)	31.6	31.6	31.6	32.0	47.8	48.7	49.1	51.1	53.4	55.7
Treatment plants	1	1	1	1	1	1	1	1	1	1
Capacity (gallons per day)	7,260,000	7,260,000	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	2	2	3	3	3	3	4	4	4
City Streets										
Paved streets (miles)	84.6	81.32	81.32	82.8	86.8	87.7	88.2	93.8	97	99.8
Unpaved streets (miles)	3.99	3.27	3.27	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