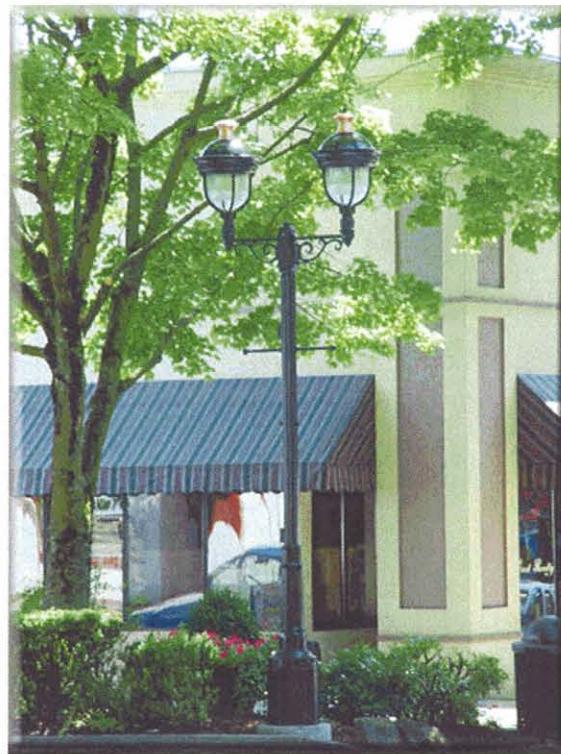


City of Camas, Washington



Comprehensive Annual Financial Report

For the year ended December 31, 2008

Prepared by the Finance Department

Joan M. Durgin

Finance Director



City of Camas Washington

Comprehensive Annual Financial Report

For the year ended
December 31, 2008

CITY OF CAMAS, WASHINGTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year ended December 31, 2008

TABLE OF CONTENTS

| <u>INTRODUCTORY SECTION</u> | <u>PAGE</u> |
|----------------------------------------------------------------------------------------------------------------------------|-------------|
| Letter of Transmittal..... | 1 |
| Certificate of Achievement for Excellence in Financial Reporting..... | 7 |
| Organizational Chart..... | 8 |
| Directory of Officials..... | 9 |
| | |
| <u>FINANCIAL SECTION</u> | |
| Independent Auditor's Report..... | 10 |
| Management's Discussion and Analysis..... | 12 |
| Basic Financial Statements: | |
| Government-wide Financial Statements: | |
| Statement of Net Assets..... | 23 |
| Statement of Activities..... | 24 |
| Fund Financial Statements | |
| Balance Sheet – Governmental Funds..... | 25 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds..... | 26 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities..... | 27 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund..... | 28 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – City Street Fund..... | 29 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Emergency Management Services..... | 30 |
| Statement of Net Assets – Proprietary Funds..... | 31 |
| Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds..... | 32 |
| Statement of Cash Flows – Proprietary Funds..... | 33 |
| Statement of Fiduciary Net Assets – Fiduciary Funds..... | 35 |
| Statement of Changes in Fiduciary Net Assets – Fiduciary Funds..... | 36 |
| Notes to the Financial Statements..... | 37 |
| Required Supplementary Information | |
| Other Postemployment Benefits Plan – Schedule of Funding Progress..... | 77 |
| Combining and Individual Fund Statements and Schedules: | |
| Schedule of Expenditures by Department – Budget and Actual – General Fund..... | 78 |
| Combining Balance Sheet – Nonmajor Governmental Funds..... | 80 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds..... | 81 |
| Combining Balance Sheet – Nonmajor Special Revenue Funds..... | 82 |

TABLE OF CONTENTS

(Continued)

| | PAGE |
|------------------------------------------------------------------------------------------------------------------|------|
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds..... | 83 |
| Combining Balance Sheet – Nonmajor Debt Service Funds..... | 84 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds..... | 85 |
| Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual: | |
| SE 1 st Street – Lake Road Construction Fund..... | 86 |
| Fire Equipment Cumulative Reserve Fund..... | 87 |
| Cemetery Fund..... | 88 |
| Unlimited Tax Bond Redemption Fund..... | 89 |
| Limited Tax Bond Redemption Fund..... | 90 |

STATISTICAL SECTION:

Table

| | |
|-----------------------------------------------------------------------|-----|
| 1. Net Assets by Component..... | 92 |
| 2. Changes in Net Assets..... | 93 |
| 3. Tax Revenues by Source, Governmental Funds..... | 95 |
| 4. Fund Balances, Governmental Funds..... | 96 |
| 5. Changes in Fund Balances, Government Funds..... | 97 |
| 6. Assessed Value and Estimated Actual Value of Taxable Property..... | 98 |
| 7. Property Tax Rates – Direct and Overlapping Governments..... | 99 |
| 8. Principal Property Taxpayers..... | 100 |
| 9. Property Tax Levies and Collections..... | 101 |
| 10. Ratios of Outstanding Debt by Type..... | 102 |
| 11. Ratios of General Bonded Debt Outstanding..... | 103 |
| 12. Direct and Overlapping Governmental Activities Debt..... | 104 |
| 13. Legal Debt Margin Information..... | 105 |
| 14. Pledged Revenue Coverage..... | 106 |
| 15. Demographic and Economic Statistics..... | 107 |
| 16. Principal Employers..... | 108 |
| 17. Full-time Equivalent City Government Employees by Function..... | 109 |
| 18. Operating Indicators by Function..... | 110 |
| 19. Capital Asset Statistics by Function..... | 111 |

CITY OF CAMAS, WASHINGTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year ended December 31, 2008

INDEX FOR NOTES TO THE FINANCIAL STATEMENTS

| Note | PAGE |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| I. Summary of Significant Accounting Policies | |
| A. Reporting Entity..... | 37 |
| B. Government-wide and Fund Financial Statements..... | 37 |
| C. Measurement Focus, Basis of Accounting and Financial Statement Presentation... .. | 38 |
| D. Assets, Liabilities and Net Assets or Equity..... | 40 |
| 1. Cash and cash equivalents and investments..... | 40 |
| 2. Receivables and payables..... | 40 |
| 3. Restricted assets..... | 41 |
| 4. Capital assets..... | 41 |
| 5. Compensated absences..... | 42 |
| 6. Long-term obligations..... | 42 |
| 7. Deferred revenues..... | 43 |
| 8. Restricted net assets..... | 43 |
| 9. Fund equity..... | 43 |
| 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..... | 43 |
| 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..... | 44 |
| III. Stewardship, Compliance and Accountability | |
| A. Budgetary Information..... | 46 |
| B. Excess of Expenditures Over Appropriations..... | 47 |
| IV. Detailed Notes On All Funds | |
| A. Deposits and Investments..... | 47 |
| B. Receivables..... | 48 |
| C. Capital Assets..... | 50 |
| D. Interfund Receivables, Payables and Transfers..... | 52 |
| E. Restricted Assets..... | 53 |
| F. Long-Term Debt..... | 53 |
| V. Other Disclosures | |
| A. Risk Management..... | 64 |
| B. Property Taxes..... | 65 |
| C. Employee Retirement Systems and Pension Plans..... | 65 |
| D. Post Retirement Health Care Program (OPEB)..... | 72 |
| E. Federal Financial Assistance..... | 74 |
| F. Contingent Liabilities..... | 75 |
| G. Accounting and Reporting Changes..... | 75 |
| H. Prior Period Adjustments..... | 75 |
| I. Subsequent Events..... | 75 |



CITY OF CAMAS

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

June 15, 2009

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, 2008.

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, 2008, 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, 2008, are fairly presented in conformity with

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

State mandate requires the Washington State Auditor's Office to perform additional tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the City complied with the laws and the *Constitution of the State of Washington*, its own ordinances and resolutions, and the requirements of the State Auditor's Office. The State Auditor's Office issues an Accountability Report 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 17,000 citizens and occupies a land area of 13.5 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 slower economic climate is definitely present in Camas this past year. The current unemployment numbers in the county are significantly high at 12.5%. However, most of the high-tech industry in the city has maintained current employment levels and likely will continue throughout 2009. One high-tech firm just recently reduced its work force by 8% due to the sharp downturn in global demand for computer integrated circuits.

There has been no applications for residential subdivision development in the past year and housing starts have dwindled to just a handful the first quarter of 2009. The number of building permit's issued the last half of 2008 was also significantly lower than previous years. The only construction that is occurring is the Camas School District. They are completing construction of two elementary schools and will be soon starting on an expansion of the high school. The past few months sales of existing residential homes has picked up, however the market price for most of these are about 10% lower than they were in 2008. A record number of residential home foreclosures in 2008 was noted by the city's utility department.

Long-term financial planning

The City has a number of infrastructure projects designed and ready for construction that provided opportunities for the city to submit applications for federal economic stimulus funds. Acceptance and confirmation of two projects have been recently received. The first stimulus funding is \$450,000 for the widening and extension of Leadbetter Road. The second stimulus funding is \$1,200,000 to construct and install pumping equipment for a new well on the western border of the city. Construction of both of these projects will begin this summer.

The largest and most costly infrastructure project to date is the expansion of the city's wastewater treatment plant, estimated to cost \$17,000,000. A \$10 million low interest rate state loan has been obtained and grant applications, including stimulus funds have been submitted to help finance the remainder of the project costs. If grants are not received, other financing arrangements will need to be made, likely the issuance of revenue bonds.

Extension and construction of a regional trail along the Washougal River that will connect to the Lacamas Heritage trail is scheduled for construction to commence this summer if all required permits are received. The 5000 foot trail will include a boardwalk along the river and connect to the newly constructed pedestrian bridge across the Washougal River. Construction costs are anticipated to be \$1.8 million with a \$800,000 state grant and real estate excise taxes collected by the city will finance the remaining portion.

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 129 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 \$449,247 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, 2007. This was the twenty-second consecutive year that the city has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the city must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

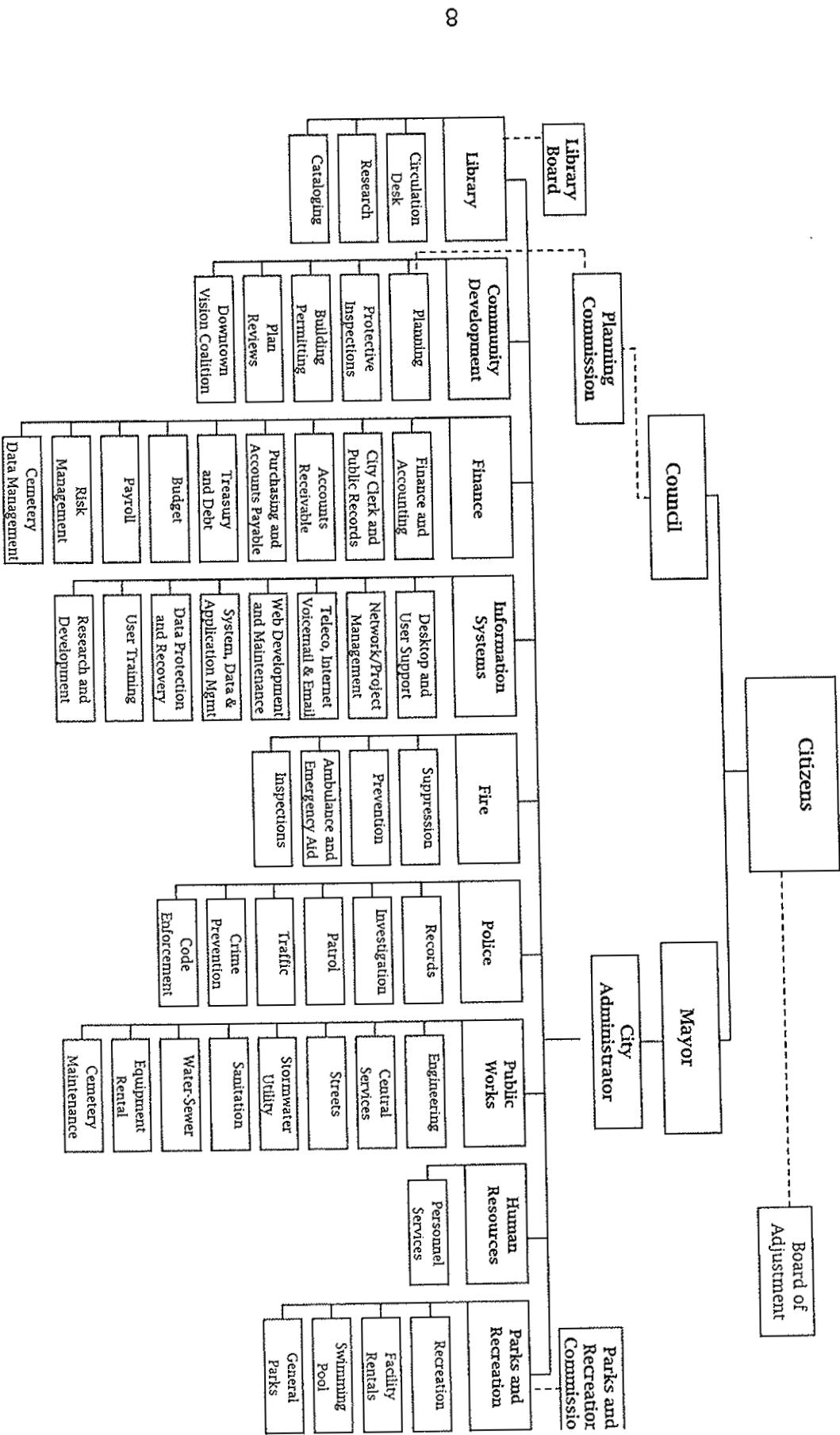
I would like to express my thanks to the mayor, council and city administrator for their continued support and interest in the financial operations and stability of the City.

Respectfully submitted,



Joan M. Durgin
Finance Director

City of Camas, Washington



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, 2007

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



President



Executive Director



Washington State Auditor Brian Sonntag

INDEPENDENT AUDITOR'S REPORT

May 28, 2009

Mayor and City Council
City of Camas
Camas, Washington

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Camas, Clark County, Washington, as of and for the year ended December 31, 2008, 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, 2008, 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 the Emergency Management Services Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 12 through 22 and pension trust fund information on page 77 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information listed as combining financial statements and supplemental information on pages 78 through 90 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".

**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, 2008. 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, 2008 by \$176.5 million.
- Capital Assets (net of depreciation and related debt) account for over three-fourths of this amount, with a value of \$168 million.
- Of the remaining net assets, \$3.5 million may be used to meet the government's ongoing obligations to citizens and creditors, without legal restriction.
- The government's total net assets showed a decrease of \$4.2 million, or 2.3% during 2008.
- As of December 31, 2008, City of Camas' governmental funds reported combined ending fund balances of \$7.3 million. Over 40% of this total amount, \$2.6 million is available for spending at the government's discretion. Unreserved fund balance for the general fund was \$2.4 million at December 31, 2008.
- City of Camas' total bonded debt at December 31, 2008 was \$15.2 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 2008. 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 2008, 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 2008.

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 \$176,463,399 at December 31, 2008.

City of Camas

| | Governmental Activities 2008 | Governmental Activities 2007 | Business-type Activities 2008 | Business-type Activities 2007 | Total Activities 2008 | Total Activities 2007 |
|-----------------------------------------------------|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|-----------------------------|-----------------------------|
| Current and other assets | \$ 8,651,059 | \$ 9,476,588 | \$ 4,012,817 | \$ 9,265,976 | \$ 12,663,876 | \$ 18,742,564 |
| Capital assets (net of accumulated depreciation) | 118,079,927 | 121,167,075 | 79,011,169 | 75,517,453 | 197,091,096 | 196,684,528 |
| TOTAL ASSETS | 126,730,986 | 130,643,663 | 83,023,986 | 84,783,429 | 209,754,972 | 215,427,092 |
| Long-term liabilities | 12,963,620 | 13,439,575 | 18,645,505 | 19,576,759 | 31,609,125 | 33,016,334 |
| Other liabilities | 875,111 | 1,240,398 | 807,337 | 536,462 | 1,682,448 | 1,776,860 |
| TOTAL LIABILITIES | 13,838,731 | 14,679,973 | 19,452,842 | 20,113,221 | 33,291,573 | 34,793,194 |
| NET ASSETS | | | | | | |
| Invested in capital assets | | | | | | |
| net of related debt | 106,860,759 | 109,153,090 | 61,120,462 | 60,034,976 | 167,981,221 | 169,188,066 |
| Restricted | 3,611,654 | 3,616,721 | 1,367,099 | 5,955,875 | 4,978,753 | 9,572,596 |
| Unrestricted | 2,419,842 | 3,193,879 | 1,083,583 | (1,320,643) | 3,503,425 | 1,873,236 |
| TOTAL NET ASSETS | \$ 112,892,255 | \$ 115,963,690 | \$ 63,571,144 | \$ 64,670,208 | \$ 176,463,399 | \$ 180,633,898 |

The largest portion of the City's net assets (95 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 3%. The remaining balance of \$3,503,425 (unrestricted net assets), represents the amount that may be used to meet the City's ongoing obligations.

At December 31, 2008, 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. This is an improvement over the prior fiscal year, as the unrestricted net assets of the business type activities present an unrestricted net asset deficit of \$1.3 million at the end of 2007. This is a result of continuing to realize operating losses.

Statement of Activities

The City's total net assets decreased by \$4.2 million in 2008. This decrease was split among governmental (\$3.1 million) and business-type activities of (\$1.1 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.

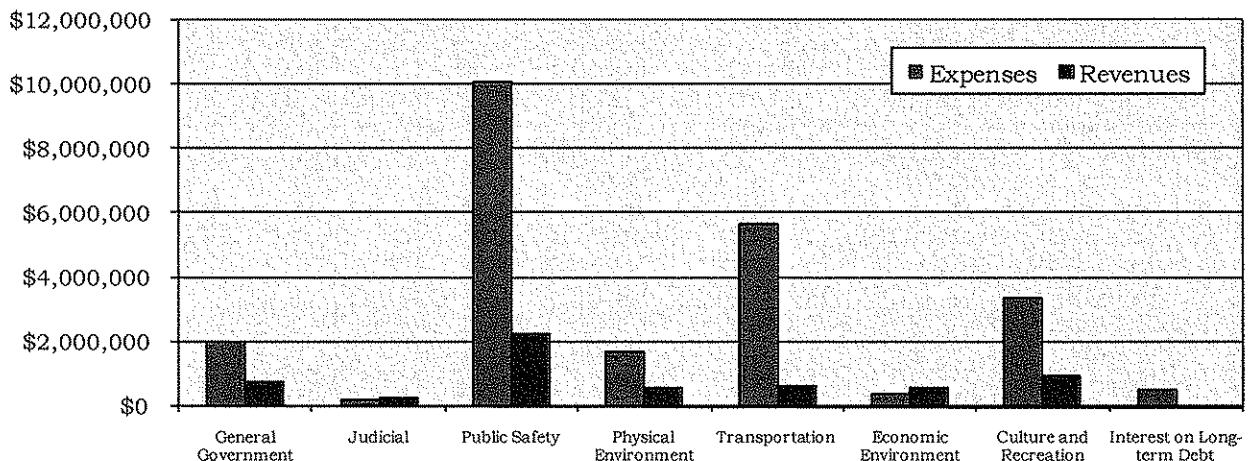
City of Camas Change in Net Assets

| | Governmental Activities 2008 | Governmental Activities 2007 | Business-type Activities 2008 | Business-type Activities 2007 | Total 2008 | Total 2007 |
|--------------------------------------------------------------|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|----------------|----------------|
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 4,494,175 | \$ 4,729,211 | \$ 8,602,145 | \$ 8,481,271 | \$ 13,096,320 | \$ 13,210,482 |
| Operating grants and contributions | 464,241 | 639,577 | 23,189 | 1,144 | 487,430 | 640,721 |
| Capital grants and contributions | 956,930 | 10,317,610 | 561,816 | 4,161,710 | 1,518,746 | 14,479,320 |
| General revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes levied for general purposes | 10,242,218 | 9,842,349 | - | - | 10,242,218 | 9,842,349 |
| Property taxes levied for debt service | 1,035,905 | 1,047,568 | - | - | 1,035,905 | 1,047,568 |
| Sales and use taxes | 1,989,644 | 1,795,976 | - | - | 1,989,644 | 1,795,976 |
| Business and occupation taxes | 403,387 | 382,575 | - | - | 403,387 | 382,575 |
| Excise taxes | 757,059 | 1,135,599 | - | - | 757,059 | 1,135,599 |
| Penalties and interest | 89 | 49 | - | - | 89 | 49 |
| Grants and contributions not restricted to specific programs | 346,940 | 345,500 | - | - | 346,940 | 345,500 |
| Unrestricted investment earnings | 289,146 | 523,808 | 197,892 | 285,474 | 487,038 | 809,282 |
| Miscellaneous | 39,450 | 6,934 | 128,829 | 124,168 | 168,279 | 131,102 |
| Gain on sale of capital assets | - | - | - | 3,225 | - | 3,225 |
| Total revenues | 21,019,184 | 30,766,756 | 9,513,871 | 13,056,992 | 30,533,055 | 43,823,748 |
| Expenses: | | | | | | |
| General government | 1,971,712 | 2,004,973 | - | - | 1,971,712 | 2,004,973 |
| Judicial | 193,383 | 171,207 | - | - | 193,383 | 171,207 |
| Public safety | 10,098,295 | 9,956,452 | - | - | 10,098,295 | 9,956,452 |
| Physical environment | 1,686,067 | 1,560,735 | - | - | 1,686,067 | 1,560,735 |
| Transportation | 5,672,852 | 5,837,233 | - | - | 5,672,852 | 5,837,233 |
| Economic environment | 397,448 | 541,585 | - | - | 397,448 | 541,585 |
| Culture and recreation | 3,362,790 | 3,894,696 | - | - | 3,362,790 | 3,894,696 |
| Interest on long-term debt | 467,712 | 508,407 | - | - | 467,712 | 508,407 |
| Water-Sewer | - | - | 7,720,910 | 6,850,962 | 7,720,910 | 6,850,962 |
| Storm Water Drainage | - | - | 1,069,811 | 903,958 | 1,069,811 | 903,958 |
| Sanitation | - | - | 1,819,090 | 1,775,981 | 1,819,090 | 1,775,981 |
| Total expenses | 23,850,259 | 24,475,288 | 10,609,811 | 9,530,901 | 34,460,070 | 34,006,189 |
| Increase in net assets before transfers | (2,831,075) | 6,291,468 | (1,095,940) | 3,526,091 | (3,927,015) | 9,817,559 |
| Transfers | 3,124 | 17,780 | (3,124) | (17,780) | - | - |
| Increase in net assets | (2,827,951) | 6,309,248 | (1,099,064) | 3,508,311 | (3,927,015) | 9,817,559 |
| Net assets - beginning | 115,963,690 | 109,654,442 | 64,670,208 | 61,161,897 | 180,633,898 | 170,816,339 |
| Prior Period Adjustment | (243,484) | - | - | - | (243,484) | - |
| Net assets - ending | \$ 112,892,255 | \$ 115,963,690 | \$ 63,571,144 | \$ 64,670,208 | \$ 176,463,399 | \$ 180,633,898 |

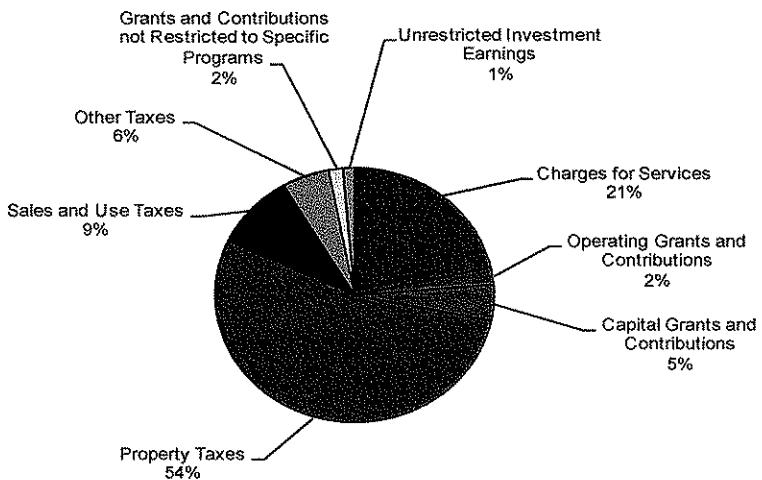
Governmental Activity Analysis

The City of Camas net assets decreased by \$3.1 million, or 2.6%, corresponding to a \$3.9 million decrease in total assets and a \$.8 million decrease in total liabilities. Program revenues decreased \$9.7 million, or 62% over the previous year, primarily attributable to a \$9.3 million combined decrease in contributions for parks land and infrastructure and the land and buildings contributed with the acquisition of the cemetery. Governmental program spending decreased \$.6 million in 2008, primarily due to small decreases in transportation, economic environment, 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 \$78 thousand increase in charges for services revenues, and a \$760 thousand increase in expenses over the prior year, with an overall decrease in net assets of 1.4%. The largest change in this fund's activity was the \$2.8 million decrease in capital grants and contributions.

No infrastructure contributions were received from developers in 2008. The Sanitary Fund and Storm Water Drainage Fund are the other propriety funds.

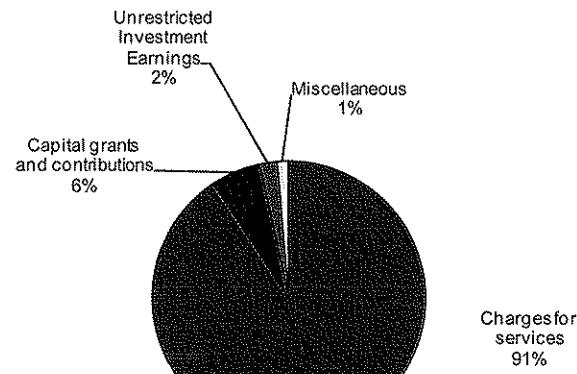
Business-Type Activity Program Revenues

| | | |
|----------------------|-------------|-------------|
| Water-Sewer | \$6,787,573 | 74% |
| Storm Water Drainage | 597,387 | 6% |
| Sanitary | 1,802,190 | 20% |
| | | <u>100%</u> |

Business-Type Activity Program Expenses

| | | |
|----------------------|-------------|-------------|
| Water-Sewer | \$7,720,910 | 73% |
| Storm Water Drainage | 1,069,811 | 10% |
| Sanitary | 1,819,090 | 17% |
| | | <u>100%</u> |

Revenues by Source - Business-type Activities



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 9% in 2008. Much of this change is attributable to the increase in judicial (13%) and public safety (4%) 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 \$3.3 million. As a measure of the general fund's liquidity, it may be useful to compare the total fund balance to total fund expenditures. The total fund balance of \$3,379,176 is 24% of total general fund expenditures.

The General Fund had a decrease in fund balance of 19%. Revenues in the general fund increased 3% with expenditures increasing 3%. Expenditures and other financing uses exceeded revenues by \$784,906. Key factors in this fund balance decline are the consistent trend of expenditures exceeding revenues.

The fund balance in the City Street Fund decreased by 84%. Although transportation expenditures decreased by 16%, an even greater decrease in revenues (36%) was presented.

The Emergency Management Services Fund accounts for ambulance and emergency aid services. The fund balance increased 64% as property taxes and charges for services exceeded expenditures.

The fund balance of the Growth Management Fund increased by 2% as revenues exceeded expenditures in the current year. 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 83% of net assets for the enterprise funds at \$52 million. The Water-Sewer Fund had a decrease in net assets of \$706 thousand. Revenues generated from operations were slightly higher than the prior year by \$78 thousand (1%), and while operating expenses increased by twelve percent. Capital contributions decreased in 2008 by over \$2.7 million. No infrastructure was donated by developers in 2008.

The Sanitary Fund remained fairly stable in 2008. The fund showed an increase in net assets of \$8,749 or 1%. This was primarily due to higher charges for services (1%) while operating expenses increased 4%.

The Storm Water Drainage Fund net assets decreased 4% in 2008. In 2008, expenses increased over 20% with revenues only increasing 5%. This fund presented a decrease of 92% in capital contributions. No infrastructure was donated by developers in 2008.

The Internal Service Fund net assets showed an increase of 1% in 2008. Revenues increased 10% while expenses remained stable. Even so, the fund presents an operating loss, which is recovered from capital contributions and transfers from other funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City budgets on an annual basis. General Fund revenues came in at 98% of the anticipated budget, while expenditures were 95% of the budget.

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

The police department allocated \$40,500 to the following departments:

- \$7,000 to the animal control department
- \$33,000 to the detention and correction department
- \$500 to the judicial department

The human resources department allocated \$24,200 to the following departments:

- \$20,000 to the judicial department
- \$1,100 to the legislative department
- \$3,100 to the executive department

Two budget amendments in the General Fund account for additional differences. The amendments were for a \$20,000 increase in the police department budget and a \$100,000 increase in transfers out.

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

- Collection of only 45% of the projected \$200,000 in zoning and subdivision fees, a \$109,968 difference
- 79% collection of the projected \$500,000 in building permits, a difference of \$102,666
- Interest earnings of only \$136,094, only 54% of the projected \$250,000
- Savings of \$211,350 or 5.5% in the police department for salaries and benefits, \$86,155 in the fire department for overtime and personnel benefits, and \$68,215 in the library for library materials and professional services
- Positive variance of \$97,496 or 7% in the engineering department for salaries and professional services
- 42% savings or \$47,558 for repairs and maintenance in the central services department
- Positive variance of \$95,101 in the IT 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, 2008, was \$197,091,096 (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 \$407 thousand during the year.

City of Camas Capital Assets
(net of depreciation)

| | Governmental Activities | | Business-Type Activities | | Total Activities | |
|-----------------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
| | 1/1/2008 | 12/31/2008 | 1/1/2008 | 12/31/2008 | 1/1/2008 | 12/31/2008 |
| Land | \$54,389,447 | \$54,684,541 | \$745,130 | \$860,055 | \$55,134,577 | \$55,544,596 |
| Buildings and systems | 11,841,189 | 11,523,987 | 14,473,674 | 14,816,458 | 26,314,863 | 26,340,445 |
| Improvements other than buildings | 5,252,160 | 4,604,224 | 3,323,955 | 5,743,166 | 8,576,115 | 10,347,390 |
| Machinery and equipment | 3,958,470 | 3,916,895 | 11,308,149 | 11,794,185 | 15,266,619 | 15,711,080 |
| Intangibles | 163,629 | 146,919 | 327,204 | 294,173 | 490,833 | 441,092 |
| Infrastructure | 44,514,801 | 41,918,314 | 42,937,254 | 43,759,968 | 87,452,055 | 85,678,282 |
| Construction in progress | 1,047,379 | 1,285,047 | 2,402,087 | 1,743,164 | 3,449,466 | 3,028,211 |
| Total | \$121,167,075 | \$118,079,927 | \$75,517,453 | \$79,011,169 | \$196,684,528 | \$197,091,096 |

Major capital asset additions include \$2.3 million for a steel pedestrian bridge to carry water and sewer transmission mains over the Washougal River.

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, 2008, the City of Camas had total bonded debt outstanding of \$15.2 million. Of this amount, \$6.8 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 \$8.4 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 2008 and 2007 bonded debt (in thousands).

| | Governmental Activities | | Business-Type Activities | | Total Activities | |
|--------------------------|-------------------------|-----------------|--------------------------|-----------------|------------------|------------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| General obligation bonds | \$ 6,820 | \$ 7,554 | \$ - | \$ - | \$ 6,820 | \$ 7,554 |
| Revenue bonds | - | - | 8,410 | 8,860 | 8,410 | 8,860 |
| Total | \$ 6,820 | \$ 7,554 | \$ 8,410 | \$ 8,860 | \$ 15,230 | \$ 16,414 |

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

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Several factors were considered and effected the preparation of the City's 2009 budget.

- The local economy had slowed down in 2008, particularly in the housing construction market and is expected to continue to be slow throughout 2009. Subdivision development applications had ceased during 2008, indicating additional evidence of the significant slowing down of construction of residential homes.
- The city and a commercial investor had entered into a development agreement for the likely construction of a large office complex in 2009.
- Several property tax limitation legislation in the past years allows only a 1% levy increase each year, plus taxes on new construction assessed value.

The City had several goals it wanted to achieve in preparing the budget for 2009. One goal was to maintain the existing level of service to its citizens. Other goals were to not levy the 1% tax increase as allowed by law and yet maintain a high level of reserves in the General Fund. With these goals and the economic factors above, \$488,743 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, 2008

| | Governmental Activities | Business-type Activities | Total Primary Government |
|--------------------------------------------------|----------------------------|-----------------------------|-----------------------------|
| Assets: | | | |
| Cash and Cash Equivalents | \$ 7,522,396 | \$ 1,451,041 | \$ 8,973,437 |
| Investments | 400,562 | 203,875 | 604,437 |
| Receivables (Net of Allowance for Uncollectible) | 1,174,483 | 291,036 | 1,465,519 |
| Internal Balances | (476,829) | 476,829 | - |
| Deferred Charges | 30,447 | 83,990 | 114,437 |
| Restricted Assets | | | |
| Cash | - | 1,303,002 | 1,303,002 |
| Investments | - | 200,000 | 200,000 |
| Accounts Receivable (Net) | - | 3,044 | 3,044 |
| Capital Assets Not Being Depreciated: | | | |
| Land | 54,684,541 | 860,055 | 55,544,596 |
| Construction Work in Progress | 1,285,047 | 1,743,164 | 3,028,211 |
| Capital Assets Net of Accumulated Depreciation: | | | |
| Buildings | 11,523,987 | 14,816,458 | 26,340,445 |
| Improvements Other than Buildings | 4,604,224 | 5,743,166 | 10,347,390 |
| Machinery and Equipment | 3,916,895 | 11,794,185 | 15,711,080 |
| Intangibles | 146,919 | 294,173 | 441,092 |
| Infrastructure | 41,918,314 | 43,759,968 | 85,678,282 |
| Total Assets | <u>126,730,986</u> | <u>83,023,986</u> | <u>209,754,972</u> |
| Liabilities: | | | |
| Accounts Payable and Other Current Liabilities | 800,572 | 629,314 | 1,429,886 |
| Accrued Interest Payable | 50,332 | 177,275 | 227,607 |
| Custodial Accounts | 24,207 | 748 | 24,955 |
| Noncurrent Liabilities: | | | |
| Due within One Year | 1,264,438 | 1,417,912 | 2,682,350 |
| Due in More than One Year | 11,699,182 | 17,227,593 | 28,926,775 |
| Total Liabilities | <u>13,838,731</u> | <u>19,452,842</u> | <u>33,291,573</u> |
| Net Assets: | | | |
| Invested in Capital Assets, Net of Related Debt | 106,860,759 | 61,120,462 | 167,981,221 |
| Restricted for: | | | |
| Capital | 3,587,466 | 551,305 | 4,138,771 |
| Debt Service | 24,188 | 815,794 | 839,982 |
| Unrestricted | 2,419,842 | 1,083,583 | 3,503,425 |
| Total Net Assets | <u>\$ 112,892,255</u> | <u>\$ 63,571,144</u> | <u>\$ 176,463,399</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, 2008

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | | |
|--------------------------------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|-------------------------------------------------|---------------------------|------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business -type Activities | Total |
| PRIMARY GOVERNMENT | | | | | | | |
| Governmental Activities: | | | | | | | |
| General Government | \$ 1,971,712 | \$ 725,470 | - \$ | - \$ | (1,246,242) | \$ (1,246,242) | |
| Judicial | 193,383 | 270,755 | - | - | 77,372 | - | 77,372 |
| Public Safety | 10,098,295 | 2,179,383 | 66,340 | - | (7,852,572) | - | (7,852,572) |
| Physical Environment | 1,686,067 | 561,443 | - | - | (1,124,624) | - | (1,124,624) |
| Transportation | 5,672,852 | 31,203 | 374,202 | 236,644 | (5,030,803) | - | (5,030,803) |
| Economic Environment | 397,448 | 530,873 | 9,630 | - | 143,055 | - | 143,055 |
| Culture and Recreation | 3,362,790 | 195,048 | 14,069 | 720,286 | (2,433,387) | - | (2,433,387) |
| Interest on Long-Term Debt | 467,712 | - | - | - | (467,712) | - | (467,712) |
| TOTAL GOVERNMENTAL ACTIVITIES | 23,850,259 | 4,494,175 | 464,241 | 956,930 | (17,934,913) | - | (17,934,913) |
| Business Type Activities: | | | | | | | |
| Water Sewer | 7,720,910 | 6,300,494 | - | 487,079 | - | (933,337) | (933,337) |
| Storm Water Drainage | 1,069,811 | 499,461 | 23,189 | 74,737 | - | (472,424) | (472,424) |
| Sanitary | 1,819,090 | 1,802,190 | - | - | - | (16,900) | (16,900) |
| TOTAL BUSINESS-TYPE ACTIVITIES | 10,609,811 | 8,602,145 | 23,189 | 561,816 | - | (1,422,661) | (1,422,661) |
| Total Primary Government | \$ 34,460,070 | \$ 13,096,320 | \$ 487,430 | \$ 1,518,746 | \$ (17,934,913) | \$ (1,422,661) | \$ (19,357,574) |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property Taxes Levied for General Purposes | | | | \$ 10,242,218 | \$ | - \$ | 10,242,218 |
| Property Taxes, Levied for Debt Service | | | | 1,035,905 | - | 1,035,905 | |
| Sales and Use Taxes | | | | 1,989,644 | - | 1,989,644 | |
| Business and Occupation Taxes | | | | 403,387 | - | 403,387 | |
| Excise Taxes | | | | 757,059 | - | 757,059 | |
| Penalties and Interest | | | | 89 | - | 89 | |
| Grants and Contributions not Restricted to Specific Programs | | | | 346,940 | - | 346,940 | |
| Unrestricted Investment Earnings | | | | 289,146 | 197,892 | 487,038 | |
| Miscellaneous | | | | 39,450 | 128,829 | 168,279 | |
| Transfers | | | | 3,124 | (3,124) | - | |
| Total General Revenues and Transfers | | | | 15,106,962 | 323,597 | 15,430,559 | |
| Change in Net Assets | | | | (2,827,951) | (1,099,064) | (3,927,015) | |
| Net Assets - Beginning | | | | 115,963,690 | 64,670,208 | 180,633,898 | |
| Prior Period Adjustments | | | | (243,484) | - | (243,484) | |
| Net Assets - Ending | | | | \$ 112,892,255 | \$ 63,571,144 | \$ 176,463,399 | |

24

CITY OF CAMAS, WASHINGTON
Governmental Funds
Balance Sheet
December 31, 2008

| | General Fund | City Street Fund | Emergency Management Services Fund | Growth Management Fund | Other Governmental Funds | Total Governmental Funds |
|--------------------------------------------|---------------------|-------------------|------------------------------------|------------------------|--------------------------|--------------------------|
| Assets: | | | | | | |
| Cash and Cash Equivalents | \$ 3,294,740 | \$ 76,795 | \$ 153,181 | \$ 2,843,313 | \$ 652,562 | \$ 7,020,591 |
| Investments | 200,437 | - | - | 200,125 | - | 400,562 |
| Property Taxes Receivables (net) | 434,338 | - | 71,066 | - | 41,405 | 546,809 |
| Sales Taxes Receivable | 286,217 | - | - | 48,636 | - | 334,853 |
| Accounts Receivable | 25,105 | 6,450 | 161,029 | - | - | 192,584 |
| Interest Receivable | 4,358 | - | - | 3,912 | - | 8,270 |
| Assessments Receivable | - | - | - | - | 2,906 | 2,906 |
| Due from Other Funds | 66,902 | - | - | - | - | 66,902 |
| Due from Other Governmental Units | 3,824 | 43,772 | - | 36,528 | - | 84,124 |
| Total Assets | \$ 4,315,921 | \$ 127,017 | \$ 385,276 | \$ 3,132,514 | \$ 696,873 | \$ 8,657,601 |
| Liabilities and Fund Balances: | | | | | | |
| Liabilities: | | | | | | |
| Accounts Payable | \$ 552,997 | \$ 93,721 | \$ 18,126 | \$ 77,994 | \$ 32,732 | \$ 775,570 |
| Due to Other Funds | - | - | 66,902 | - | - | 66,902 |
| Due to Other Governmental Units | 767 | - | - | - | - | 767 |
| Custodial Deposits | 24,207 | - | - | - | - | 24,207 |
| Deferred Revenues | 358,774 | - | 136,690 | - | 35,630 | 531,094 |
| Total Liabilities | \$ 936,745 | \$ 93,721 | \$ 221,718 | \$ 77,994 | \$ 68,362 | \$ 1,398,540 |
| Fund Balances: | | | | | | |
| Reserved for | | | | | | |
| Debt Service | - | - | - | - | 24,188 | 24,188 |
| Capital | - | - | - | 3,054,520 | 532,946 | 3,587,466 |
| Unreserved, designated | 958,050 | 3,678 | - | - | - | 961,728 |
| Unreserved, undesignated | 2,421,126 | 29,618 | 163,558 | - | - | 2,614,302 |
| Unreserved, Reported in Nonmajor: | | | | | | |
| Special Revenue Funds | - | - | - | - | 71,377 | 71,377 |
| Total Fund Balances | \$ 3,379,176 | \$ 33,296 | \$ 163,558 | \$ 3,054,520 | \$ 628,511 | \$ 7,259,061 |
| Total Liabilities and Fund Balances | \$ 4,315,921 | \$ 127,017 | \$ 385,276 | \$ 3,132,514 | \$ 696,873 | |

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 115,287,224

Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds 531,094

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 2,574,922

Long-term liabilities that are not due and payable in the current period and are not reported in the funds (12,760,046)

Net assets of governmental activities \$ 112,892,255

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, 2008

| | General Fund | City Street Fund | Emergency Management Services Fund | Growth Management Fund | Other Governmental Funds | Total Governmental Funds |
|-----------------------------------------------------------|---------------------|------------------|------------------------------------|------------------------|--------------------------|--------------------------|
| Revenues: | | | | | | |
| Property Taxes | \$ 9,056,252 | \$ - | \$ 1,062,580 | \$ - | \$ 1,035,905 | \$ 11,154,737 |
| Sales and Use Taxes | 1,963,319 | - | - | - | - | 1,963,319 |
| Other Taxes | 431,292 | - | - | 729,243 | - | 1,160,535 |
| License and Permits | 414,887 | - | - | - | - | 414,887 |
| Intergovernmental | 519,488 | 610,847 | 441,902 | 573,166 | 9,626 | 2,155,029 |
| Charges for Services | 1,962,169 | 13,366 | 844,613 | 339,234 | 43,539 | 3,202,921 |
| Fines and Forfeits | 257,833 | - | 12,685 | - | - | 270,518 |
| Interest Earnings | 149,653 | 3,703 | 2,912 | 106,120 | 18,338 | 280,726 |
| Rents and Royalties | 41,235 | - | - | - | - | 41,235 |
| Insurance Premiums and Recoveries | 62,829 | 15,552 | - | - | - | 78,381 |
| Contributions/Donations | 7,637 | - | 2,750 | - | - | 10,387 |
| Miscellaneous | 42,425 | 2,285 | 603 | - | 7,189 | 52,502 |
| Total Revenues | 14,909,019 | 645,753 | 2,368,045 | 1,747,763 | 1,114,597 | 20,785,177 |
| Expenditures: | | | | | | |
| Current | | | | | | |
| General Government | 1,857,059 | - | - | - | - | 1,857,059 |
| Judicial | 193,383 | - | - | - | - | 193,383 |
| Public Safety | 7,413,908 | - | 2,251,727 | - | 4,076 | 9,669,711 |
| Physical Environment | 1,361,436 | - | - | - | 177,765 | 1,539,201 |
| Transportation | - | 1,905,582 | - | - | 1,021 | 1,906,603 |
| Economic Environment | 551,471 | - | - | - | 1,190 | 552,661 |
| Culture and Recreation | 2,524,318 | - | - | 120,240 | - | 2,644,558 |
| Capitalized Expenditures | 298,628 | 688,684 | - | 611,580 | 70,839 | 1,669,731 |
| Debt Service | | | | | | |
| Principal Retirement | - | - | - | - | 1,228,607 | 1,228,607 |
| Interest/Fiscal Charges | - | - | - | - | 373,601 | 373,601 |
| Total Expenditures | 14,200,203 | 2,594,266 | 2,251,727 | 731,820 | 1,857,099 | 21,635,115 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 708,816 | (1,948,513) | 116,318 | 1,015,943 | (742,502) | (849,938) |
| Other Financing Sources (Uses) | | | | | | |
| Intergovernmental Loan Proceeds | - | - | - | - | 172,398 | 172,398 |
| Transfers In | 3,124 | 1,801,051 | - | - | 655,984 | 2,460,159 |
| Transfers Out | (1,496,846) | (30,000) | - | (965,189) | - | (2,492,035) |
| Total Other Financing Sources and Uses | (1,493,722) | 1,771,051 | - | (965,189) | 828,382 | 140,522 |
| Net Change in Fund Balances | (784,906) | (177,462) | 116,318 | 50,754 | 85,880 | (709,416) |
| Fund Balance at Beginning of Year | 4,030,330 | 210,758 | 180,992 | 3,003,766 | 542,631 | 7,968,477 |
| Prior period adjustment | 133,752 | - | (133,752) | - | - | - |
| Fund Balance at End of Year | \$ 3,379,176 | \$ 33,296 | \$ 163,558 | \$ 3,054,520 | \$ 628,511 | \$ 7,259,061 |

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, 2008

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

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Net changes in fund balances - total governmental funds: | \$ (709,416) |
| Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expenses. This is the amount by which capital outlays exceeded depreciation in the current period. | (2,996,130) |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets. | 134,815 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | 83,483 |
| 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. | 1,056,209 |
| 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. | (395,478) |
| 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. | (1,434) |
| Change in net assets of governmental activities | <u>\$ (2,827,951)</u> |

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

CITY OF CAMAS, WASHINGTON
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2008

| | <u>Budgeted Amounts</u> | | | <u>Variance with Final Budget</u> |
|-----------------------------------------------|-------------------------|---------------------|--------------------------|-------------------------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual Amount</u> | |
| Revenues: | | | | |
| Property Taxes | \$ 9,065,000 | \$ 9,120,000 | \$ 9,056,252 | \$ (63,748) |
| Sales and Use Taxes | 1,725,000 | 1,945,000 | 1,963,319 | 18,319 |
| Other Taxes | 667,300 | 447,300 | 431,292 | (16,008) |
| License and Permits | 521,950 | 521,950 | 414,887 | (107,063) |
| Intergovernmental | 473,818 | 473,818 | 519,488 | 45,670 |
| Charges for Services | 2,260,025 | 2,260,025 | 1,962,169 | (297,856) |
| Fines and Forfeits | 230,700 | 230,700 | 257,833 | 27,133 |
| Interest Earnings | 258,000 | 258,000 | 149,653 | (108,347) |
| Rents and Royalties | 37,132 | 37,132 | 41,235 | 4,103 |
| Contributions/Donations | 10,000 | 10,000 | 7,637 | (2,363) |
| Miscellaneous | 51,000 | 51,000 | 42,425 | (8,575) |
| Total Revenues | 15,299,925 | 15,354,925 | 14,909,019 | (445,906) |
| Expenditures: | | | | |
| Current | | | | |
| General Government | 1,998,756 | 1,998,756 | 1,857,059 | 141,697 |
| Judicial | 173,000 | 193,500 | 193,383 | 117 |
| Public Safety | 7,730,909 | 7,723,409 | 7,413,908 | 309,501 |
| Physical Environment | 1,457,308 | 1,459,308 | 1,361,436 | 97,872 |
| Economic Environment | 582,817 | 582,817 | 551,471 | 31,346 |
| Culture and Recreation | 2,605,992 | 2,610,992 | 2,524,318 | 86,674 |
| Capitalized Expenditures | 424,500 | 424,500 | 298,628 | 125,872 |
| Total Expenditures | 14,973,282 | 14,993,282 | 14,200,203 | 793,079 |
| Excess (Deficiency) of Revenues | | | | |
| Over (under) Expenditures | 326,643 | 361,643 | 708,816 | 347,173 |
| Other Financing Sources (Uses): | | | | |
| Intergovernmental Loan Proceeds | 242,500 | 242,500 | - | (242,500) |
| Transfers In | 20,000 | 20,000 | 3,124 | (16,876) |
| Transfers Out | (1,414,287) | (1,514,287) | (1,496,846) | 17,441 |
| Total Other Financing Sources and Uses | (1,151,787) | (1,251,787) | (1,493,722) | (241,935) |
| Net Change in Fund Balance | (825,144) | (890,144) | (784,906) | 105,238 |
| Fund Balances at Beginning of Year | | | | |
| Prior year adjustments | - | - | 133,752 | 133,752 |
| Fund Balances at End of Year | \$ 3,205,186 | \$ 3,140,186 | \$ 3,379,176 | \$ 238,990 |

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, 2008

| | Budgeted Amounts | | | Variance with Final Budget |
|----------------------------------------------------------------------|-------------------------|--------------------|--------------------------|-------------------------------------------|
| | Original | Final | Actual Amount | |
| Revenues: | | | | |
| Intergovernmental | \$ 658,465 | \$ 658,465 | \$ 610,847 | \$ (47,618) |
| Charges for Services | 9,000 | 9,000 | 13,366 | 4,366 |
| Interest Earnings | 7,000 | 7,000 | 3,703 | (3,297) |
| Insurance Premiums and Recoveries | - | - | 15,552 | 15,552 |
| Miscellaneous | - | - | 2,285 | 2,285 |
| Total Revenues | 674,465 | 674,465 | 645,753 | (28,712) |
| Expenditures: | | | | |
| Current | | | | |
| Transportation | 1,793,752 | 1,793,752 | 1,905,582 | (111,830) |
| Capitalized Expenditures | 1,005,000 | 1,005,000 | 688,684 | 316,316 |
| Total Expenditures | 2,798,752 | 2,798,752 | 2,594,266 | 204,486 |
| Excess (Deficiency) of Revenues Over (under) Expenditures | (2,124,287) | (2,124,287) | (1,948,513) | 175,774 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 2,154,287 | 2,154,287 | 1,801,051 | (353,236) |
| Transfers Out | (30,000) | (30,000) | (30,000) | - |
| Total Other Financing Sources and Uses | 2,124,287 | 2,124,287 | 1,771,051 | (353,236) |
| Net Change in Fund Balance | - | - | (177,462) | (177,462) |
| Fund Balances at Beginning of Year | 210,758 | 210,758 | 210,758 | - |
| Fund Balances at End of Year | \$ 210,758 | \$ 210,758 | \$ 33,296 | \$ (177,462) |

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, 2008

| | <u>Budgeted Amounts</u> | | | <u>Variance with Final Budget</u> |
|----------------------------------------|-------------------------|------------------|--------------------------|-------------------------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual Amount</u> | |
| Revenues: | | | | |
| Property Taxes | \$ 1,072,000 | \$ 1,072,000 | \$ 1,062,580 | \$ (9,420) |
| Intergovernmental | 426,500 | 426,500 | 441,902 | 15,402 |
| Charges for Services | 843,600 | 843,600 | 844,613 | 1,013 |
| Fines and Forfeits | 13,000 | 13,000 | 12,685 | (315) |
| Interest Earnings | 2,000 | 2,000 | 2,912 | 912 |
| Contributions/Donations | 1,000 | 1,000 | 2,750 | 1,750 |
| Miscellaneous | - | - | 603 | 603 |
| Total Revenues | <u>2,358,100</u> | <u>2,358,100</u> | <u>2,368,045</u> | <u>9,945</u> |
| Expenditures: | | | | |
| Current | | | | |
| Security/Persons and Property | 2,432,554 | 2,432,554 | 2,251,727 | 180,827 |
| Total Expenditures | <u>2,432,554</u> | <u>2,432,554</u> | <u>2,251,727</u> | <u>180,827</u> |
| Excess (Deficiency) of Revenues | | | | |
| Over (under) Expenditures | (74,454) | (74,454) | 116,318 | 190,772 |
| Other Financing Sources (Uses): | | | | |
| Transfers Out | (15,000) | (15,000) | - | 15,000 |
| Total Other Financing Sources and Uses | <u>(15,000)</u> | <u>(15,000)</u> | <u>-</u> | <u>15,000</u> |
| Net Change in Fund Balance | (89,454) | (89,454) | 116,318 | 205,772 |
| Fund Balances at Beginning of Year | 180,992 | 180,992 | 180,992 | - |
| Prior year adjustments | - | - | (133,752) | (133,752) |
| Fund Balances at End of Year | <u>\$ 91,538</u> | <u>\$ 91,538</u> | <u>\$ 163,558</u> | <u>\$ 72,020</u> |

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

CITY OF CAMAS, WASHINGTON
Proprietary Funds
Statement of Net Assets
December 31, 2008

| | Enterprise Funds | | | | (Governmental Activities) | |
|---------------------------------------------------------------------------------------------------------|----------------------|----------------------|-------------------|----------------------|-------------------------------------|--|
| | Water-Sewer | Storm Water Drainage | Sanitary | Total | Internal Service - Equipment Rental | |
| | | | | | | |
| Assets: | | | | | | |
| Current Assets: | | | | | | |
| Cash and Cash Equivalents | \$ 349,644 | \$ 555,084 | \$ 546,313 | \$ 1,451,041 | \$ 501,805 | |
| Investments | 875 | - | 203,000 | 203,875 | - | |
| Receivables (net) | | | | | | |
| Accounts | 198,713 | 10,663 | 37,063 | 246,439 | 4,937 | |
| Interest | 1,315 | - | 3,386 | 4,701 | - | |
| Due from Other Governmental Units | 31,669 | 8,227 | - | 39,896 | - | |
| Restricted Assets | | | | | | |
| Cash and Cash Equivalents | 1,303,002 | - | - | 1,303,002 | - | |
| Investments | 200,000 | - | - | 200,000 | - | |
| Accounts Receivable (Net) | 3,044 | - | - | 3,044 | - | |
| Total Current Assets | <u>2,088,262</u> | <u>573,974</u> | <u>789,762</u> | <u>3,451,998</u> | <u>506,742</u> | |
| Noncurrent Assets: | | | | | | |
| Deferred Charges | 83,990 | - | - | 83,990 | - | |
| Property, Plant and Equipment (Net) | | | | | | |
| Land | 860,055 | - | - | 860,055 | 104,731 | |
| Building | 14,816,458 | - | - | 14,816,458 | 813,691 | |
| Intangible Assets | 209,098 | 85,075 | - | 294,173 | - | |
| Improvements Other than Buildings | 5,743,166 | - | - | 5,743,166 | 105,146 | |
| Machinery and Equipment | 11,794,185 | - | - | 11,794,185 | 1,727,456 | |
| Infrastructure | 34,283,587 | 9,476,381 | - | 43,759,968 | - | |
| Construction in Progress | 1,673,863 | 69,301 | - | 1,743,164 | 41,679 | |
| Total Noncurrent Assets | <u>69,464,402</u> | <u>9,630,757</u> | <u>-</u> | <u>79,095,159</u> | <u>2,792,703</u> | |
| Total Assets | <u>71,552,664</u> | <u>10,204,731</u> | <u>789,762</u> | <u>82,547,157</u> | <u>3,299,445</u> | |
| Liabilities: | | | | | | |
| Current Liabilities: | | | | | | |
| Accounts Payable | 571,814 | 7,160 | 50,340 | 629,314 | 24,234 | |
| Custodial Accounts | 448 | - | - | 448 | - | |
| Accrued Interest Payable | 177,275 | - | - | 177,275 | 559 | |
| Accrued Employee Benefits | 14,429 | 408 | 4,262 | 19,099 | 4,169 | |
| Bonds, Notes and Loans Payable | 863,709 | - | - | 863,709 | 55,045 | |
| Bonds, Notes and Loans Payable from Restricted Assets - Current | 535,104 | - | - | 535,104 | - | |
| Total Current Liabilities | <u>2,162,779</u> | <u>7,568</u> | <u>54,602</u> | <u>2,224,949</u> | <u>84,007</u> | |
| Noncurrent Liabilities: | | | | | | |
| Custodial Accounts | 300 | - | - | 300 | - | |
| Bonds, Notes and Loan Payable | 17,008,285 | - | - | 17,008,285 | 116,685 | |
| Accrued Employee Benefits | 163,054 | 3,668 | 52,586 | 219,308 | 47,002 | |
| Total Noncurrent Liabilities | <u>17,171,639</u> | <u>3,668</u> | <u>52,586</u> | <u>17,227,893</u> | <u>163,687</u> | |
| Total Liabilities | <u>19,334,418</u> | <u>11,236</u> | <u>107,188</u> | <u>19,452,842</u> | <u>247,694</u> | |
| Net Assets: | | | | | | |
| Invested in Capital Assets, Net of Related Debt | 51,489,705 | 9,630,757 | - | 61,120,462 | 2,620,973 | |
| Restricted for Capital Purposes | 551,305 | - | - | 551,305 | - | |
| Restricted for Debt Service | 815,794 | - | - | 815,794 | - | |
| Unrestricted | (638,558) | 562,738 | 682,574 | 606,754 | 430,778 | |
| Total Net Assets | <u>\$ 52,218,246</u> | <u>\$ 10,193,495</u> | <u>\$ 682,574</u> | <u>\$ 63,094,315</u> | <u>\$ 3,051,751</u> | |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | | 476,829 | | |
| Net Assets of Business-type Activities | | | | <u>\$ 63,571,144</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, 2008

| | Enterprise Funds | | | | (Governmental Activities) |
|---------------------------------------------------------------------------------------------------------|----------------------|----------------------|-------------------|-----------------------|-------------------------------------|
| | Water-Sewer | Storm Water Drainage | Sanitary | Total | Internal Service - Equipment Rental |
| | | | | | |
| Operating Revenues: | | | | | |
| Charge for Services | \$ 6,300,494 | \$ 499,461 | \$ 1,802,190 | \$ 8,602,145 | \$ 1,272,801 |
| Total Operating Revenues | <u>6,300,494</u> | <u>499,461</u> | <u>1,802,190</u> | <u>8,602,145</u> | <u>1,272,801</u> |
| Operating Expenses: | | | | | |
| Collection and Disposal | - | - | 1,482,071 | 1,482,071 | - |
| Storm Drainage Operations and Maintenance | - | 657,337 | - | 657,337 | - |
| Water Operations and Maintenance | 1,733,517 | - | - | 1,733,517 | - |
| Sewer Operations and Maintenance | 2,072,550 | - | - | 2,072,550 | - |
| Customer Accounts | 69,994 | - | 163,812 | 233,806 | - |
| Administration | 999,629 | - | 54,707 | 1,054,336 | - |
| Equipment Rental Operations | - | - | - | - | 914,422 |
| Taxes | 214,527 | 4,405 | 80,727 | 299,659 | - |
| Depreciation | 1,891,606 | 396,952 | - | 2,288,558 | 471,817 |
| Total Operating Expenses | <u>6,981,823</u> | <u>1,058,694</u> | <u>1,781,317</u> | <u>9,821,834</u> | <u>1,386,239</u> |
| Operating Income (loss) | (681,329) | (559,233) | 20,873 | (1,219,689) | (113,438) |
| Nonoperating Revenues (Expenses) | | | | | |
| Interest Earnings | 146,052 | 23,059 | 28,781 | 197,892 | 8,420 |
| State and Federal Grants | - | 23,189 | - | 23,189 | - |
| Interest and Fiscal Charges | (719,818) | - | - | (719,818) | (8,507) |
| Gain (Loss) on Disposal of Assets | - | - | - | - | (30,053) |
| Miscellaneous Revenue (Expense) | 114,734 | - | 14,095 | 128,829 | 11,339 |
| Total Nonoperating Revenues (Expenses) | <u>(459,032)</u> | <u>46,248</u> | <u>42,876</u> | <u>(369,908)</u> | <u>(18,801)</u> |
| Income (Loss) before Contributions and Transfers | (1,140,361) | (512,985) | 63,749 | (1,589,597) | (132,239) |
| Capital Contributions | 487,079 | 74,737 | - | 561,816 | 27,646 |
| Transfers In | - | - | - | - | 140,000 |
| Transfers Out | (53,124) | - | (55,000) | (108,124) | - |
| Increase (Decrease) in Net Assets | <u>(706,406)</u> | <u>(438,248)</u> | <u>8,749</u> | <u>(1,135,905)</u> | <u>35,407</u> |
| Total Net Assets at Beginning of Year | 52,924,652 | 10,631,743 | 673,825 | | 3,016,344 |
| Total Net Assets at End of Year | <u>\$ 52,218,246</u> | <u>\$ 10,193,495</u> | <u>\$ 682,574</u> | | <u>\$ 3,051,751</u> |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | | 36,841 | |
| Change in Net Assets of Business-type Activities | | | | <u>\$ (1,099,064)</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, 2008

| | Enterprise Funds | | | | (Governmental Activities) |
|------------------------------------------------------------------|---------------------|----------------------------|-------------------|---------------------|----------------------------------------------|
| | Water-Sewer | Storm Water Drainage | Sanitary | Total | Internal Service - Equipment Rental |
| | | | | | |
| Cash Flows from Operating Activities: | | | | | |
| Cash received from Customers | \$ 6,258,538 | \$ 499,671 | \$ 1,812,332 | \$ 8,570,541 | \$ - |
| Cash received from Interfund Services Provided | - | - | - | - | 1,272,801 |
| Cash payments to Suppliers | (2,497,286) | (306,272) | (363,178) | (3,166,736) | (567,794) |
| Cash payments to Employees | (1,466,279) | (140,625) | (374,623) | (1,981,527) | (330,541) |
| Cash payments to Disposal Contractor | - | - | (534,862) | (534,862) | - |
| Cash payments for Interfund Services Used | (799,014) | (210,095) | (489,359) | (1,498,468) | (29,825) |
| Cash received for Connection Fees | 32,212 | - | - | 32,212 | - |
| Cash received from Other Non-Operating Revenues | 114,734 | - | 14,095 | 128,829 | 5,731 |
| Net Cash Provided by Operating Activities | <u>1,642,905</u> | <u>(157,321)</u> | <u>64,405</u> | <u>1,549,989</u> | <u>350,372</u> |
| Cash Flows from Noncapital Financing Activities: | | | | | |
| Proceeds from State Grants | - | 16,106 | - | 16,106 | - |
| Transfers - Out | (53,124) | - | (55,000) | (108,124) | - |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>(53,124)</u> | <u>16,106</u> | <u>(55,000)</u> | <u>(92,018)</u> | <u>-</u> |
| Cash Flows from Capital and Related Financing Activities: | | | | | |
| Proceeds from Federal Grants | - | 56,907 | - | 56,907 | - |
| Proceeds from State Grants | 125,000 | - | - | 125,000 | - |
| Proceeds from Other Long Term Debt | 120,000 | - | - | 120,000 | 225,000 |
| Acquisition and Construction of Capital Assets | (5,627,467) | (154,808) | - | (5,782,275) | (531,059) |
| Principal Paid on Revenue Bonds | (450,000) | - | - | (450,000) | - |
| Principal Paid on Other Long Term Obligations | (655,344) | - | - | (655,344) | (53,269) |
| Interest Paid on Revenue Bonds and Other Long Term Debt | (728,667) | - | - | (728,667) | (7,948) |
| Capital Contributed from Customers and Developers | 362,079 | 17,830 | - | 379,909 | - |
| Proceeds from Sale of Property | - | - | - | - | 39,184 |
| Proceeds from Insurance Recoveries | - | - | - | - | 5,608 |
| Transfers - In | - | - | - | - | 140,000 |
| Net Cash Provided for Capital and Related Financing Activities | <u>(6,854,399)</u> | <u>(80,071)</u> | <u>-</u> | <u>(6,934,470)</u> | <u>(182,484)</u> |
| Cash Flows from Investing Activities: | | | | | |
| Interest on Investments | 143,861 | 23,059 | 20,795 | 187,715 | 8,420 |
| Purchase of Investment Securities | (200,000) | - | (198,400) | (398,400) | - |
| Net Cash Used by Investing Activities | <u>(56,139)</u> | <u>23,059</u> | <u>(177,605)</u> | <u>(210,685)</u> | <u>8,420</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | <u>(5,320,757)</u> | <u>(198,227)</u> | <u>(168,200)</u> | <u>(5,687,184)</u> | <u>176,308</u> |
| Cash and Cash Equivalents at Beginning of Year | 6,973,403 | 753,311 | 714,513 | 8,441,227 | 325,497 |
| Cash and Cash Equivalents at End of Year | <u>\$ 1,652,646</u> | <u>\$ 555,084</u> | <u>\$ 546,313</u> | <u>\$ 2,754,043</u> | <u>\$ 501,805</u> |
| Cash and cash equivalents | \$ 349,644 | \$ 555,084 | \$ 546,313 | \$ 1,451,041 | \$ 501,805 |
| Restricted cash and cash equivalents | 1,303,002 | - | - | 1,303,002 | - |
| Total Cash and Cash Equivalents | <u>\$ 1,652,646</u> | <u>\$ 555,084</u> | <u>\$ 546,313</u> | <u>\$ 2,754,043</u> | <u>\$ 501,805</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, 2008

| | 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) | \$ (681,329) | \$ (559,233) | \$ 20,873 | \$ (1,219,689) | \$ (113,438) | |
| Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operations: | | | | | | |
| Depreciation Expense | 1,891,606 | 396,952 | - | 2,288,558 | 471,817 | |
| (Increase) Decrease in Receivables | 31,851 | 210 | 10,142 | 42,203 | - | |
| Increase (Decrease) in Current Payables | 284,375 | 674 | 7,440 | 292,489 | (22,726) | |
| Increase (Decrease) in Accrued Employee Benefits | 43,263 | 4,076 | 11,855 | 59,194 | 8,988 | |
| (Increase) Decrease in receivables from other Govts | (31,669) | - | - | (31,669) | - | |
| Increase (Decrease) in Custodial Accounts | (9,926) | - | - | (9,926) | - | |
| Receipt of Non-Operating Revenues | 114,734 | - | 14,095 | 128,829 | 5,731 | |
| Total Adjustments | 2,324,234 | 401,912 | 43,532 | 2,769,678 | 463,810 | |
| Net Cash Provided by Operating Activities | \$ 1,642,905 | \$ (157,321) | \$ 64,405 | \$ 1,549,989 | \$ 350,372 | |
| Noncash Investing, Financing and Capital Activities | | | | | | |
| Capital Assets Donated | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 27,646 |
| Net Change in Fair Value of Investments | 875 | - | 4,600 | 5,475 | - | - |
| Disposal of Capital Assets | - | - | - | - | - | (68,154) |

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, 2008

| | <u>2008</u> |
|------------------------------------|---------------------|
| Assets: | |
| Cash and Cash Equivalents | \$ 1,676,562 |
| Investments (at Fair Value): | |
| U.S. Government securities | 453,719 |
| Municipal securities | 201,384 |
| Receivables | |
| Interest | <u>4,391</u> |
| Total Assets | <u>2,336,056</u> |
| Liabilities: | |
| Total Liabilities | <u>-</u> |
| Net Assets | |
| Held in Trust for Pension Benefits | <u>\$ 2,336,056</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, 2008

| | <u>2008</u> |
|-----------------------------------------------|---------------------|
| Additions: | |
| Employer Contributions: | |
| For Pension Benefits | \$ 30,875 |
| Total Contributions | <u>30,875</u> |
| Investment Income: | |
| Interest Earnings | 103,233 |
| Net increase in the fair value of investments | (1,385) |
| Net Investment Income | <u>101,848</u> |
| Total Additions | <u>132,723</u> |
| Deductions: | |
| Pension Benefits | 17,332 |
| Total Deductions | <u>17,332</u> |
| Net Increase in Fiduciary Net Assets | 115,391 |
| Net Assets - Beginning | 2,220,665 |
| Net Assets - Ending | <u>\$ 2,336,056</u> |

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

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

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, 2008

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, 2008

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 resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

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

2. Receivables and payables

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

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

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

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

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 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

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

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:

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

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

5. Compensated absences

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

6. Long-term obligations

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

In the fund financial statements, governmental fund types recognize bond premium and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

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 \$4,978,753 of restricted net assets, of which \$3,173,423 is restricted by enabling legislation. Net assets restricted for capital also includes unexpended proceeds of capital related debt in the business-type activities totaling \$432,401.

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:

| Designated for: | General Fund | City Street Fund |
|---------------------------|-------------------------|-----------------------------|
| Tax interim stabilization | \$ 700,000 | \$ - |
| Advance travel/petty cash | 2,675 | - |
| Police drug buy fund | 93,692 | - |
| Capital improvements | 161,683 | - |
| Trails and paths | - | 3,678 |
| | <hr/> \$ 958,050 | <hr/> \$ 3,678 |

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

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

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 \$2,574,922 difference are as follows:

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Net assets of the internal service funds | \$ 3,051,751 |
| Less: Internal payable representing charges in excess of cost to business-type activities - prior years | (439,988) |
| Add: Internal receivable representing cost to business -type activities in excess of charges - current year | <u>(36,841)</u> |
| Net adjustment to increase <i>fund balance</i> - total <i>governmental funds</i> to arrive at <i>net assets - governmental activities</i> | <u>\$ 2,574,922</u> |

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

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Bonds Payable | \$ 11,219,292 |
| Less: Deferred charge on refunding | (171,854) |
| Plus: Deferred amount for issuance costs | (30,447) |
| Accrued Interest Payable | 49,773 |
| Net Pension Obligation | 507,315 |
| Compensated Absences | <u>1,185,967</u> |
| Net adjustment to reduce <i>fund balance</i> - total <i>governmental funds</i> to arrive at <i>net assets - governmental activities</i> | <u>\$ 12,760,046</u> |

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

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

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Capital Outlay | \$ 1,669,731 |
| Depreciation expense | <u>(4,665,861)</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>\$ (2,996,130)</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 \$134,815 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 | \$ 152,263 |
| Net book value of assets retired | <u>(17,448)</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>\$ 134,815</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 \$1,056,209 difference are as follows:

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Principal repayments: | |
| General obligation debt | \$ 1,228,607 |
| Issuance of governmental loan | <u>(172,398)</u> |
| Net adjustment to decrease <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i> | <u>\$ 1,056,209</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 \$(395,478) difference are as follows:

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Compensated Absences | \$ (63,839) |
| Accrued Interest | 6,613 |
| Net OPEB Obligation | (246,035) |
| Amortization of issuance costs/deferred amount on refunding | <u>(92,217)</u> |
| Net adjustment to decrease <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i> | <u>\$ (395,478)</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 \$(1,434) difference are as follows:

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Change in net assets of internal service funds | \$ 35,407 |
| Less: Profit from charges to business-type activities | <u>(36,841)</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>\$ (1,434)</u> |

NOTE III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

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

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

Budget amounts shown in the basic financial statements include the original budget amounts and all appropriation transfers and adjustments approved by the mayor or city council, as required. The mayor is authorized to transfer budgeted amounts between departments within the General Fund; however any revisions that alter the total expenditures of a fund or that affect the number of authorized employee positions, salary ranges or other conditions of employment must be approved by the city council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level for all funds except the General Fund. The legal level of budgetary control for the General Fund is at the department level.

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

When the council wants to amend the budget for a particular fund, it may do so by ordinance, approved by a simple majority. During 2008, four supplemental appropriations were approved. Two appropriations increased the General Fund as follows: \$100,000 to fund operating transfers to the Cemetery fund to pay operating costs and \$20,000 for operating costs in the Police Department for a nuisance abatement process. Two appropriations increased the Water-Sewer Fund as follows: \$160,000 for design and extension of water and sewer lines for a public works trust fund loan project and \$850,000 for increased construction costs including the Washougal River bridge and water main project.

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, 2008, the Cemetery Fund exceeded appropriations by \$11,518. This was covered by transfers in from the General Fund. The SE 1st Street/Lake Road Construction Fund exceeded appropriations by \$1,021. This was covered by a transfer in from the General Fund.

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> | Fair Value | Weighted Average Maturity (Years) |
|-------------------------------------|--------------------|------------------------------------------|
| U.S. Government Agencies | \$1,459,540 | .18 |
| Clark County Investment Pool | 801,511 | .73 |
| State Treasurer's Investment Pool | <u>6,091,507</u> | .94 |
| Total fair value | <u>\$8,352,558</u> | |
| Portfolio weighted average maturity | | 1.85 |

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

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 22.17 months at December 31, 2008.

Credit rate risk. The city has no investment policy that would further limit its investment choices. As of December 31, 2008, 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.

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, 2008. Pool shares are valued at one dollar per unit/share, which is the fair value of the shares. The net asset value (NAV) is determined by dividing the value of net assets of the pool (assets less liabilities) by the total number of shares outstanding.

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

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

B. RECEIVABLES

Receivables as of December 31, 2008 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:

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

| | Taxes | Accounts Receivable | Special Assessments | Due from Other Gov'ts | Interest | Total |
|-------------------------------|-------------------|---------------------|---------------------|-----------------------|------------------|---------------------|
| General Fund | \$ 720,555 | \$ 25,105 | \$ - | \$ 3,824 | \$ 4,358 | \$ 753,842 |
| City Street | - | 6,450 | - | 43,772 | - | 50,222 |
| Emergency Management Services | 71,066 | 161,029 | - | - | - | 232,095 |
| Growth Management | 48,636 | - | - | 36,528 | 3,912 | 89,076 |
| Other Governmental Funds | 41,405 | - | 2,906 | - | - | 44,311 |
| Water-Sewer | - | 201,757 | - | 31,669 | 1,315 | 234,741 |
| Storm Water Drainage | - | 10,663 | - | 8,227 | - | 18,890 |
| Sanitary | - | 37,063 | - | - | 3,386 | 40,449 |
| Internal Service | - | 4,937 | - | - | - | 4,937 |
| Fiduciary | - | - | - | - | 4,391 | 4,391 |
| Net Receivables | <u>\$ 881,662</u> | <u>\$ 447,004</u> | <u>\$ 2,906</u> | <u>\$ 124,020</u> | <u>\$ 17,362</u> | <u>\$ 1,472,954</u> |

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

Statement of Net Assets:

| | |
|--------------------------------|---------------------|
| Receivables | \$ 1,465,519 |
| Restricted accounts receivable | 3,044 |
| Net Receivables | <u>\$ 1,468,563</u> |

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

| | Unavailable |
|--------------------------------------------------------|-------------------|
| Property taxes receivable (general fund) | \$ 358,774 |
| Property taxes receivable (special revenue fund) | 62,145 |
| Property taxes receivable (debt service fund) | 32,724 |
| Accounts receivable (special revenue fund) | 74,545 |
| Special assessments not yet due (debt service fund) | 2,906 |
| Total deferred/unearned revenue for governmental funds | <u>\$ 531,094</u> |

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

C. CAPITAL ASSETS

A summary of capital asset activity for the year ended December 31, 2008 was as follows:

| | Balance 12/31/07 | Rior Period Adjustment | Beginning Balance 01/01/08 | Increases | Decreases | Ending Balance 12/31/08 |
|-------------------------------------------------|-----------------------|---------------------------|----------------------------------|-----------------------|-------------------|-------------------------------|
| Governmental activities | | | | | | |
| Capital assets, not being depreciated | | | | | | |
| Land | \$ 54,389,447 | \$ - | \$ 54,389,447 | \$ 295,094 | \$ - | \$ 54,684,541 |
| Construction in progress | 1,047,379 | - | 1,047,379 | 497,234 | 259,566 | 1,285,047 |
| Total capital assets, not being depreciated | <u>55,436,826</u> | <u>-</u> | <u>55,436,826</u> | <u>792,328</u> | <u>259,566</u> | <u>55,989,588</u> |
| Capital assets, being depreciated/depleted | | | | | | |
| Buildings | 14,927,722 | - | 14,927,722 | - | - | 14,927,722 |
| Improvements other than buildings | 7,865,324 | (490,420) | 7,374,904 | 13,687 | - | 7,388,591 |
| Machinery and equipment | 9,078,021 | - | 9,078,021 | 827,715 | 725,864 | 9,179,872 |
| Intangibles | 183,135 | - | 183,135 | 3,002 | - | 186,137 |
| Infrastructure | 78,016,149 | - | 78,016,149 | 1,003,533 | - | 79,019,682 |
| Total capital assets being depreciated | <u>110,070,351</u> | <u>(490,420)</u> | <u>109,579,931</u> | <u>1,847,937</u> | <u>725,864</u> | <u>110,702,004</u> |
| Less accumulated depreciation for: | | | | | | |
| Buildings | 3,086,533 | - | 3,086,533 | 317,202 | - | 3,403,735 |
| Improvements other than buildings | 2,613,164 | (246,936) | 2,366,228 | 418,139 | - | 2,784,367 |
| Machinery and equipment | 5,119,551 | - | 5,119,551 | 782,605 | 639,179 | 5,262,977 |
| Intangibles | 19,506 | - | 19,506 | 19,712 | - | 39,218 |
| Infrastructure | 33,501,348 | - | 33,501,348 | 3,600,020 | - | 37,101,368 |
| Total accumulated depreciation | <u>44,340,102</u> | <u>(246,936)</u> | <u>44,093,166</u> | <u>5,137,678</u> | <u>639,179</u> | <u>48,591,665</u> |
| Total capital assets, being depreciated, net | <u>65,730,249</u> | <u>(243,484)</u> | <u>65,486,765</u> | <u>(3,289,741)</u> | <u>86,685</u> | <u>62,110,339</u> |
| Governmental activities | | | | | | |
| capital assets, net | <u>\$ 121,167,075</u> | <u>\$ (243,484)</u> | <u>\$ 120,923,591</u> | <u>\$ (2,497,413)</u> | <u>\$ 346,251</u> | <u>\$ 118,079,927</u> |

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

| | Beginning Balance 01/01/08 | Increases | Decreases | Ending Balance 12/31/08 |
|-------------------------------------------------|----------------------------------|---------------------|---------------------|-------------------------------|
| <i>Business-type activities:</i> | | | | |
| Capital assets, | | | | |
| not being depreciated: | | | | |
| Land | \$ 745,130 | \$ 114,925 | - | \$ 860,055 |
| Construction in progress | 2,402,087 | 5,598,157 | 6,257,080 | 1,743,164 |
| Total capital assets, | <u>3,147,217</u> | <u>5,713,082</u> | <u>6,257,080</u> | <u>2,603,219</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and system | 16,875,736 | 702,870 | - | 17,578,606 |
| Intangibles | 397,702 | - | - | 397,702 |
| Improvements other than buildings | 4,933,494 | 2,541,848 | - | 7,475,342 |
| Machinery and equipment | 15,951,935 | 957,113 | - | 16,909,048 |
| Infrastructure | 53,220,358 | 2,124,441 | - | 55,344,799 |
| Total capital assets, being depreciated | <u>91,379,225</u> | <u>6,326,272</u> | <u>-</u> | <u>97,705,497</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and system | 2,402,062 | 360,086 | - | 2,762,148 |
| Intangibles | 70,498 | 33,031 | - | 103,529 |
| Improvements other than buildings | 1,609,539 | 122,637 | - | 1,732,176 |
| Machinery and equipment | 4,643,786 | 471,077 | - | 5,114,863 |
| Infrastructure | 10,283,104 | 1,301,727 | - | 11,584,831 |
| Total accumulated depreciation | <u>19,008,989</u> | <u>2,288,558</u> | <u>-</u> | <u>21,297,547</u> |
| Total capital assets, being depreciated, net | <u>72,370,236</u> | <u>4,037,714</u> | <u>-</u> | <u>76,407,950</u> |
| Business-type activities | | | | |
| capital assets, net | \$ 75,517,453 | \$ 9,750,796 | \$ 6,257,080 | \$ 79,011,169 |

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

Governmental activities:

| | |
|----------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| General government | \$ 42,783 |
| Public safety | 253,438 |
| Transportation, including depreciation of general infrastructure assets | 3,713,554 |
| Physical environment | 4,451 |
| Culture and recreation | 651,635 |
| Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets | <u>471,817</u> |
| Total depreciation expense—governmental activities | <u>\$ 5,137,678</u> |

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

Business-type activities:

| | |
|-----------------------------------------------------|---------------------|
| Water-Sewer | \$ 1,891,606 |
| Storm Water Drainage | <u>396,952</u> |
| Total depreciation expense—business-type activities | <u>\$ 2,288,558</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. As of December 31, 2008, \$66,902 was due to the General Fund from the Emergency Rescue Fund.

The Emergency Rescue Fund borrowed \$200,000 from the Firemen's Pension Fund for cash needs pending the receipt of property taxes. This balance was paid in full as of December 31, 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 In: | Transfers Out: | | | | | |
|-----------------------------------|-----------------------|--------------------|--------------------------|--------------------|----------------------|---------------------|
| | General Fund | City Street | Growth Management | Water-Sewer | Sanitary Fund | Total |
| General Fund | \$ - | \$ - | \$ - | \$ 3,124 | \$ - | \$ 3,124 |
| City Street | 1,390,825 | - | 410,226 | - | - | 1,801,051 |
| Nonmajor Governmental Funds | 101,021 | - | 554,963 | - | - | 655,984 |
| Internal Service Fund | 5,000 | 30,000 | - | 50,000 | 55,000 | 140,000 |
| Total | \$ 1,496,846 | \$ 30,000 | \$ 965,189 | \$ 53,124 | \$ 55,000 | \$ 2,600,159 |

During 2008 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. The Street Fund transferred \$30,000 and the General Fund transferred \$5,000 each to the Equipment Rental Internal Service Fund to help fund the purchase of an aerial ladder truck. The Water-Sewer Fund transferred \$50,000 to the Equipment Rental Internal Service Fund to help fund the purchase of a service vehicle. The General Fund transferred \$100,000 to the Cemetery Fund for operating expenses.

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

E. RESTRICTED ASSETS

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

| | <u>Amount</u> |
|-------------------------------------------------------------|---------------------|
| Revenue bond debt service account - Water-Sewer | \$ 815,794 |
| Internal Trust - Water-Sewer | 120,184 |
| Public Works Trust Fund WWTP construction - Water-Sewer | 359,528 |
| Public Works Trust Fund NW 38th Ave Utilities - Water-Sewer | 91,637 |
| Capital reserve account - Water-Sewer | 118,903 |
| Total | <u>\$ 1,506,046</u> |

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% | \$ 60,000 |
| 1996 Limited GO (\$3,110,000) | Capital & Refunding | 11/1/1996 | 12/1/2011 | 3.8% to 5.45% | 815,000 |
| 2000 Unlimited GO (\$7,960,000) | Capital | 12/1/2000 | 12/1/2010 | 5.00% | 725,000 |
| 2005 Unlimited GO (\$5,432,000) | Refunding | 10/11/2005 | 12/1/2020 | 3.70% | 5,220,000 |
| Total General Obligation Bonds | | | | | <u>\$ 6,820,000</u> |

\$18,884 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:

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

Governmental Activities

| | Governmental Activities | | | Total |
|-----------|-------------------------|--------------|--------------|-------|
| | Principal | Interest | Requirements | |
| 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 | 466,000 | 157,361 | 623,361 | |
| 2014-2018 | 2,605,000 | 514,707 | 3,119,707 | |
| 2019-2020 | 1,182,000 | 66,045 | 1,248,045 | |
| | \$ 6,820,000 | \$ 1,632,705 | \$ 8,452,705 | |

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 | Total | | |
|------|-----------------|-----------|----------|--------------|
| | | Principal | Interest | Requirements |
| 2009 | 5.30 | \$ 60,000 | \$ 1,590 | \$ 61,590 |
| | | \$ 60,000 | \$ 1,590 | \$ 61,590 |

1996 Limited Tax GO Bonds

| | Coupon Rates | Total | | |
|------|-----------------|------------|-----------|--------------|
| | | Principal | Interest | Requirements |
| 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 |
| | | \$ 815,000 | \$ 89,409 | \$ 904,409 |

2000 Unlimited Tax GO Bonds

| | Coupon Rates | Total | | |
|------|-----------------|------------|-----------|--------------|
| | | Principal | Interest | Requirements |
| 2009 | 5.00 | \$ 355,000 | \$ 36,250 | \$ 391,250 |
| 2010 | 5.00 | 370,000 | 18,500 | 388,500 |
| | | \$ 725,000 | \$ 54,750 | \$ 779,750 |

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

2005 Unlimited Tax GO Refunding Bonds

| | Coupon Rates | Principal | Interest | Total Requirements |
|-----------|-----------------|---------------------|---------------------|-----------------------|
| 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 | 3.70 | 466,000 | 157,361 | 623,361 |
| 2014-2018 | 3.70 | 2,605,000 | 514,707 | 3,119,707 |
| 2019-2020 | 3.70 | 1,182,000 | 66,045 | 1,248,045 |
| | | <u>\$ 5,220,000</u> | <u>\$ 1,486,956</u> | <u>\$ 6,706,956</u> |

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% | \$ 771,429 |
| 1997 PWTF (\$810,000) | Capital | 7/1/1997 | 7/1/2017 | 3% | 520,714 |
| 2001 PWTF (\$613,731) | Capital | 3/26/2001 | 7/1/2022 | 0.50% | 432,271 |
| 2002 PWTF (\$1,018,000) | Capital | 3/22/2004 | 7/1/2012 | 0.50% | 515,060 |
| 2003 PWTF (\$2,350,000) | Capital | 5/21/2004 | 7/1/2023 | 0.50% | 2,159,817 |
| 2007 State LOCAL (\$225,000) | Capital | 12/14/2007 | 12/1/2011 | 3.90% | 171,731 |
| Governmental Total | | | | | <u>4,571,022</u> |
| <u>Business-type Activities</u> | | | | | |
| 1999 PWTF (\$3,195,000) | Water-Sewer | 5/5/1999 | 7/1/2019 | 1% | 1,860,013 |
| Comm. Econ. Revital. Board (\$600,000) | Water-Sewer | 1/1/2001 | 1/1/2016 | 5.85% | 367,071 |
| 1996 Department of Ecology (EPA) (\$1,185,920) | Water-Sewer | 1996 | 4/17/2017 | 4.30% | 626,067 |
| 1998 Department of Ecology (EPA) (\$8,826,516) | Water-Sewer | 1998 | 9/15/2020 | 4.10% | 6,171,196 |
| 2007 PWTF (\$1,000,000) | Water-Sewer | 8/6/2007 | 7/1/2012 | 0.50% | 750,000 |
| 2008 PWTF (\$160,000) | Water-Sewer | 3/4/2008 | 7/1/2013 | 0.50% | <u>120,000</u> |
| Business-type Total | | | | | <u>9,894,347</u> |
| Total Government Loans | | | | | <u>\$ 14,465,369</u> |

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

Government loan debt service requirements to maturity are as follows:

| Governmental Activities | | | | Total |
|-------------------------|------------------|----------------|---------------------|-------|
| | Principal | Interest | Requirements | |
| 2009 | \$ 515,335 | \$ 60,471 | \$ 575,806 | |
| 2010 | 517,506 | 52,143 | 569,649 | |
| 2011 | 519,762 | 43,730 | 563,492 | |
| 2012 | 460,291 | 35,824 | 496,115 | |
| 2013 | 331,526 | 29,665 | 361,191 | |
| 2014-2018 | 1,406,911 | 68,501 | 1,475,412 | |
| 2019-2023 | 819,691 | 11,798 | 831,489 | |
| | <u>4,571,022</u> | <u>302,132</u> | <u>\$ 4,873,154</u> | |

| Business-type Activities | | | | Total |
|--------------------------|---------------------|---------------------|----------------------|-------|
| | Principal | Interest | Requirements | |
| 2009 | \$ 863,709 | \$ 319,600 | \$ 1,183,309 | |
| 2010 | 915,478 | 295,168 | 1,210,646 | |
| 2011 | 938,192 | 269,676 | 1,207,868 | |
| 2012 | 961,892 | 243,198 | 1,205,090 | |
| 2013 | 799,121 | 215,690 | 1,014,811 | |
| 2014-2018 | 3,998,952 | 648,401 | 4,647,353 | |
| 2019-2020 | 1,417,003 | 66,295 | 1,483,298 | |
| | <u>\$ 9,894,347</u> | <u>\$ 2,058,028</u> | <u>\$ 11,952,375</u> | |

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

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

1996 Public Works Trust Fund Loan

| | Principal | Interest | Requirements | Total |
|-----------|------------------------|------------------------|------------------------|-------|
| 2009 | \$ 96,428 | \$ 23,143 | \$ 119,571 | |
| 2010 | 96,429 | 20,250 | 116,679 | |
| 2011 | 96,429 | 17,357 | 113,786 | |
| 2012 | 96,429 | 14,464 | 110,893 | |
| 2013 | 96,429 | 11,571 | 108,000 | |
| 2014-2016 | 289,285 | 17,358 | 306,643 | |
| | <hr/> <hr/> \$ 771,429 | <hr/> <hr/> \$ 104,143 | <hr/> <hr/> \$ 875,572 | |

1997 Public Works Trust Fund Loan

| | Principal | Interest | Requirements | Total |
|-----------|------------------------|-----------------------|------------------------|-------|
| 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 | 57,857 | 8,679 | 66,536 | |
| 2014-2017 | 231,429 | 17,357 | 248,786 | |
| | <hr/> <hr/> \$ 520,714 | <hr/> <hr/> \$ 78,107 | <hr/> <hr/> \$ 598,821 | |

2001 Public Works Trust Fund Loan

| | Principal | Interest | Requirements | Total |
|-----------|------------------------|-----------------------|------------------------|-------|
| 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 | 33,252 | 1,496 | 34,748 | |
| 2014-2018 | 166,257 | 4,988 | 171,245 | |
| 2019-2021 | 99,754 | 998 | 100,752 | |
| | <hr/> <hr/> \$ 432,271 | <hr/> <hr/> \$ 15,130 | <hr/> <hr/> \$ 447,401 | |

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

2002 Public Works Trust Fund Loan

| | Principal | Interest | Total |
|---------|-------------------|-----------------|-------------------|
| | Requirements | | |
| 2009 \$ | 128,765 | \$ 2,575 | \$ 131,340 |
| 2010 | 128,765 | 1,931 | 130,696 |
| 2011 | 128,765 | 1,288 | 130,053 |
| 2012 | 128,765 | 644 | 129,409 |
| | \$ 515,060 | \$ 6,438 | \$ 521,498 |

2003 Public Works Trust Fund Loan

| | Principal | Interest | Total |
|-----------|---------------------|------------------|---------------------|
| | Requirements | | |
| 2009 \$ | 143,988 | \$ 10,799 | \$ 154,787 |
| 2010 | 143,988 | 10,079 | 154,067 |
| 2011 | 143,988 | 9,359 | 153,347 |
| 2012 | 143,988 | 8,639 | 152,627 |
| 2013 | 143,988 | 7,919 | 151,907 |
| 2014-2018 | 719,940 | 28,798 | 748,738 |
| 2019-2023 | 719,937 | 10,800 | 730,737 |
| | \$ 2,159,817 | \$ 86,393 | \$ 2,246,210 |

2007 Local Option Capital Asset Lending (LOCAL) Loan

| | Principal | Interest | Total |
|---------|-------------------|------------------|-------------------|
| | Requirements | | |
| 2009 \$ | 55,045 | \$ 6,172 | \$ 61,217 |
| 2010 | 57,215 | 4,002 | 61,217 |
| 2011 | 59,471 | 1,747 | 61,218 |
| | \$ 171,731 | \$ 11,921 | \$ 183,652 |

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

1999 Public Works Trust Fund Loan

| | Principal | Interest | Requirements | Total |
|-----------|---------------------|-------------------|---------------------|-------|
| 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 | 169,092 | 11,836 | 180,928 | |
| 2014-2018 | 845,461 | 33,820 | 879,281 | |
| 2019 | 169,092 | 1,691 | 170,783 | |
| | \$ 1,860,013 | \$ 111,601 | \$ 1,971,614 | |

2001 Community Economic Revitalization Board

| | Principal | Interest | Requirements | Total |
|-----------|-------------------|-------------------|-------------------|-------|
| 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 | 46,809 | 11,952 | 58,761 | |
| 2014-2016 | 157,505 | 18,778 | 176,283 | |
| | \$ 367,071 | \$ 103,018 | \$ 470,089 | |

1996 Department of Ecology (EPA) Loan

| | Principal | Interest | Requirements | Total |
|-----------|-------------------|-------------------|-------------------|-------|
| 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 | 74,044 | 14,670 | 88,714 | |
| 2014-2017 | 285,430 | 25,070 | 310,500 | |
| | \$ 626,067 | \$ 128,003 | \$ 754,070 | |

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

1998 Department of Ecology (EPA) Loan

| | Principal | Interest | Requirements | Total |
|-----------|---------------------|---------------------|---------------------|-------|
| 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 | 479,176 | 177,082 | 656,258 | |
| 2014-2018 | 2,710,556 | 570,733 | 3,281,289 | |
| 2019-2020 | 1,247,911 | 64,604 | 1,312,515 | |
| | <u>\$ 6,171,196</u> | <u>\$ 1,703,897</u> | <u>\$ 7,875,093</u> | |

2007 Public Work Trust Fund Loan

| | Principal | Interest | Requirements | Total |
|------|-------------------|-----------------|-------------------|-------|
| 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 | |
| | <u>\$ 750,000</u> | <u>\$ 9,376</u> | <u>\$ 759,376</u> | |

2008 Public Work Trust Fund Loan

| | Principal | Interest | Requirements | Total |
|------|-------------------|-----------------|-------------------|-------|
| 2009 | \$ - | \$ 633 | \$ 633 | |
| 2010 | 30,000 | 600 | 30,600 | |
| 2011 | 30,000 | 450 | 30,450 | |
| 2012 | 30,000 | 300 | 30,300 | |
| 2013 | 30,000 | 150 | 30,150 | |
| | <u>\$ 120,000</u> | <u>\$ 2,133</u> | <u>\$ 122,133</u> | |

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

REVENUE BONDS

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

| Name & Amount of Issuance | Issuance Date | Maturity Date | Interest Rate | Debt Outstanding |
|---------------------------------------------|------------------|------------------|------------------|---------------------|
| 1998 Water Sewer Refunding (\$4,370,000) | 10/28/1998 | 4/1/2016 | 3.5% to 4.45% | \$ 3,120,000 |
| 2007 Water Sewer (\$5,520,000) | 9/6/2007 | 12/1/2026 | 4.25% to 5.00% | <u>5,290,000</u> |
| <i>Total Revenue Bonds</i> | | | | <u>\$ 8,410,000</u> |

Revenue bond debt service requirements to maturity are as follows:

| | Revenue Bonds | | | Total Requirements |
|-----------|---------------------|---------------------|--|-----------------------|
| | Principal | Interest | | |
| 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 | 625,000 | 270,493 | | 895,493 |
| 2014-2018 | 2,630,000 | 929,271 | | 3,559,271 |
| 2019-2023 | 1,690,000 | 490,835 | | 2,180,835 |
| 2024-2026 | 1,205,000 | 107,580 | | 1,312,580 |
| | <u>\$ 8,410,000</u> | <u>\$ 3,130,773</u> | | <u>\$ 11,540,773</u> |

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

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

1998 Water-Sewer Refunding Bond

| | Coupon | | | Total |
|-----------|-----------|---------------------|-------------------|---------------------|
| | Rates | Principal | Interest | Requirements |
| 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 | 4.20 | 395,000 | 65,283 | 460,283 |
| 2014-2016 | 4.35-4.45 | 1,295,000 | 87,471 | 1,382,471 |
| | | <u>\$ 3,120,000</u> | <u>\$ 568,020</u> | <u>\$ 3,688,020</u> |

2007 Water-Sewer Bond

| | Coupon | | | Total |
|-----------|-----------|---------------------|---------------------|---------------------|
| | Rates | Principal | Interest | Requirements |
| 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 | 5.00 | 230,000 | 205,210 | 435,210 |
| 2013-2018 | 5.00 | 1,335,000 | 841,800 | 2,176,800 |
| 2019-2023 | 4.30-4.50 | 1,690,000 | 490,835 | 2,180,835 |
| 2024-2026 | 4.40 | 1,205,000 | 107,580 | 1,312,580 |
| | | <u>\$ 5,290,000</u> | <u>\$ 2,562,753</u> | <u>\$ 7,852,753</u> |

The city is required by revenue bond indenture ordinances to maintain debt service coverage of at least 1.25. Total operating revenues less operating expenses, not including depreciation and amortization, must be at least 1.25 times the maximum principal and interest due in any one year until date of retirement of the bonds. Debt service coverage from operating revenues for the year ended December 31, 2008 was 1.87.

The city's bond indenture ordinance permits other income including interest earnings to be considered in computing debt service coverage. Including this other income, debt service coverage increases to 2.28.

COMPENSATED ABSENCES

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

As of December 31, 2008, the recorded liability on the government-wide statements for vacation and sick leave is \$1,418,649, with \$1,227,655 recorded in governmental

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

activities and \$190,994 in business-type activities. City employees receive vacation and sick leave time at monthly rates established by city ordinance or union agreement. Vacation is accrued monthly by employees at annual rates ranging from 8 to 30 days depending upon tenure and union agreements with a maximum accrual limit of 50 days. Sick leave accruals vary, depending upon union agreement, between 8 and 16 hours per month. Vacation pay is paid upon termination or retirement, and a portion of sick pay is paid out upon retirement.

ARBITRAGE

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

CHANGES IN LONG-TERM LIABILITIES

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

| | Beginning | | | Ending | | Due Within One Year |
|---------------------------------------------------|---------------|--------------|--------------|---------------|--------------|------------------------|
| | Balance | Additions | Reductions | Balance | | |
| Governmental activities | | | | | | |
| General obligation bonds | \$ 7,554,000 | \$ - | \$ 734,000 | \$ 6,820,000 | \$ 716,000 | |
| Less deferred amounts | | | | | | |
| On refunding | (261,516) | - | (89,662) | (171,854) | (89,662) | |
| Total bonds payable | 7,292,484 | - | 644,338 | 6,648,146 | 626,338 | |
| Government loans | 4,721,501 | 397,398 | 547,877 | 4,571,022 | 515,335 | |
| Net OPEB obligation | 264,377 | 252,420 | - | 516,797 | - | |
| Compensated absences | 1,161,213 | 972,223 | 905,781 | 1,227,655 | 122,765 | |
| Governmental activity | | | | | | |
| long-term liabilities | \$ 13,439,575 | \$ 1,622,041 | \$ 2,097,996 | \$ 12,963,620 | \$ 1,264,438 | |
| Business-type activities | | | | | | |
| Revenue bonds | \$ 8,860,000 | \$ - | \$ 450,000 | \$ 8,410,000 | \$ 530,000 | |
| Less deferred amounts | | | | | | |
| For issuance premiums (discounts) on refunding | 107,855 | - | 5,104 | 102,751 | 5,104 | |
| Total bonds payable | 8,967,855 | - | 455,104 | 8,512,751 | 535,104 | |
| Government loans | 10,429,691 | 120,000 | 655,344 | 9,894,347 | 863,709 | |
| Net OPEB Obligation | 10,325 | 37,088 | - | 47,413 | - | |
| Compensated absences | 168,888 | 142,893 | 120,787 | 190,994 | 19,099 | |
| Business-type activity | | | | | | |
| long-term liabilities | \$ 19,576,759 | \$ 299,981 | \$ 1,231,235 | \$ 18,645,505 | \$ 1,417,912 | |

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

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

activities. At year-end internal service funds compensated absences of \$41,688 and loans of \$171,731 are included in the above amounts. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by operating funds, such as the General Fund, Street Fund, and the Emergency Management Services Fund.

The city's legal limit of indebtedness is 1½% of assessed property value without a vote of the taxpayers and 2½% with a vote of the taxpayers. At December 31, 2008, the remaining nonvoted and voted remaining capacity was \$40,315,232 and \$72,764,944, respectively.

NOTE V. OTHER DISCLOSURES

A. RISK MANAGEMENT

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

Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. WCIA has a total of 129 members.

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

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

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

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

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

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

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

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

B. PROPERTY TAXES

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

The city maintains a designated fund balance to assure the general fund remains solvent during the fiscal year. The balance is necessitated by the fact that the city depends on property tax more than most cities for general government revenue. Large property tax payments are 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 2008 was \$2,913 per \$1,000 on an assessed valuation of \$3.2 (billion) for a total regular levy of \$9,455,127.
- Washington State Constitution and Washington State law, RCW 84.55.010, limit the levy rate.

C. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

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

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

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

PERS 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 1 members may also elect to receive an optional COLA amount that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at three percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

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 with an allowance of two percent of the average final compensation per year of service. The average final compensation is based on the greatest compensation during any eligible consecutive 60-month period. Plan 2 retirements prior to the age of 65 receive reduced benefits. If retirement is at age

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

55 or older with at least 30 years of service, a three percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced to reflect the choice of a survivor option. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

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 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 would: 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. Members required into the JBM program would: return to prior PERS Plan if membership had previously been established; be mandated into Plan 2 and not have a Plan 3 transfer choice, if a new PERS member; accrue the higher multiplier for all judicial service, not contribute to JRA; and not have the opt-in to increase the multiplier for past judicial service.

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

There are 1,190 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2007:

| | |
|--------------------------------------------------------------------|----------------|
| Retirees and Beneficiaries Receiving Benefits | 71,244 |
| Terminated Plan Members Entitled to But Not Yet Receiving Benefits | 26,583 |
| Active Plan Members Vested | 105,447 |
| Active Plan Members Nonvested | <u>52,575</u> |
| Total | <u>255,849</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 for state agencies and local government unit employees, and at 7.5 percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan, and member contributions finance the defined contribution portion. The Employee Retirement Benefits Board sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the employee's 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, 2008 were as follows:

Members not participating in JBM:

| | <u>PERS Plan 1</u> | <u>PERS Plan 2</u> | <u>PERS Plan 3</u> |
|-----------|--------------------|--------------------|--------------------|
| Employer* | 8.31%** | 8.31%** | 8.31%*** |
| Employee | 6.00%**** | 5.45%**** | ***** |

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

**The employer rate for state elected officials is 12.39% for Plan 1 and 8.31% for Plan 2 and Plan 3.

***Plan 3 defined benefit portion only.

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

****The employee rate for state elected officials is 7.5% for Plan 1 and 5.45% 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 * | 10.81%** | 10.81% | 10.81%** |
| Employer – Local Gov’t* | 8.31% | 8.31% | 8.31%** |
| Employee – State Agency | 9.76% | 11.13% | 7.50%*** |
| Employee – Local Gov’t | 12.26% | 13.63% | 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:

| | <u>PERS Plan 1</u> | <u>PERS Plan 2</u> | <u>PERS Plan 3</u> |
|------|--------------------|--------------------|--------------------|
| 2008 | \$31,644 | \$383,066 | \$34,228 |
| 2007 | 27,093 | 284,880 | 23,544 |
| 2006 | 15,504 | 140,300 | 9,599 |

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

Plan Description:

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

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

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

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

LEOFF Plan 1 retirement benefits are vested after 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. A cost-of-living allowance is granted (based on the Consumer Price Index).

LEOFF Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at the age of 50 with 20 years of service, or at 53 with five years of service, with an allowance of 2 percent of the final average salary per year of service. The final average salary is based on the highest consecutive 60 months. Plan 2 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 (based on the Consumer Price Index), capped at 3 percent annually.

There are 374 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2007:

| | |
|--------------------------------------------------------------------|---------------|
| Retirees and Beneficiaries Receiving Benefits | 9,085 |
| Terminated Plan Members Entitled to But Not Yet Receiving Benefits | 633 |
| Active Plan Members Vested | 12,904 |
| Active Plan Members Nonvested | 3,708 |
| Total | <u>26,330</u> |

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. All employers are required to contribute at the level required by state law. The Legislature, by means of a special funding

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

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

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2008 were as follows:

| | <u>LEOFF Plan 1</u> | <u>LEOFF Plan 2</u> |
|-----------|---------------------|---------------------|
| Employer* | .16% | 5.46%** |
| Employee | 0.00% | 8.83% |
| State | N/A | 3.53% |

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

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

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

| | <u>LEOFF Plan 1</u> | <u>LEOFF Plan 2</u> |
|------|---------------------|---------------------|
| 2008 | \$ 0 | \$263,847 |
| 2007 | 194 | 234,878 |
| 2006 | 196 | 195,992 |

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 \$453,719 in US government issued or guaranteed investments and \$201,384 in municipal securities with the fair values determined by marked quotations as of December 31, 2008, and as reported by fund managers.

A recent actuarial survey has not been done because annual benefits are approximately \$17,000 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

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

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.

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

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

At December 31, 2008, there are thirteen participants who have retired and receive these benefits.

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

Funding Policy:

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

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

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

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

The city was required to contribute \$449,247, but only contributed \$159,739 at December 31, 2008. This \$159,739 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 \$564,210 is the actuarial accrued liability recognized on the government wide statement of net assets. \$516,797 and \$47,413 is recognized as a liability on the governmental activities and a business type statement of net assets, respectively.

As of the most recent actuarial valuation date, January 1, 2007, 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 is as follows:

| Fiscal Year Ended | Annual OPEB Costs | Percentage of Annual OPEB | | Net OPEB Obligation |
|----------------------|----------------------|------------------------------|------------|------------------------|
| | | Costs Contributed | | |
| 2008 | \$ 449,247 | 36% | \$ 564,210 | |
| 2007 | 448,859 | 39% | | 274,702 |

Annual OPEB Cost and Net OPEB Obligation

The city's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined 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 12/31/08) | \$ 448,859 |
| Interest on Net OPEB Obligation (NOO) | 10,988 |
| Adjustment to NOO | (10,600) |
| Annual OPEB Cost | 449,247 |
| Employer Contributions | 159,739 |
| Increase (Decrease) in NOO | 289,508 |
| Net OPEB Obligation January 1, 2008 | 274,702 |
| Net OPEB Obligation December 31, 2008 | \$ 564,210 |

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

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:

| | 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 2008.

| Federal Catalog No. | Government | Program | Amount |
|------------------------|--------------------------------------------------|--------------------------------------|-------------------|
| 14.218 | Dept. of H.U.D. | Community Development Block Grant | \$ 288,005 |
| 16.607 | Dept. of Justice | Bulletproof Vest Partnership | 382 |
| 20.205 | Dept. of Transportation | Highway Planning & Construction | 5,547 |
| 20.600 | Dept. of Transportation | State and Community Highway Safety | 3,500 |
| 45.310 | U.S. Institute of Museum and Library Services | LSTA State Library Continuing Ed. | 6,755 |
| | Total Federal Financial Assistance | | <u>\$ 304,189</u> |

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

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. One case, Isla Verde International v. City of Camas has had a long history of litigation dated back to 1995 based on the plaintiff's allegations on a land use decision made by the city council. The second appeal trial is scheduled June 1, 2009. The remaining issues on this case that are under appeal are covered under the cities coverage agreement with the Washington Cities Insurance Authority.

G. ACCOUNTING AND REPORTING CHANGES

Implementation of GASB 50

The city implemented GASB 50, "Pension Disclosures". This statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits.

H. PRIOR PERIOD ADJUSTMENTS

In 2008 an adjustment was made to show the amount owed to the General Fund from the Emergency Rescue Fund for interfund services provided in prior years that had not yet been paid. The prior period adjustment shown as \$133,752 in the General Fund and \$(133,752) in the Emergency Rescue Fund represents the amount of the liability that was owed as of January 1, 2008.

At December 31, 2008, the city recognized a prior period adjustment of \$(243,484) on the Statement of Activities for the Governmental Activities. This represents a park improvement that did not belong to the city that was discovered during a physical inventory of parks and recreation department assets.

I. SUBSEQUENT EVENTS

The city has a 2007 Public Works Trust Fund loan authorized in the amount of \$1,000,000 for pre-construction activities for improvements at the sewage treatment plant. \$750,000 had been received as of December 31, 2008. The remaining \$250,000 will be received and recorded as debt in 2009. Negotiations finalized in April 2009 changed the loan term from 5 to 20 years. The revised amortization schedule will be reported in 2009.

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2008

On March 16, 2009, the city council adopted a water utility rate increase of 5%, a 34% increase in sewer rates and an increase of 46% in storm water rates all in effect on March 30, 2009.

On March 16, 2009, the city council authorized an interfund loan to the Water Sewer Fund from the Firemen's Pension Fund in the amount of \$750,000 to meet operating expenses during 2009 until additional revenues are collected.

CITY OF CAMAS, WASHINGTON
 General Fund
 Schedule of Expenditures By Department - Budget (GAAP Basis) and Actual
 Year Ended December 31, 2008

| | Original Budget | Final Budget | Actual Amount | Variance with Final Budget |
|---------------------------------------------------|----------------------|----------------------|----------------------|----------------------------------|
| General Governmental Services Departments: | | | | |
| Legislative | \$ 107,600 | \$ 108,700 | \$ 108,685 | \$ 15 |
| Executive | 214,993 | 218,093 | 217,999 | 94 |
| Financial and Administrative | 658,546 | 658,546 | 624,668 | 33,878 |
| Legal | 95,500 | 95,500 | 86,462 | 9,038 |
| Personnel | 184,823 | 180,623 | 161,969 | 18,654 |
| Central Services | 179,267 | 179,267 | 131,709 | 47,558 |
| Information Services | 631,077 | 631,077 | 535,976 | 95,101 |
| Other General Governmental Services | 184,450 | 184,450 | 163,296 | 21,154 |
| Total General Governmental Services | 2,256,256 | 2,256,256 | 2,030,764 | 225,492 |
| Judicial Department: | | | | |
| Total Judicial | 173,000 | 193,500 | 193,383 | 117 |
| Public Safety Departments: | | | | |
| Law Enforcement | 3,982,495 | 3,941,995 | 3,730,645 | 211,350 |
| Fire Control | 2,860,212 | 2,860,212 | 2,774,057 | 86,155 |
| Detention and/or Correction | 319,512 | 352,512 | 351,552 | 960 |
| Emergency Services | 16,500 | 16,500 | 15,626 | 874 |
| Protective Inspections | 582,190 | 582,190 | 545,030 | 37,160 |
| Total Public Safety | 7,760,909 | 7,753,409 | 7,416,910 | 336,499 |
| Physical Environment Departments: | | | | |
| Engineering | 1,370,808 | 1,365,808 | 1,268,312 | 97,496 |
| Animal Control | 86,500 | 93,500 | 93,124 | 376 |
| Total Physical Environment | 1,457,308 | 1,459,308 | 1,361,436 | 97,872 |
| Economic Environment Departments: | | | | |
| Information and Outreach | 16,700 | 16,700 | 12,317 | 4,383 |
| Planning and Community Development | 475,684 | 475,684 | 456,811 | 18,873 |
| Downtown Visioning Coalition | 90,433 | 90,433 | 82,343 | 8,090 |
| Total Economic Environment | 582,817 | 582,817 | 551,471 | 31,346 |
| Culture and Recreation Departments: | | | | |
| Parks and Recreation | 1,417,642 | 1,417,642 | 1,389,038 | 28,604 |
| Community Education and Senior Programs | 8,100 | 8,100 | 3,166 | 4,934 |
| Library Services | 1,322,250 | 1,322,250 | 1,254,035 | 68,215 |
| Total Culture and Recreation | 2,747,992 | 2,747,992 | 2,646,239 | 101,753 |
| Other Financing Uses: | | | | |
| Operating Transfers Out | 1,409,287 | 1,514,287 | 1,496,846 | 17,441 |
| Total Other Financing Uses | 1,409,287 | 1,514,287 | 1,496,846 | 17,441 |
| Total Expenditures | \$ 16,387,569 | \$ 16,507,569 | \$ 15,697,049 | \$ 810,520 |

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

CITY OF CAMAS, WASHINGTON
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2008

| | Capital Project Fund | | | Total Nonmajor Governmental Funds |
|--------------------------------------------|-----------------------------|-----------------------|-------------------------|--------------------------------------------|
| | Special Revenue Funds | Debt Service Funds | Library Construction | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 95,887 | \$ 15,507 | \$ 541,168 | \$ 652,562 |
| Property Taxes Receivables (net) | - | 41,405 | - | 41,405 |
| Assessments Receivable | - | 2,906 | - | 2,906 |
| Total Assets | \$ 95,887 | \$ 59,818 | \$ 541,168 | \$ 696,873 |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$ 24,510 | \$ - | \$ 8,222 | \$ 32,732 |
| Deferred Revenues | - | 35,630 | - | 35,630 |
| Total Liabilities | 24,510 | 35,630 | 8,222 | 68,362 |
| Fund Balances: | | | | |
| Reserved for | | | | |
| Debt Service | - | 24,188 | - | 24,188 |
| Capital | - | - | 532,946 | 532,946 |
| Unreserved | | | | |
| Undesignated | 71,377 | - | - | 71,377 |
| Total Fund Balances | 71,377 | 24,188 | 532,946 | 628,511 |
| Total Liabilities and Fund Balances | \$ 95,887 | \$ 59,818 | \$ 541,168 | \$ 696,873 |

CITY OF CAMAS, WASHINGTON
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
For the fiscal year ended December 31, 2008

| | Capital Project Fund | | | Total Nonmajor Governmental Funds |
|--------------------------------------------------------------|-----------------------------|-----------------------|-------------------------|--------------------------------------------|
| | Special Revenue Funds | Debt Service Funds | Library Construction | |
| Revenues: | | | | |
| Property Taxes | \$ - | \$ 1,035,905 | \$ - | \$ 1,035,905 |
| Intergovernmental | 9,626 | - | - | 9,626 |
| Charges for Services | 43,539 | - | - | 43,539 |
| Interest Earnings | 2,265 | 312 | 15,761 | 18,338 |
| Miscellaneous | 5,779 | 1,410 | - | 7,189 |
| Total Revenues | 61,209 | 1,037,627 | 15,761 | 1,114,597 |
| Expenditures: | | | | |
| Current: | | | | |
| Security/Persons and Property | 4,076 | - | - | 4,076 |
| Physical Environment | 177,765 | - | - | 177,765 |
| Transportation | 1,021 | - | - | 1,021 |
| Culture and Recreation | - | - | 1,190 | 1,190 |
| Capitalized Expenditures | 10,065 | - | 60,774 | 70,839 |
| Debt Service | | | | |
| Principal Retirement | - | 1,228,607 | - | 1,228,607 |
| Interest/Fiscal Charges | - | 373,601 | - | 373,601 |
| Total Expenditures | 192,927 | 1,602,208 | 61,964 | 1,857,099 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (131,718) | (564,581) | (46,203) | (742,502) |
| Other Financing Sources (Uses): | | | | |
| Intergovernmental Loan Proceeds | 172,398 | - | - | 172,398 |
| Transfers In | 101,021 | 554,963 | - | 655,984 |
| Total Other Financing Sources and Uses | 273,419 | 554,963 | - | 828,382 |
| Net Change in Fund Balances | 141,701 | (9,618) | (46,203) | 85,880 |
| Fund Balances at Beginning of Year | (70,324) | 33,806 | 579,149 | 542,631 |
| Fund Balances at End of Year | \$ 71,377 | \$ 24,188 | \$ 532,946 | \$ 628,511 |

CITY OF CAMAS, WASHINGTON
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 December 31, 2008

| | Fire | | | Total Nonmajor |
|------------------------------------------------|---------------------------------------------|------------------------------------|------------------|--------------------------|
| | SE 1st Street/ Lake Road Construction | Equipment Cumulative Reserve | Cemetery | Special Revenue Funds |
| Assets: | | | | |
| Cash and Cash Equivalents | \$ - | \$ 52,192 | \$ 43,695 | \$ 95,887 |
| Total Assets | \$ - | \$ 52,192 | \$ 43,695 | \$ 95,887 |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$ - | \$ 14,054 | \$ 10,456 | \$ 24,510 |
| Total Liabilities | \$ - | \$ 14,054 | \$ 10,456 | \$ 24,510 |
| Fund Balances: | | | | |
| Reserved for | | | | |
| Undesignated | | 38,138 | 33,239 | 71,377 |
| Total Fund Balances | \$ - | 38,138 | 33,239 | 71,377 |
| Total Liabilities and Fund Balances | \$ - | \$ 52,192 | \$ 43,695 | \$ 95,887 |

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, 2008

| | SE 1st Street/ Lake Road Construction | Equipment Cumulative Reserve | Fire Cemetery | Total Nonmajor Special Revenue Funds |
|----------------------------------------------------------------------|---------------------------------------------|------------------------------------|------------------|--------------------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ - | \$ 9,626 | \$ 9,626 |
| Charges for Services | - - | - - | 43,539 | 43,539 |
| Interest Earnings | - - | 1,381 | 884 | 2,265 |
| Miscellaneous | - - | - - | 5,779 | 5,779 |
| Total Revenues | - - | 1,381 | 59,828 | 61,209 |
| Expenditures: | | | | |
| Current: | | | | |
| Security/Persons and Property | - - | 4,076 | - - | 4,076 |
| Physical Environment | - - | - - | 177,765 | 177,765 |
| Transportation | 1,021 | - - | - - | 1,021 |
| Capitalized Expenditures | - - | 10,065 | - - | 10,065 |
| Total Expenditures | 1,021 | 14,141 | 177,765 | 192,927 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,021) | (12,760) | (117,937) | (131,718) |
| Other Financing Sources (Uses) | | | | |
| Intergovernmental Loan Proceeds | 172,398 | - - | - - | 172,398 |
| Transfers In | 1,021 | - - | 100,000 | 101,021 |
| Total Other Financing Sources (Uses) | 173,419 | - - | 100,000 | 273,419 |
| Net Change in Fund Balances | 172,398 | (12,760) | (17,937) | 141,701 |
| Fund Balances at Beginning of Year | (172,398) | 50,898 | 51,176 | (70,324) |
| Fund Balances at End of Year | \$ - - | \$ 38,138 | \$ 33,239 | \$ 71,377 |

CITY OF CAMAS, WASHINGTON
 Nonmajor Debt Service Funds
 Combining Balance Sheet
 December 31, 2008

| | Unlimited Tax Redemption | Limited Tax Redemption | Special Assessment Debt | Total Nonmajor Debt Service Funds |
|--------------------------------------------|--------------------------------|---------------------------|-------------------------------|--------------------------------------------|
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 9,747 | \$ 457 | \$ 5,303 | \$ 15,507 |
| Property Taxes Receivable (net) | 37,454 | 3,951 | - | 41,405 |
| Assessments Receivable | - | - | 2,906 | 2,906 |
| Total Assets | \$ 47,201 | \$ 4,408 | \$ 8,209 | \$ 59,818 |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Deferred Revenues | \$ 31,277 | \$ 1,447 | \$ 2,906 | \$ 35,630 |
| Total Liabilities | \$ 31,277 | \$ 1,447 | \$ 2,906 | \$ 35,630 |
| Fund Balances: | | | | |
| Reserved for Debt Service | 15,924 | 2,961 | 5,303 | 24,188 |
| Total Fund Balances | 15,924 | 2,961 | 5,303 | 24,188 |
| Total Liabilities and Fund Balances | \$ 47,201 | \$ 4,408 | \$ 8,209 | \$ 59,818 |

CITY OF CAMAS, WASHINGTON

Nonmajor Debt Service Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Year Ended December 31, 2008

| | Unlimited Tax Redemption | Limited Tax Redemption | Special Assessment Debt | Total Nonmajor Debt Service Funds |
|------------------------------------------------------------------|--------------------------------|---------------------------|-------------------------------|--------------------------------------------|
| Revenues: | | | | |
| Property Taxes | \$ 733,581 | \$ 302,324 | \$ - | \$ 1,035,905 |
| Interest Earnings | - | - | 312 | 312 |
| Miscellaneous | - | - | 1,410 | 1,410 |
| Total Revenues | 733,581 | 302,324 | 1,722 | 1,037,627 |
| Expenditures: | | | | |
| Debt Service | | | | |
| Principal Retirement | 489,000 | 739,607 | - | 1,228,607 |
| Interest/Fiscal Charges | 256,743 | 116,858 | - | 373,601 |
| Total Expenditures | 745,743 | 856,465 | - | 1,602,208 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (12,162) | (554,141) | 1,722 | (564,581) |
| Other Financing Sources (Uses): | | | | |
| Transfers In | - | 554,963 | - | 554,963 |
| Total Other Financing Sources (Uses) | - | 554,963 | - | 554,963 |
| Net Change in Fund Balances | (12,162) | 822 | 1,722 | (9,618) |
| Fund Balances at Beginning of Year | 28,086 | 2,139 | 3,581 | 33,806 |
| Fund Balances at End of Year | \$ 15,924 | \$ 2,961 | \$ 5,303 | \$ 24,188 |

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, 2008

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget |
|--------------------------------------------------------------|-------------------------|--------------|------------------|----------------------------------|
| | Original | Final | Actual Amount | |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - |
| Total Revenues | - | - | - | - |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation | - | - | 1,021 | (1,021) |
| Total Expenditures | - | - | 1,021 | (1,021) |
| Excess (Deficiency) of Revenues Over (under) Expenditures | - | - | (1,021) | (1,021) |
| Other Financing Sources (Sources): | | | | |
| Intergovernmental Loan Proceeds | - | - | 172,398 | 172,398 |
| Sale of Fixed Assets | - | - | - | - |
| Transfers In | - | - | 1,021 | 1,021 |
| Total Other Financing Sources and Uses | - | - | 173,419 | 173,419 |
| Net Change in Fund Balance | - | - | 172,398 | 172,398 |
| Fund Balances at Beginning of Year | (172,398) | (172,398) | (172,398) | - |
| Fund Balances at End of Year | \$ (172,398) | \$ (172,398) | \$ - | \$ 172,398 |

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, 2008

| | Budgeted Amounts | | | Variance with Final Budget |
|----------------------------------------------------------------------|-------------------------|-----------------|--------------------------|-------------------------------------------|
| | Original | Final | Actual Amount | |
| Revenues: | | | | |
| Intergovernmental | \$ 362,000 | \$ 362,000 | \$ - | \$ (362,000) |
| Interest Earnings | - | - | 1,381 | 1,381 |
| Total Revenues | <u>362,000</u> | <u>362,000</u> | <u>1,381</u> | <u>(360,619)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public Safety | - | - | 4,076 | (4,076) |
| Capitalized Expenditures | 412,000 | 412,000 | 10,065 | 401,935 |
| Total Expenditures | <u>412,000</u> | <u>412,000</u> | <u>14,141</u> | <u>397,859</u> |
| Excess (Deficiency) of Revenues Over (under) Expenditures | (50,000) | (50,000) | (12,760) | 37,240 |
| Fund Balances at Beginning of Year | 50,898 | 50,898 | 50,898 | - |
| Fund Balances at End of Year | \$ 898 | \$ 898 | \$ 38,138 | \$ 37,240 |

CITY OF CAMAS, WASHINGTON
Cemetery
Schedule of Revenues, Expenditures and Changes in Fund Balances
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2008

| | Budgeted Amounts | | | Variance with Final Budget |
|-----------------------------------------------|--------------------|--------------------|------------------|----------------------------------|
| | Original | Final | Actual Amount | |
| Revenues: | | | | |
| Intergovernmental | \$ 16,043 | \$ 16,043 | \$ 9,626 | \$ (6,417) |
| Charges for Services | 82,000 | 82,000 | 43,539 | (38,461) |
| Interest Earnings | 2,000 | 2,000 | 884 | (1,116) |
| Miscellaneous | 100 | 100 | 5,779 | 5,679 |
| Total Revenues | 100,143 | 100,143 | 59,828 | (40,315) |
| Expenditures: | | | | |
| Current: | | | | |
| Physical Environment | 166,247 | 166,247 | 177,765 | (11,518) |
| Total Expenditures | 166,247 | 166,247 | 177,765 | (11,518) |
| Excess (Deficiency) of Revenues | | | | |
| Over (Under) Expenditures | (66,104) | (66,104) | (117,937) | (51,833) |
| Other Financing Sources (Uses): | | | | |
| Transfers In | - | - | 100,000 | 100,000 |
| Total Other Financing Sources and Uses | - | - | 100,000 | 100,000 |
| Net Change in Fund Balances | (66,104) | (66,104) | (17,937) | 59,685 |
| Fund Balances at Beginning of Year | 51,176 | 51,176 | 51,176 | - |
| Fund Balances at End of Year | \$ (14,928) | \$ (14,928) | \$ 33,239 | \$ 59,685 |

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, 2008

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget |
|--------------------------------------------------------------|-------------------------|----------------|------------------|----------------------------------|
| | Original | Final | Actual Amount | |
| Revenues: | | | | |
| Property Taxes | \$ 745,743 | \$ 745,743 | \$ 733,581 | \$ (12,162) |
| Total Revenues | <u>745,743</u> | <u>745,743</u> | <u>733,581</u> | <u>(12,162)</u> |
| Expenditures: | | | | |
| Debt service: | | | | |
| Principal Retirement | 489,000 | 489,000 | 489,000 | - |
| Interest/Fiscal Charges | 256,743 | 256,743 | 256,743 | - |
| Total Expenditures | <u>745,743</u> | <u>745,743</u> | <u>745,743</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (under) Expenditures | | | | |
| | - | - | | (12,162) (12,162) |
| Fund Balances at Beginning of Year | 28,086 | 28,086 | 28,086 | - |
| Fund Balances at End of Year | \$ 28,086 | \$ 28,086 | \$ 15,924 | \$ (12,162) |

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, 2008

| | <u>Budgeted Amounts</u> | | | <u>Variance with Final Budget</u> |
|----------------------------------------|-------------------------|-----------------|--------------------------|-------------------------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual Amount</u> | |
| Revenues: | | | | |
| Property Taxes | \$ 301,503 | \$ 301,503 | \$ 302,324 | \$ 821 |
| Total Revenues | <u>301,503</u> | <u>301,503</u> | <u>302,324</u> | <u>821</u> |
| Expenditures: | | | | |
| Debt service: | | | | |
| Principal Retirement | 840,709 | 826,833 | 739,607 | 87,226 |
| Interest/Fiscal Charges | <u>130,808</u> | <u>144,684</u> | <u>116,858</u> | <u>27,826</u> |
| Total Expenditures | <u>971,517</u> | <u>971,517</u> | <u>856,465</u> | <u>115,052</u> |
| Excess (Deficiency) of Revenues | | | | |
| Over (under) Expenditures | (670,014) | (670,014) | (554,141) | 115,873 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 670,014 | 670,014 | 554,963 | (115,051) |
| Total Other Financing Sources and Uses | <u>670,014</u> | <u>670,014</u> | <u>554,963</u> | <u>(115,051)</u> |
| Net Change in Fund Balance | - | - | 822 | 822 |
| Fund Balances at Beginning of Year | 2,139 | 2,139 | 2,139 | - |
| Fund Balances at End of Year | \$ <u>2,139</u> | \$ <u>2,139</u> | \$ <u>2,961</u> | \$ <u>822</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 | 92 |
| 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 | 98 |
| These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes. | |
| Debt Capacity | 102 |
| 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 | 107 |
| 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 | 109 |
| 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 | | | | |
|-------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 |
| Governmental activities | | | | | |
| Invested in capital assets, net of related debt | \$93,870,877 | \$93,679,540 | \$101,603,544 | \$109,153,090 | \$106,860,759 |
| Restricted | 3,757,869 | 4,467,370 | 5,289,129 | 3,616,721 | 3,611,654 |
| Unrestricted | 5,230,473 | 5,469,098 | 4,642,743 | 3,193,879 | 2,419,842 |
| Total governmental activities net assets | <u>\$102,859,219</u> | <u>\$103,616,008</u> | <u>\$111,535,416</u> | <u>\$115,963,690</u> | <u>\$112,892,255</u> |
| Business-type activities | | | | | |
| Invested in capital assets, net of related debt | \$37,913,666 | \$45,827,539 | \$55,988,202 | \$60,477,417 | \$61,120,462 |
| Restricted | 1,139,080 | 1,733,544 | 1,377,702 | 5,955,875 | 1,367,099 |
| Unrestricted | 2,415,796 | 3,704,051 | 1,964,412 | (1,763,084) | 1,083,583 |
| Total business-type activities net assets | <u>\$41,468,542</u> | <u>\$51,265,134</u> | <u>\$59,330,316</u> | <u>\$64,670,208</u> | <u>\$63,571,144</u> |
| Primary government | | | | | |
| Invested in capital assets, net of related debt | \$131,784,543 | \$139,507,079 | \$157,591,746 | \$169,630,507 | \$167,981,221 |
| Restricted | 4,896,949 | 6,200,914 | 6,666,831 | 9,572,596 | 4,978,753 |
| Unrestricted | 7,646,269 | 9,173,149 | 6,607,155 | 1,430,795 | 3,503,425 |
| Total primary government net assets. | <u>\$144,327,761</u> | <u>\$154,881,142</u> | <u>\$170,865,732</u> | <u>\$180,633,898</u> | <u>\$176,463,399</u> |

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

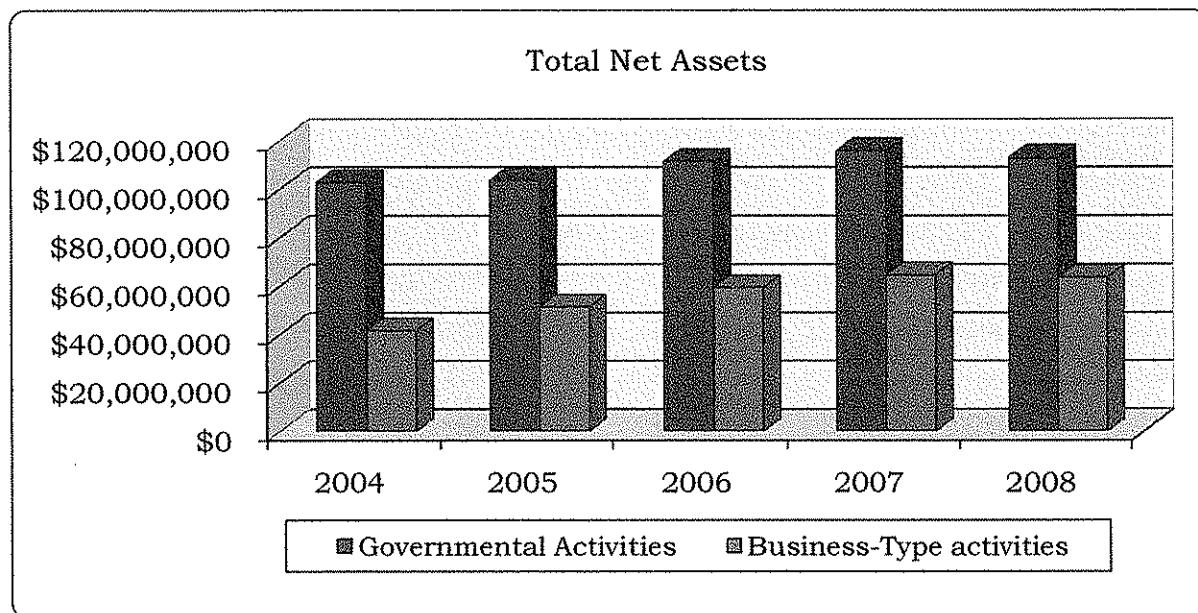


Table 3

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 |
|-------------|------------------------|---------------------|-------------|-------------|
| 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 |
| 2008 | 11,154,737 | 1,963,319 | 1,160,535 | 14,278,591 |

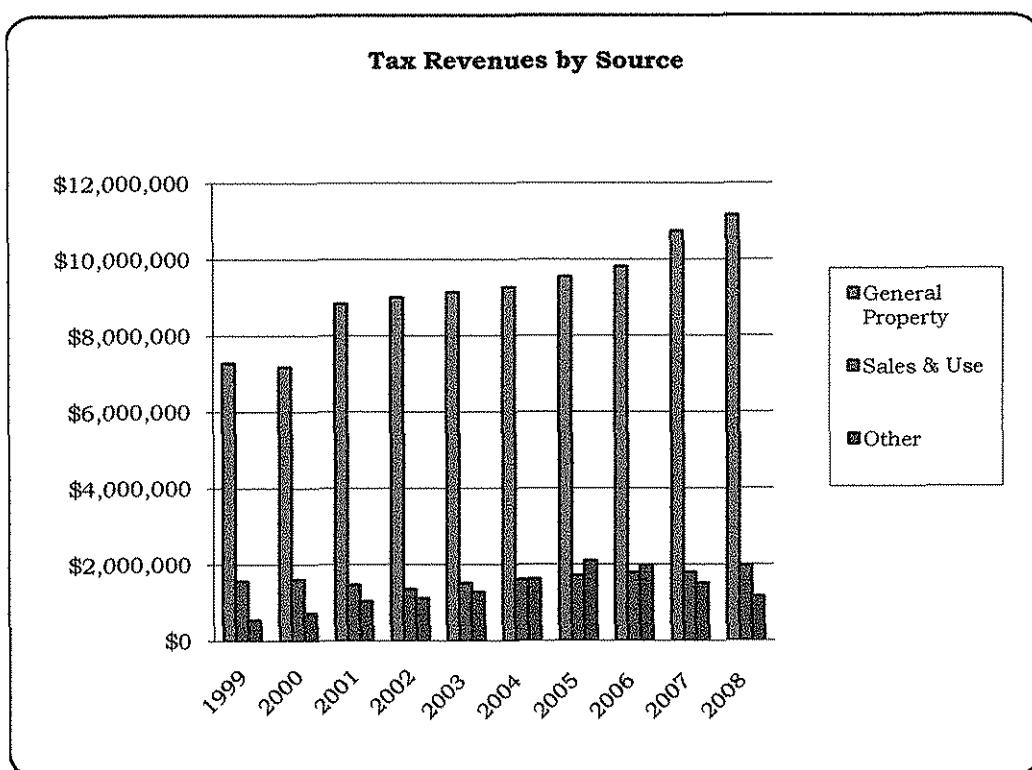


Table 4

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 | |
| 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 |
| 2008 | - | 3,379,176 | 3,379,176 | 3,611,654 | 196,854 | 71,377 | 3,879,885 |

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 | |
| 1999 | 0.3393 | 0.0081 | 0.0236 | 0.3709 | 0.4271 | 0.1595 | 0.3219 | 0.0454 | 0.0010 | 0.0063 | 1.3321 |
| 2000 | 0.3566 | 0.0052 | 0.0230 | 0.3849 | 0.3788 | 0.1561 | 0.3018 | 0.0494 | 0.0010 | 0.0063 | 1.2782 |
| 2001 | 0.3598 | 0.0385 | 0.0250 | 0.4233 | 0.4541 | 0.1611 | 0.3094 | 0.0513 | 0.0009 | 0.0063 | 1.4064 |
| 2002 | 0.3597 | 0.0366 | 0.0250 | 0.4213 | 0.4637 | 0.1609 | 0.2915 | 0.0505 | 0.0010 | 0.0063 | 1.3953 |
| 2003 | 0.3596 | 0.0362 | 0.0250 | 0.4208 | 0.4616 | 0.1579 | 0.2788 | 0.0497 | 0.0010 | 0.0063 | 1.3762 |
| 2004 | 0.3597 | 0.0360 | 0.0250 | 0.4207 | 0.4641 | 0.1511 | 0.2767 | 0.0507 | 0.0010 | 0.0063 | 1.3705 |
| 2005 | 0.3598 | 0.0345 | 0.0250 | 0.4193 | 0.4741 | 0.1505 | 0.2730 | 0.0507 | 0.0009 | 0.0063 | 1.3749 |
| 2006 | 0.3365 | 0.0296 | 0.0234 | 0.3894 | 0.4307 | 0.1374 | 0.2471 | 0.0435 | 0.0008 | 0.0063 | 1.2554 |
| 2007 | 0.3058 | 0.0256 | 0.0350 | 0.3663 | 0.4130 | 0.1527 | 0.3404 | 0.0373 | 0.0007 | 0.0053 | 1.3158 |
| 2008 | 0.2918 | 0.0231 | 0.0334 | 0.3482 | 0.4878 | 0.1078 | 0.1919 | 0.0344 | 0.0007 | 0.0049 | 1.1757 |

Source: Office of Clark County, Washington, Assessor.

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

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

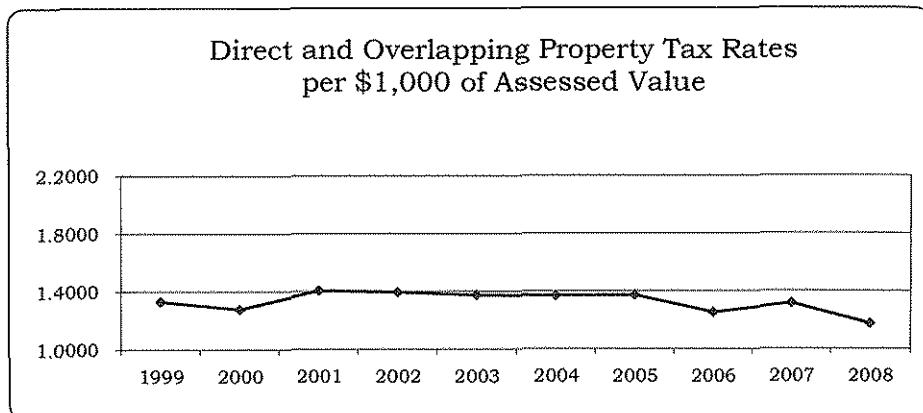


Table 8

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

| Taxpayer | Type of Business | 2008 | | Percentage of Total Assessed Valuation | | 1999 | | Percentage of Total Assessed Valuation | |
|---------------------------|----------------------------|-----------------------|------|-------------------------------------------------|-----------------------|-----------------------|-------------|-------------------------------------------------|------|
| | | Assessed Valuation | Rank | Assessed Valuation | Rank | Assessed Valuation | Rank | Assessed Valuation | Rank |
| Georgia Pacific ** | Paper Products | \$ 194,673,955 | 1 | 6.0 | \$ 243,742,280 | 2 | 15.4 | | |
| Wafertech | Micro-Electronics | 153,359,600 | 2 | 4.7 | 478,432,820 | 1 | 30.2 | | |
| Linear Technology | Analog Integrated Circuits | 34,690,590 | 3 | 1.1 | 34,637,010 | 4 | 2.2 | | |
| Sharp Microelectronics | Micro-Electronics | 23,308,300 | 4 | 0.7 | 47,842,410 | 3 | 3.0 | | |
| Underwriters Laboratories | Research and Testing | 20,480,075 | 5 | 0.6 | 20,896,825 | 7 | 1.3 | | |
| Pacificorp | Utility | 16,408,925 | 6 | 0.5 | 19,464,450 | 8 | 1.2 | | |
| Bodycote IMT Inc. | Thermal Processing Mfg. | 16,142,600 | 7 | 0.5 | - | - | - | | |
| Pacific Links LLC | Land Development | 15,047,000 | 8 | 0.5 | - | - | - | | |
| Ralston, Timothy R. | Private Individual | 14,890,000 | 9 | 0.5 | - | - | - | | |
| Bruzzone 4th St. LLC | Manufacturing | 12,762,200 | 10 | 0.4 | 12,462,500 | 10 | 1 | | |
| Camas Power Boiler | Utility | - | - | 0.0 | 29,947,000 | 5 | 1.9 | | |
| Heraeus Shin Etsu America | Micro-Electronics | - | - | - | 22,604,569 | 6 | 1.4 | | |
| Industrial Materials Tech | Industrial Mfg. | - | - | - | 18,222,960 | 9 | 1.2 | | |
| Totals | | \$ 501,763,245 | | 15.4 | \$ 928,252,824 | | 58.6 | | |

** 1999 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 |
| 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 |
| 2008 | 11,281,977 | 10,884,551 | 96.5 | 397,457 | 11,282,007 | 100.0 |

TOTAL TAX COLLECTIONS

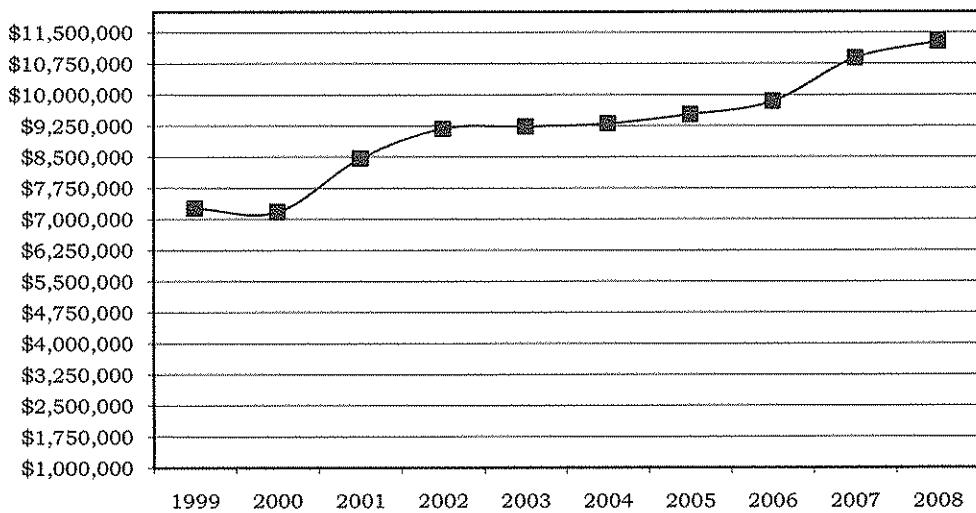


Table 10

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 | | | |
| 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 | 222.57% | 1,736 |
| 2007 | 7,554,000 | 4,751,501 | 8,860,000 | 10,429,691 | 31,595,192 | Not available | 1,941 |
| 2008 | 6,820,000 | 4,571,022 | 8,410,000 | 9,894,347 | 29,695,369 | Not available | 1,778 |

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 |
|-------------|----------------|--------------------|-------------------|---------------|-----------------|------------------------------------------------|----------------------------|
| 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 | 30,225 | 7,523,775 | 0.25 | 460.87 |
| 2008 | 16,700 | 3,250,358,389 | 6,820,000 | 18,884 | 6,801,116 | 0.21 | 407.25 |

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

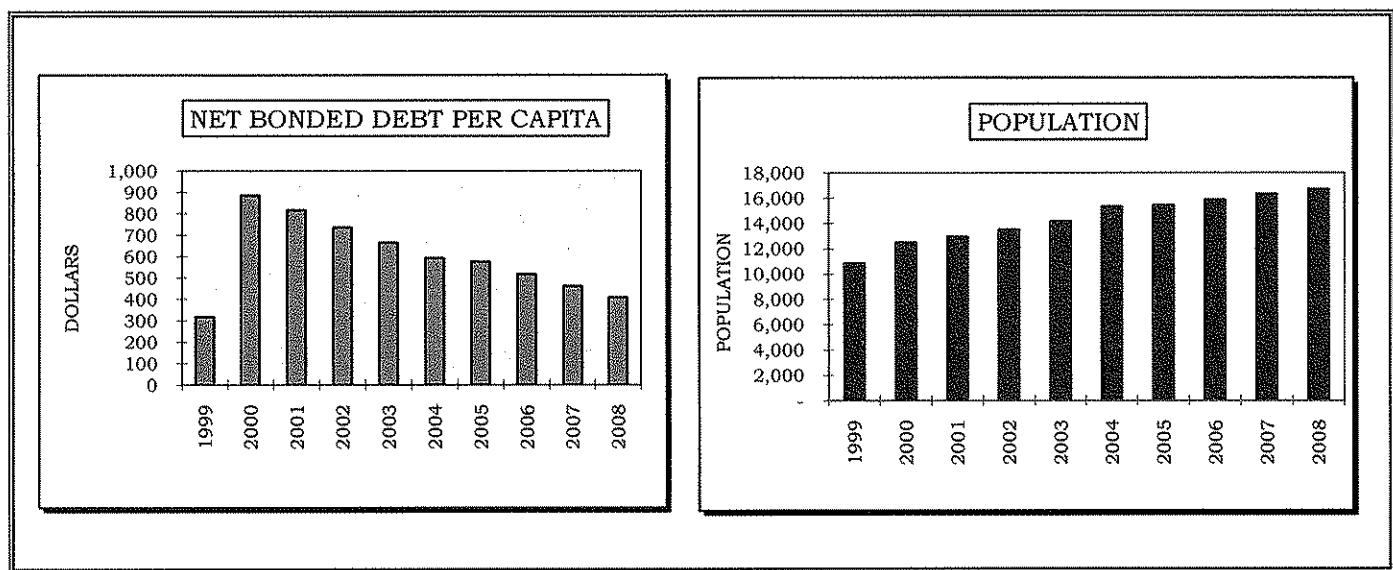


Table 12

City of Camas, Washington
Direct and Overlapping Governmental Activities Debt
As of December 31, 2008

| Governmental Unit | Debt Outstanding | Estimated Percent Applicable (1) | Estimated Share of Overlapping Debt |
|-----------------------------------|------------------|----------------------------------|-------------------------------------|
| City of Camas Direct Debt | | | \$ 6,820,000 |
| Overlapping Debt: | | | |
| Debt repaid with property taxes | | | |
| Camas School District | \$ 131,706,018 | 61.37 | \$ 80,824,777 |
| Port of Camas-Washougal | 5,460,000 | 54.87 | 2,995,729 |
| Clark County | 131,365,000 | 6.18 | 8,122,359 |
| Total Overlapping Debt | | | <u>91,942,865</u> |
| Total Direct and Overlapping Debt | | | <u>\$ 98,762,865</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 |
|-------------|----------------------------|------------------------------------|-------------------|----------------------------------------------------------------------|
| 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% |
| 2008 | 126,007,998 | 12,927,822 | 113,080,176 | 10.26% |

Legal Debt Margin Calculation for Fiscal Year 2008

| | |
|---------------------------------------------------|-----------------------|
| Assessed value (2008 Assessment for 2009 Revenue) | \$ 3,148,909,719 |
| Debt Limit | |
| Debt limit with vote (2.5% of assessed value) | 78,722,743 |
| Debt applicable to with vote limit: | |
| General obligation bonds | 6,005,000 |
| Less: assets available | 47,201 |
| Total debt applicable to limit with vote | <u>5,957,799</u> |
| Total legal debt margin with vote | <u>\$ 72,764,944</u> |
| Debt limit without vote (1.5% of assessed value) | \$ 47,233,646 |
| Debt applicable to without vote limit: | |
| General obligation bonds | 815,000 |
| Other | 6,107,822 |
| Less: assets available | 4,408 |
| Total net debt applicable to limit without vote | <u>6,918,414</u> |
| Total legal debt margin without vote | <u>\$ 40,315,232</u> |
| Legal Debt Margin | <u>\$ 113,080,176</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 (3) | | Coverage |
|-------------|-------------------|------------------------------|-----------------------|------------------|----------|----------|
| | | | | Principal | Interest | |
| 2004 | 5,459,884 | 3,425,092 | 2,034,792 | 441,136 | 188,420 | 3.23 |
| 2005 | 5,681,952 | 3,771,476 | 1,910,476 | 450,000 | 189,318 | 2.99 |
| 2006 | 6,354,308 | 4,519,663 | 1,834,645 | 459,250 | 190,824 | 2.82 |
| 2007 | 6,550,613 | 4,411,784 | 2,138,829 | 466,316 | 189,921 | 3.26 |
| 2008 | 6,561,280 | 5,090,217 | 1,471,063 | 467,222 | 178,943 | 2.28 |

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.

(3) Debt service is the average annual debt service

Debt Service Coverage

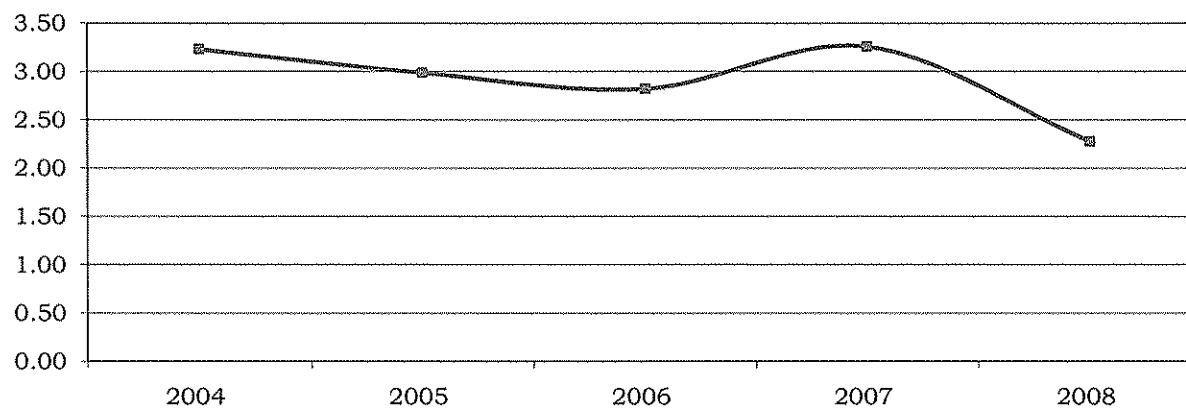


Table 15

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) |
|-------------|----------------|---------------------|-----------------------|-----------------------|-----------------------|
| 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 | 12,388,000 | 32,970 | 5,449 | 4.7% |
| 2007 | 16,280 | not available | not available | 5,659 | 5.5% |
| 2008 | 16,700 | not available | not available | 5,700 | 8.7% |

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

Table 16

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

| Taxpayer | 2008 | | | 1999 | | |
|------------------------------|--------------|------|-------------------------------------------|--------------|------|-------------------------------------------|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| Wafertech | 955 | 1 | 15.7% | 1,100 | 2 | 19.6% |
| Camas School District | 722 | 2 | 11.9% | 448 | 4 | 8.0% |
| Georgia Pacific (Fort James) | 525 | 3 | 8.7% | 1,500 | 1 | 26.8% |
| C-Tech Industries | 290 | 7 | 4.8% | 200 | 6/7 | 3.6% |
| Underwriters Laboratories | 280 | 6 | 4.6% | 200 | 6/7 | 3.6% |
| Sharp Microelectronics | 278 | 4 | 4.6% | 600 | 3 | 10.7% |
| Linear Technology | 269 | 5 | 4.4% | 275 | 5 | 4.9% |
| City of Camas | 184 | 8 | 3.0% | 146 | 9 | 2.6% |
| Tidland Corporation | 92 | 9 | 1.5% | 150 | 8 | 2.7% |
| Furuno | 69 | 10 | 1.1% | 65 | 10 | 1.2% |
| | <u>3,664</u> | | <u>60.4%</u> | <u>4,684</u> | | <u>83.6%</u> |

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

Table 17

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

| Function | Full-time Equivalent Employees as of December 31, 2008 | | | | | | | | | |
|----------------------|---------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 1998 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| 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 | 7.50 | 7.50 | 7.50 | 7.00 | 7.00 | 7.25 | 8.00 | 8.00 | 8.00 |
| Human Resources | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.10 |
| Other | - | 1.50 | 1.75 | 2.25 | 2.63 | 2.75 | 2.75 | 2.75 | 3.25 | 3.25 |
| Public Safety | | | | | | | | | | |
| Police | 23.50 | 27.50 | 28.50 | 29.00 | 28.96 | 28.96 | 29.18 | 32.48 | 33.48 | 33.53 |
| Fire | 28.50 | 34.00 | 36.33 | 38.50 | 38.50 | 38.50 | 38.00 | 38.00 | 38.75 | 39.76 |
| Physical environment | | | | | | | | | | |
| Transportation | 11.00 | 13.25 | 13.50 | 14.50 | 13.00 | 13.00 | 13.00 | 14.75 | 15.17 | 14.73 |
| Economic environment | 12.50 | 13.50 | 13.00 | 14.25 | 13.13 | 12.67 | 12.41 | 12.49 | 12.49 | 12.64 |
| Parks and recreation | 8.50 | 8.50 | 9.50 | 9.80 | 9.30 | 8.80 | 9.62 | 11.01 | 11.01 | 11.01 |
| Cemetery | 7.80 | 13.20 | 14.90 | 14.60 | 14.05 | 14.05 | 14.51 | 15.99 | 17.08 | 16.86 |
| Library | - | - | - | - | - | - | - | - | 1.33 | 1.50 |
| Water/Sewer | 9.30 | 9.30 | 10.85 | 12.35 | 12.55 | 12.55 | 12.55 | 14.53 | 16.41 | 15.91 |
| Storm water drainage | 12.50 | 14.50 | 16.00 | 16.00 | 16.00 | 16.00 | 16.53 | 17.34 | 17.84 | 17.84 |
| Sanitation | - | 0.25 | 0.25 | 0.25 | 1.00 | 1.00 | 2.33 | 2.20 | 2.70 | 2.80 |
| Total | 127.76 | 148.50 | 157.83 | 164.75 | 161.87 | 161.03 | 164.49 | 176.15 | 184.12 | 184.54 |

Source: City budget documents

Table 18

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

| Function | Fiscal Year | | | | | | | |
|---------------------------------------------|--------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Police | | | | | | | | |
| Police reports | 3,376 | 3,528 | 3,301 | 3,711 | 3,186 | 3,670 | 4,249 | 4,023 |
| Arrests | 651 | 694 | 791 | 610 | 610 | 743 | 734 | 861 |
| Traffic stops | 4,458 | 4,678 | 3,980 | 3,683 | 4,867 | 5,039 | 7,522 | 7,107 |
| Service calls | 7,048 | 8,558 | 9,303 | 4,892 | 4,014 | 11,056 | 10,770 | 13,857 |
| Fire | | | | | | | | |
| Fire alarms | 55 | 67 | 58 | 40 | 89 | 83 | 87 | 85 |
| Total fire responses | 258 | 308 | 970 | 756 | 1,225 | 1,419 | 1,491 | 1,520 |
| Total EMS responses | 2,277 | 2,374 | 2,477 | 2,485 | 2,423 | 2,425 | 2,533 | 2,693 |
| Inspections | | | | | | | 500 | 412 |
| Parks and recreation | | | | | | | | |
| Community center visits | 24,744 | 33,320 | 27,845 | 31,191 | 32,864 | 34,039 | 32,177 | 37,986 |
| Recreation services participants | 13,378 | 12,202 | 12,045 | 13,250 | 11,921 | 13,648 | 14,508 | 14,233 |
| Recreation services events | 242 | 248 | 252 | 241 | 256 | 266 | 307 | 304 |
| Library | | | | | | | | |
| Registered borrowers | 10,290 | 11,360 | 13,050 | 10,250 | 10,738 | 10,461 | 10,695 | 11,985 |
| Total holdings | 57,924 | 61,089 | 72,927 | 82,491 | 78,791 | 90,319 | 98,709 | 119,202 |
| Library visits | 96,916 | 93,328 | 143,992 | 152,290 | 202,078 | 225,466 | 234,816 | 249,185 |
| Water | | | | | | | | |
| Water residential connections | 5,105 | 5,514 | 5,825 | 6,043 | 6,329 | 6,555 | 6,656 | 6,643 |
| Water non-residential connections | 397 | 371 | 394 | 413 | 429 | 433 | 466 | 493 |
| New connections | 246 | 401 | 277 | 213 | 318 | 168 | 101 | 14 |
| Average daily consumption (gallons) | 3,440,000 | 3,929,927 | 4,135,650 | 4,342,588 | 3,579,024 | 4,153,269 | 3,765,626 | 3,708,451 |
| Sewer | | | | | | | | |
| Average daily sewage treatment (gallons) | 1,640,000 | 1,615,000 | 1,879,083 | 2,098,000 | 2,292,000 | 2,553,000 | 2,396,164 | 2,254,794 |
| Sewer residential connections | 3,122 | 3,555 | 4,150 | 4,748 | 5,438 | 6,217 | 6,335 | 6,367 |
| Sewer non-residential connections | 206 | 212 | 221 | 227 | 243 | 248 | 250 | 246 |
| Sanitation | | | | | | | | |
| Refuse collected (tons) | 5,618 | 5,875 | 6,389 | 6,990 | 7,192 | 7,179 | 7,114 | 6,854 |
| Recycling collected (tons) | 1,321 | 1,364 | 1,700 | 1,850 | 1,756 | 1,768 | 1,831 | 1,859 |
| Sanitation customers | 3,079 | 3,483 | 4,032 | 4,629 | 5,266 | 5,975 | 6,026 | 6,159 |

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 | | | | | | | | | |
|----------------------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 10 | 10 | 11 | 9 | 7 | 7 | 6 | 7 | 8 | 8 |
| Fire | | | | | | | | | | |
| Stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Engines | 4 | 4 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 |
| Ambulances | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Parks and recreation | | | | | | | | | | |
| Parks acreage | 71.4 | 85.9 | 102.5 | 110.6 | 110.6 | 110.6 | 110.6 | 110.6 | 143.1 | 143.1 |
| Parks | 10 | 10 | 10 | 10 | 10 | 10 | 11 | 12 | 12 | 12 |
| Swimming pools | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Community centers | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Skate parks | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Water | | | | | | | | | | |
| Water mains (miles) | 124.3 | 124.6 | 137.5 | 138.0 | 139.0 | 139.5 | 134.7 | 135.5 | 136.3 | 137.5 |
| Sewer | | | | | | | | | | |
| Sanitary sewers (miles) | 82.4 | 82.8 | 93.4 | 93.9 | 94.8 | 97.0 | 99.5 | 100.3 | 101.1 | 101.2 |
| Storm sewers (miles) | 31.6 | 31.6 | 32.0 | 47.8 | 48.7 | 49.1 | 51.1 | 53.4 | 55.7 | 55.8 |
| Treatment plants | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Capacity (gallons per day) | 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 | 6,100,000 |
| Sanitation | | | | | | | | | | |
| Collection trucks | 2 | 2 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 |
| City Streets | | | | | | | | | | |
| Paved streets (miles) | 81.32 | 81.32 | 82.8 | 86.8 | 87.7 | 88.2 | 93.8 | 97 | 99.8 | 99.8 |
| Unpaved streets (miles) | 3.27 | 3.27 | 3.3 | 3.3 | 3.3 | 3.3 | 3.3 | 3.3 | 3.3 | 3.3 |

Source: Various City departments

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