

Washington State Auditor's Office
Financial Statements and Federal Single Audit Report

City of Washougal
Clark County

Audit Period
January 1, 2011 through December 31, 2011

Report No. 1008296

Issue Date
September 17, 2012



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

September 17, 2012

Mayor and City Council
City of Washougal
Washougal, Washington

Report on Financial Statements and Federal Single Audit

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

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

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Clark County
January 1, 2011 through December 31, 2011

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Federal Summary

City of Washougal
Clark County
January 1, 2011 through December 31, 2011

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

FINANCIAL STATEMENTS

An unqualified opinion was issued on the financial statements.

Internal Control Over Financial Reporting:

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

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

FEDERAL AWARDS

Internal Control Over Major Programs:

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

We issued an unqualified opinion on the City's compliance with requirements applicable to each of its major federal programs.

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

Identification of Major Programs:

The following were major programs during the period under audit:

<u>CFDA No.</u>	<u>Program Title</u>
20.205	Highway Planning and Construction Cluster - Highway Planning and Construction
81.128	ARRA – Energy Efficiency and Conservation Block Grant (Recovery Act)

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

The City did not qualify as a low-risk auditee under OMB Circular A-133.

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

City of Washougal
Clark County
January 1, 2011 through December 31, 2011

Mayor and City Council
City of Washougal
Washougal, Washington

We have audited the financial statements of the City of Washougal, Clark County, Washington, as of and for the year ended December 31, 2011, and have issued our report thereon dated August 31, 2012.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

COMPLIANCE AND OTHER MATTERS

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

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

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

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

BRIAN SONNTAG, CGFM
STATE AUDITOR

August 31, 2012

**Independent Auditor's Report on Compliance
with Requirements That Could Have a Direct
and Material Effect on Each Major Program and
on Internal Control over Compliance in
Accordance with OMB Circular A-133**

City of Washougal
Clark County
January 1, 2011 through December 31, 2011

Mayor and City Council
City of Washougal
Washougal, Washington

COMPLIANCE

We have audited the compliance of the City of Washougal, Clark County, Washington, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. The City's major federal programs are identified in the Federal Summary. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

INTERNAL CONTROL OVER COMPLIANCE

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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



BRIAN SONNTAG, CGFM
STATE AUDITOR

August 31, 2012

Independent Auditor's Report on Financial Statements

**City of Washougal
Clark County
January 1, 2011 through December 31, 2011**

Mayor and City Council
City of Washougal
Washougal, Washington

We have audited the accompanying financial statements of the City of Washougal, Clark County, Washington, for the year ended December 31, 2011. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the City of Washougal, for the year ended December 31, 2011, on the basis of accounting described in Note 1.

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

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for

purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The accompanying Schedule of Long-Term Liabilities is also presented for purposes of additional analysis as required by the prescribed BARS manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

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

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

BRIAN SONNTAG, CGFM
STATE AUDITOR

August 31, 2012

Financial Section

**City of Washougal
Clark County
January 1, 2011 through December 31, 2011**

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2011
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2011
Notes to the Financial Statements – 2011

SUPPLEMENTARY INFORMATION

Schedule of Long-Term Liabilities – 2011
Schedule of Expenditures of Federal Awards – 2011
Notes to the Schedule of Expenditures of Federal Awards – 2011

City of Washougal
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS
For the Year Ended December 31, 2011

BARS CODE	Total for All Funds	001 General Fund	101 City Street	103 Cemetary Fund
	Total Amount	Actual Amount	Actual Amount	Actual Amount
BEGINNING CASH AND INVESTMENTS				
308.1 Reserved	6,973,298	1,732,597		7,544
308.8 Unreserved	3,338,223	2,109,795	905,154	-
Prior Period Adjustments (388.80 and 588.80)	(83,296)	(59,973)	(4,998)	(833)
REVENUES AND OTHER SOURCES				
310 Taxes	8,301,098	7,635,527	194,952	-
320 Licenses and Permits	532,989	370,873	127,534	-
330 Intergovernmental	5,179,015	408,638	295,684	-
340 Charges for Goods and Services	7,885,979	1,168,037	4,517	27,331
350 Fines and Forfeits	-	-	-	-
360 Miscellaneous	377,407	105,468	23,120	870
390 Other Financing Sources	3,544,307	10,617	48,956	50,000
TOTAL REVENUES AND OTHER FINANCING SOURCES	25,820,795	9,699,159	694,762	78,201
TOTAL RESOURCES				
	36,049,020	13,481,578	1,594,919	84,912
OPERATING EXPENDITURES				
510 General Government	2,561,684	1,882,672	-	-
520 Security of Persons & Property	5,285,125	5,153,165	4,727	-
530 Physical Environment	3,734,397	286,356	-	83,969
540 Transportation	1,763,331	-	981,985	-
550 Economic Environment	465,892	436,677	-	-
560 Mental and Physical Health	3,419	3,419	-	-
570 Culture and Recreational	546,361	433,201	-	-
TOTAL OPERATING EXPENDITURES	14,360,210	8,195,491	986,712	83,969
591-93 Debt Service	2,883,101	-	-	-
594-95 Capital Outlay	8,685,234	299,129	-	-
TOTAL EXPENDITURES	25,928,544	8,494,620	986,712	83,969
597-599 Other Financing Uses	3,369,520	2,350,888	-	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	29,298,064	10,845,508	986,712	83,969
Excess (Deficit) of Resources Over Uses	6,750,955	2,636,070	608,206	943
380 Non-Revenues (except 384)	15,976,106	303,462	-	484
580 Non-Expenditures (except 584)	426,826	340,116	-	1,000
ENDING CASH AND INVESTMENTS				
508.1 Reserved	21,016,651	1,924,041	-	427
508.8 Unreserved	1,283,581	675,376	608,206	-

The accompanying notes are an integral part of this statement.

City of Washougal
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS
 For the Year Ended December 31, 2011

	104 Real Estate Excise 1st 1/4%	105 Park Development	106 REET 2nd 1/4%	108 Hotel Motel Tax
BARS CODE	Actual Amount	Actual Amount	Actual Amount	Actual Amount
BEGINNING CASH AND INVESTMENTS				
308.1 Reserved	636,873	582,613	495,597	42,862
308.8 Unreserved	-	-	-	-
Prior Period Adjustments (388.80 and 588.80)	-	-	-	-
REVENUES AND OTHER SOURCES				
310 Taxes	151,524	-	150,857	36,761
320 Licenses and Permits	-	-	-	-
330 Intergovernmental	84,341	380,095	-	-
340 Charges for Goods and Services	-	63,920	-	-
350 Fines and Forfeits	-	-	-	-
360 Miscellaneous	1,166	630	966	77
390 Other Financing Sources	-	-	-	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	237,031	444,645	151,823	36,838
TOTAL RESOURCES	873,904	1,027,258	647,420	79,700
OPERATING EXPENDITURES				
510 General Government	-	-	-	-
520 Security of Persons & Property	-	-	-	-
530 Physical Environment	-	-	-	-
540 Transportation	-	-	115,944	-
550 Economic Environment	7,747	-	-	-
560 Mental and Physical Health	-	-	-	-
570 Culture and Recreational	98,160	-	-	15,000
TOTAL OPERATING EXPENDITURES	105,907	-	115,944	15,000
591-93 Debt Service	-	-	-	-
594-95 Capital Outlay	-	408,779	-	-
TOTAL EXPENDITURES	105,907	408,779	115,944	15,000
597-599 Other Financing Uses	188,801	-	188,801	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	294,708	408,779	304,745	15,000
Excess (Deficit) of Resources Over Uses	579,196	618,479	342,675	64,700
380 Non-Revenues (except 384)	-	-	-	-
580 Non-Expenditures (except 584)	-	-	-	-
ENDING CASH AND INVESTMENTS				
508.1 Reserved	579,196	618,479	342,675	64,700
508.8 Unreserved	-	-	-	-

The accompanying notes are an integral part of this statement.

City of Washougal
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS
 For the Year Ended December 31, 2011

	110 Transportation Development	118 Peg Fees	125 EMS Restricted Revenue	126 Fire Impact Fees
BARS CODE	Actual Amount	Actual Amount	Actual Amount	Actual Amount
BEGINNING CASH AND INVESTMENTS				
308.1 Reserved	399,279	81,295	600,008	-
308.8 Unreserved	-	-	-	-
Prior Period Adjustments (388.80 and 588.80)	-	-	-	-
REVENUES AND OTHER SOURCES				
310 Taxes	-	-	-	-
320 Licenses and Permits	-	34,582	-	-
330 Intergovernmental	63,371	-	-	-
340 Charges for Goods and Services	-	-	-	32,997
350 Fines and Forfeits	-	-	-	-
360 Miscellaneous	396	160	1,121	-
390 Other Financing Sources	-	-	291,819	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	63,767	34,742	292,940	32,997
TOTAL RESOURCES	463,046	116,037	892,948	32,997
OPERATING EXPENDITURES				
510 General Government	-	-	-	-
520 Security of Persons & Property	-	-	95,298	-
530 Physical Environment	-	-	-	-
540 Transportation	-	-	-	-
550 Economic Environment	-	21,468	-	-
560 Mental and Physical Health	-	-	-	-
570 Culture and Recreational	-	-	-	-
TOTAL OPERATING EXPENDITURES	-	21,468	95,298	-
591-93 Debt Service	-	-	-	-
594-95 Capital Outlay	-	-	149,515	-
TOTAL EXPENDITURES	-	21,468	244,813	-
597-599 Other Financing Uses	458,530	-	-	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	458,530	21,468	244,813	-
Excess (Deficit) of Resources Over Uses	4,516	94,569	648,135	32,997
380 Non-Revenues (except 384)	-	-	-	-
580 Non-Expenditures (except 584)	-	-	-	-
ENDING CASH AND INVESTMENTS				
508.1 Reserved	4,516	94,569	648,134	32,997
508.8 Unreserved	-	-	-	-

The accompanying notes are an integral part of this statement.

City of Washougal
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS
 For the Year Ended December 31, 2011

	141 Drug Seizure Fund	211 Combined LID - Woodburn #21 & JLK #23 Debt Service	212 UTGO Debt Service	213 Gifford Liedtke LID Bond
BARS CODE	Actual Amount	Actual Amount	Actual Amount	Actual Amount
BEGINNING CASH AND INVESTMENTS				
308.1 Reserved	32,795	23,762	14,723	6,868
308.8 Unreserved	-	-	-	-
Prior Period Adjustments (388.80 and 588.80)	-	-	-	-
REVENUES AND OTHER SOURCES				
310 Taxes	-	-	131,475	-
320 Licenses and Permits	-	-	-	-
330 Intergovernmental	-	-	-	-
340 Charges for Goods and Services	-	-	-	-
350 Fines and Forfeits	-	-	-	-
360 Miscellaneous	10,767	78,139	67	39,331
390 Other Financing Sources	-	-	-	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	10,767	78,139	131,542	39,331
TOTAL RESOURCES	43,562	101,901	146,265	46,199
OPERATING EXPENDITURES				
510 General Government	-	-	-	-
520 Security of Persons & Property	20,310	-	-	-
530 Physical Environment	-	-	-	-
540 Transportation	-	-	-	-
550 Economic Environment	-	-	-	-
560 Mental and Physical Health	-	-	-	-
570 Culture and Recreational	-	-	-	-
TOTAL OPERATING EXPENDITURES	20,310	-	-	-
591-93 Debt Service	-	75,000	126,668	28,665
594-95 Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	20,310	75,000	126,668	28,665
597-599 Other Financing Uses	-	-	-	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	20,310	75,000	126,668	28,665
Excess (Deficit) of Resources Over Uses	23,252	26,901	19,598	17,534
380 Non-Revenues (except 384)	-	-	-	-
580 Non-Expenditures (except 584)	-	-	-	-
ENDING CASH AND INVESTMENTS				
508.1 Reserved	23,251	26,901	19,598	17,534
508.8 Unreserved	-	-	-	-

The accompanying notes are an integral part of this statement.

City of Washougal
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS
 For the Year Ended December 31, 2011

	215 Downtown Revitalization	315 Downtown Construction Fund	350 Capital Projects	351 Building Construction
BARS CODE	Actual Amount	Actual Amount	Actual Amount	Actual Amount
BEGINNING CASH AND INVESTMENTS				
308.1 Reserved	1,812	-	438	-
308.8 Unreserved	-	-	-	-
Prior Period Adjustments (388.80 and 588.80)	-	-	-	-
REVENUES AND OTHER SOURCES				
310 Taxes	-	-	-	-
320 Licenses and Permits	-	-	-	-
330 Intergovernmental	-	-	3,811,664	-
340 Charges for Goods and Services	-	-	-	-
350 Fines and Forfeits	-	-	-	-
360 Miscellaneous	344	-	525	36
390 Other Financing Sources	377,603	-	567,599	500,000
TOTAL REVENUES AND OTHER FINANCING SOURCES	377,947	-	4,379,788	500,036
TOTAL RESOURCES				
	379,759	-	4,380,226	500,036
OPERATING EXPENDITURES				
510 General Government	-	-	-	-
520 Security of Persons & Property	-	-	-	-
530 Physical Environment	-	-	-	-
540 Transportation	-	-	-	-
550 Economic Environment	-	-	-	-
560 Mental and Physical Health	-	-	-	-
570 Culture and Recreational	-	-	-	-
TOTAL OPERATING EXPENDITURES	-	-	-	-
591-93 Debt Service	377,205	-	-	-
594-95 Capital Outlay	-	-	4,039,405	-
TOTAL EXPENDITURES	377,205	-	4,039,405	-
597-599 Other Financing Uses	-	-	-	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	377,205	-	4,039,405	-
Excess (Deficit) of Resources Over Uses	2,554	-	340,821	500,036
380 Non-Revenues (except 384)	-	-	-	-
580 Non-Expenditures (except 584)	-	-	-	-
ENDING CASH AND INVESTMENTS				
508.1 Reserved	2,554	-	340,821	500,036
508.8 Unreserved	-	-	-	-

The accompanying notes are an integral part of this statement.

City of Washougal
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS
 For the Year Ended December 31, 2011

	352 EECBG FUND	353 Transportation Capital Fund	401 Water/Sewer	403 Stormwater Utility
BARS CODE	Actual Amount	Actual Amount	Actual Amount	Actual Amount
BEGINNING CASH AND INVESTMENTS				
308.1 Reserved	-	-	2,049,798	234,605
308.8 Unreserved	-	-	-	-
Prior Period Adjustments (388.80 and 588.80)	-	-	(13,327)	(4,165)
REVENUES AND OTHER SOURCES				
310 Taxes	-	-	-	-
320 Licenses and Permits	-	-	-	-
330 Intergovernmental	123,248	-	-	11,974
340 Charges for Goods and Services	-	-	5,811,964	776,804
350 Fines and Forfeits	-	-	-	-
360 Miscellaneous	-	28	108,795	1,282
390 Other Financing Sources	-	750,000	296,370	1,344
TOTAL REVENUES AND OTHER FINANCING SOURCES	123,248	750,028	6,217,129	791,404
TOTAL RESOURCES	123,248	750,028	8,253,600	1,021,844
OPERATING EXPENDITURES				
510 General Government	-	-	679,012	-
520 Security of Persons & Property	-	-	11,625	-
530 Physical Environment	-	-	3,364,038	-
540 Transportation	-	-	-	665,403
550 Economic Environment	-	-	-	-
560 Mental and Physical Health	-	-	-	-
570 Culture and Recreational	-	-	-	-
TOTAL OPERATING EXPENDITURES	-	-	4,054,675	665,403
591-93 Debt Service	-	-	2,275,563	-
594-95 Capital Outlay	-	-	3,322,608	92,259
TOTAL EXPENDITURES	-	-	9,652,847	757,662
597-599 Other Financing Uses	142,673	-	-	39,827
TOTAL EXPENDITURES AND OTHER FINANCING USES	142,673	-	9,652,847	797,489
Excess (Deficit) of Resources Over Uses	(19,425)	750,028	(1,399,247)	224,356
380 Non-Revenues (except 384)	-	-	15,672,159	-
580 Non-Expenditures (except 584)	-	-	50,000	-
ENDING CASH AND INVESTMENTS				
508.1 Reserved	(19,425)	750,028	14,222,912	224,355
508.8 Unreserved	-	-	-	-

The accompanying notes are an integral part of this statement.

City of Washougal
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS
 For the Year Ended December 31, 2011

	404 Solid Waste Garbage	510 Employment Security Fund	520 Vehicle Rental Fund
BARS CODE	Actual Amount	Actual Amount	Actual Amount
BEGINNING CASH AND INVESTMENTS			
308.1 Reserved	29,829	-	-
308.8 Unreserved	-	323,274	-
Prior Period Adjustments (388.80 and 588.80)	-	-	-
REVENUES AND OTHER SOURCES			
310 Taxes	2	-	-
320 Licenses and Permits	-	-	-
330 Intergovernmental	-	-	-
340 Charges for Goods and Services	409	-	-
350 Fines and Forfeits	-	-	-
360 Miscellaneous	-	1,264	2,855
390 Other Financing Sources	-	-	650,000
TOTAL REVENUES AND OTHER FINANCING SOURCES	411	1,264	652,855
TOTAL RESOURCES	30,240	324,538	652,855
OPERATING EXPENDITURES			
510 General Government	-	-	-
520 Security of Persons & Property	-	-	-
530 Physical Environment	33	-	-
540 Transportation	-	-	-
550 Economic Environment	-	-	-
560 Mental and Physical Health	-	-	-
570 Culture and Recreational	-	-	-
TOTAL OPERATING EXPENDITURES	33	-	-
591-93 Debt Service	-	-	-
594-95 Capital Outlay	-	-	373,538
TOTAL EXPENDITURES	33	-	373,538
597-599 Other Financing Uses	-	-	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	33	-	373,538
Excess (Deficit) of Resources Over Uses	30,207	324,538	279,317
380 Non-Revenues (except 384)	-	-	-
580 Non-Expenditures (except 584)	-	35,710	-
ENDING CASH AND INVESTMENTS			
508.1 Reserved	30,207	288,827	279,317
508.8 Unreserved	-	-	-

The accompanying notes are an integral part of this statement.

CITY OF WASHOUGAL
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS
For the Year Ended December 31, 2011

	Total For All Funds Total Amount	604 Cemetery Perpetual Care Fund		608 Woodburn & JKL Guarantee Fund		610 Downtown Guarantee Bond Fund		612 Gifford/Liedtke Guarantee Fund	
		Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount
BEGINNING CASH AND INVESTMENTS	1,342,422	289,825	398,218	619,731	34,648				
Prior Period Adjustments (388.80 and 588.80)	-	-	-	-	-	-	-	-	-
REVENUES AND OTHER SOURCES	5,534	2,025	-	3,509	-	-	-	-	-
TOTAL RESOURCES	1,347,956	291,850	398,218	623,240	34,648				
TOTAL EXPENDITURES AND OTHER FINANCING USES	224,983								
Excess (Deficit) of Resources Over Uses	1,122,974	291,850	224,983	623,240	-	-	-	-	-
380 Non-Revenues (except 384)	51,000	1,000	173,236	50,000	34,648				
580 Non-Expenditures (except 584)	-	-	-	-	-	-	-	-	-
ENDING CASH AND INVESTMENTS	1,173,974	292,850	173,236	673,240	34,648				

The accompanying notes are an integral part of this statement.

CITY OF WASHOUGAL
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

Note 1 – Summary of Significant Accounting Policies

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

The City of Washougal was incorporated in November 1908 and operates under the laws of the state of Washington applicable to a non-charter Code City Mayor-Council form of government. The City is a general purpose government and provides public safety, fire prevention, street improvement, parks and recreation, health and social services and general administrative services. In addition, the City owns and operates water, sewer and sanitary systems. The City uses single entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

A. Fund Accounting

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

GOVERNMENTAL FUND TYPES:

General Fund

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

Special Revenue Funds

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

Debt Service Funds

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

Capital Project Funds

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

CITY OF WASHOUGAL
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

PROPRIETARY FUND TYPES:

Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

Internal Service Funds

These funds account for operations that provide goods or services to other departments or funds of the City on a cost-reimbursement basis.

Fiduciary Funds

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

B. Basis of Accounting

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

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

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

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

C. Budgets

The City adopts annual appropriated budgets for all governmental fund types and proprietary funds, except debt service funds. Debt service funds use a continuing appropriation, which is established when the original debt ordinance to adopt the debt amortization schedule was approved by council.

Annual appropriated budgets are adopted at the fund level. The budgets constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

CITY OF WASHOUGAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

The appropriated and actual expenditures for the legally adopted budgets were as follows:

Description	Final Appropriations Amount	Actual Expenditure	Variance
001 - General Fund	\$12,025,258	\$11,185,624	\$839,634
101 - City Street Fund	\$1,052,903	\$986,712	\$66,191
103 - Cemetery Fund	\$90,000	\$84,969	\$5,031
604 - Cemetery Perpetual Care Fund	\$0	\$0	\$0
104 - REET-1st 1/4%	\$220,000	\$294,708	(\$74,708)
105 - Park Development Fund	\$865,000	\$408,779	\$456,221
106 - REET-2nd 1/4%	\$245,000	\$304,745	(\$59,745)
610 - Downtown Bond Guarantee Fund	\$0	\$0	\$0
108 - Hotel Motel Tax	\$25,000	\$15,000	\$10,000
110 - Transportation Development	\$536,000	\$458,530	\$77,470
118 - Peg Fees	\$62,915	\$21,468	\$41,447
125 - EMS Restricted	\$642,500	\$244,813	\$397,687
126 - Fire Impact Fee Fund	\$0	\$0	\$0
141 - Drug Seizure Fund	\$34,700	\$20,310	\$14,390
212 - UTGO Bond Redemption Fund	\$127,000	\$126,668	\$332
215 - Downtown Revitalization Project	\$184,420	\$377,205	(\$192,785)
350 - Capital Projects Fund	\$6,650,475	\$4,039,405	\$2,611,070
351 - Building Contingency Fund	\$0	\$0	\$0
352 - EECBG Fund	\$415,000	\$142,673	\$272,327
353 - Transportation Capital Proj. Fund	\$0	\$0	\$0
401 - Water/Sewer Fund	\$12,216,185	\$9,716,175	\$2,500,010
403 - Stormwater Utility Fund	\$843,228	\$801,653	\$41,575
510 - Empl. Security Reserve Fund	\$65,000	\$35,710	\$29,290
520 - ERR Vehicle Fund	\$408,600	\$373,538	\$35,062
Total City Funds	\$36,709,184	\$29,638,685	\$7,070,499

The finance director is authorized to transfer budgeted amounts between departments within any fund or object classes within departments; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours or other conditions of employment must be approved by the City Council.

D. Cash

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

CITY OF WASHOUGAL
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

E. Deposits

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

F. Investments (See Note 3)

G. Capital Assets

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

H. Compensated Absences

Vacation leave for general employees and police officers, may be accumulated up to 45 days and is payable upon separation from service or retirement. Sick leave may be accumulated up to 960 hours for general employees and police officers. Fire department personnel may accumulate up to 1200 hours of sick leave. Upon separation or retirement employees with five years or more service, receive payment for 25% of their sick leave balance calculated at the employees wage rate at the time of separation.

I. Long-Term Debt (See Note 6)

J. Other Financing Sources or Uses

The City's "Other Financing Sources or Uses" consists of operating transfers in, operating transfers out and sale of fixed assets.

K. Risk Management

The City of Washougal 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 150 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

CITY OF WASHOUGAL
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

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.

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. Information about WCIA can be found at www.wciapool.org.

Other Self-Insurance Funds

The City is self-insured for claims regarding unemployment insurance. Resources set aside as of financial statement presentation date for unemployment claims are approximately \$288,827.

L. Reserve Fund Balance

The City policy is to maintain unencumbered general fund reserves of at least 16% of total general fund budgeted expenses. Reserved resources set aside as of financial statement presentation date are approximately \$1,924,041.

CITY OF WASHOUGAL
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2011

Note 2 – Compliance and Accountability

There have been no material violations of finance-related legal or contractual provisions.

The following non-debt related funds exceeded their appropriations:

Fund	Amount	Reason
104 – REET – 1 st ¼%	\$74,708	The downtown debt payment was higher than we budgeted for due to registered principle that was called but not included on the debt schedule.
106 – REET – 2 nd ¼%	\$59,745	The downtown debt payment was higher than we budgeted for due to registered principle that was called but not included on the debt schedule.
215- Downtown Revitalization Project	\$192,785	The debt payment was higher than we budgeted for.

The following fund had a negative fund balance at year end:

Fund	Amount	Reason
352 – EECBG Fund	\$19,425	This fund is used for tracking a federal grant. It is a reimbursement basis grant and funds were spent in 2011 but not reimbursed until 2012 after the close of the 13 th month.

Note 3 – Investments

The City’s investments are either insured, registered or held by the City or its agent in the City’s name. The City’s deposits and certificates of deposit are entirely covered by federal depository insurance (FDIC) by collateral held in multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). The City does not hold any investments as an agent for other local governments, individuals or private organizations.

All investments are presented at market cost.

CITY OF WASHOUGAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

Investments by type at December 31, 2011 are as follows:

Type of Investment	Balance
Local Government Investment Pool	\$10,532,744
US Government Securities	\$12,367,200
TOTAL:	\$22,899,944

Note 4 – Property Taxes

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

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

The City’s regular levy for 2011 was \$3.10 per \$1,000 on an assessed valuation of 1,211,382,103 for a total regular levy of \$3,755,285.

In 2011, the City also levied \$.50 per \$1,000 for emergency medical services for an additional levy of \$605,691.

In 2011, the City also levied \$.106 per \$1,000 for public safety bonds for a total additional levy of \$127,000.

Note 5 – Interfund Loans and Advances

The following table displays interfund loan activity during 2011:

<i>Borrowing Fund</i>	<i>Lending Fund</i>	<i>Balance 1/1/11</i>	<i>New Loans</i>	<i>Repayments</i>	<i>Balance 12/31/11</i>
Cemetery Fund	Cemetery Perpetual Care	\$ 8,000	\$	\$ 1,000	\$ 7,000
Water-Sewer	Downtown Gurantee Bond Fund	400,000	0	50,000	350,000
	TOTALS	\$ 408,000	\$ 0	\$ 51,000	\$ 357,000

CITY OF WASHOUGAL
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

Note 6 – Long Term Debt

The accompanying Schedule of Long-Term Debt (09) provides a listing of the outstanding debt of the City and summarizes the City’s debt transactions for 2011. The debt service payment for the fiscal year reported and future payment requirements, including interest, are as follows:

	General Obligation Bonds	Revenue Bonds	Other Debt	Total Debt
2012	397,971	940,596	1,052,009	2,390,575
2013	819,851	1,300,786	313,629	2,434,266
2014	605,926	1,498,186	311,798	2,415,909
2015	569,512	1,550,399	309,967	2,429,877
2016	511,775	1,600,099	308,135	2,420,009
2017-2021	2,164,820	8,068,470	2,026,208	12,259,498
2022-2026	2,599,420	8,015,175	1,270,454	11,885,049
2026-2031	0	8,426,100	207,820	8,633,920
Totals	7,669,273	31,399,809	5,800,020	44,869,102
Less Interest	2,137,688	11,389,809	525,110	14,052,607
Total Principal Due	\$ 5,531,585	\$ 20,010,000	\$ 5,274,910	\$30,816,495

Additionally, a contract with a developer is included on the Schedule of Long-Term Debt – Revenue Debt (09) in the amount of \$628,985. This contract payable is due only as certain revenues within the Water Sewer Enterprise Fund are collected. As a result, this is not included in the schedule above.

Note 7 – Pension Plans

Substantially all City full-time and qualifying part-time employees participate in the Public Employees’ Retirement System (PERS) and the Law Enforcement Officers’ and Fire Fighters’ Retirement System (LEOFF) administered by the Department of Retirement Systems, under cost-sharing multiple-employer defined contribution retirement plans. Actuarial information is on a system-wide basis and is not considered pertinent to the City’s financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by the plan benefits.

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

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

Additionally, the Volunteer Fire Fighters’ Relief and Pension Fund System is a cost-sharing multiple-employer retirement system, which was created by the Legislature in 1945 under Chapter 41.24 RCW. It provides pension, disability and survivor benefits. Membership in the system requires service with a fire department of an electing municipality of Washington State except those covered by LEOFF. The system is funded through member contributions of \$30 per year; employer contributions of \$30 per year; and 40 percent of the Fire Insurance Premium Tax. Members do not earn interest on their contributions; however, they may elect to withdraw their contribution upon termination.

CITY OF WASHOUGAL
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

Note 8 – Prior Period Adjustment

As part of an internal audit, it was noted during the City's conversion of software systems, payroll records were not reconciled between the two systems. The conversion of systems was approximately two and a half years, beginning in 2008, which resulted in beginning cash balance of several funds being overstated by \$83,296. This was corrected in the current fiscal year with a prior period adjustment.

CITY OF WASHOUGAL
SCHEDULE OF LONG-TERM LIABILITIES
SCHEDULE 9
For The Year Ending December 31, 2011

I.D. No.	Description	Beginning Balance 1/1/11	Additions	Reductions	BARS Code For Redemption	Ending Outstanding Debt 12/31/11
251.11	GO Bonds non-voted 4/00	\$ 389,988	\$ 0	78,403	582.380.73	\$ 311,585
251.12	GO Bonds voted 12/02	1,160,000	0	75,000	591.355.71	1,085,000
251.11	GO Bonds non-voted 11/06	4,335,000	0	200,000	591.355.71	4,135,000
252.11	Revenue Bonds non-voted 8/99	315,000	0	315,000	582.350.73	0
263.82	Loans and other payments to other governments 6/05	654,702	0	43,647	582.350.73	611,055
263.92	Miscellaneous debt/liabilities 11/03	656,985	0	28,000	582.350.73	628,985
252.11	Revenue Bonds non-voted 6/05	4,070,000	0	95,000	582.350.73	3,975,000
263.82	Loans and other payments to other governments 6/06	1,755,690	0	109,731	582.350.73	1,645,959
263.82	Loans and other payments to other governments 6/07	0	0	0	582.350.73	0
263.82	Loans and other payments to other governments 6/08	0	0	0	582.350.73	0
263.82	Loans and other payments to other governments 6/08	2,790,000	0	1,036,682	582.350.73	1,753,318
263.63	LID notes payable with commitments 2/00	515,000	0	265,000	592.380.71	250,000
253.11	Special assessment bonds with commitments 9/04	295,000	0	15,000	592.380.71	280,000
252.11	Revenue Bonds non-voted 5/11	0	16,120,000	85,000	582.350.73	16,035,000
259.11	Compensated absences 1/10	565,259	29,504	0	xxx.xxx.21	594,763
259.12	Compensated absences 1/10	114,955	0	11,664	xxx.xxx.21	103,291
259.12	Compensated absences 1/10	28,064	8,459	0	xxx.xxx.21	36,523
		\$ 17,645,643	\$ 16,157,962	2,358,128		\$ 31,445,478

CITY OF WASHOUGAL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2011

Grantor/ Pass-Through Grantor Program Title	Name of Award	CFDA Number	Other Identification Number	Expenditures			Notes to Schedule
				From Pass - through Award	From Direct Awards	Total	
Department of Housing and Urban Development/Pass-Through Clark County	Community Development Block Grant/Entitlement	14.218	#2009-CDBG-0905	239,138	-	239,138	
Department of Transportation/Pass Through State Department of Transportation	Highway Planning and Construction	20.205	SR 14 Pedestrian Tunnel. LA 6090	7,754	-	7,754	3
Department of Transportation/Pass Through State Department of Transportation	Highway Planning and Construction	20.205	Haiway Crosswalk Lighting. LA-6633	139,898		139,898	
Department of Transportation/Pass Through State Department of Transportation	Highway Planning and Construction	20.205	LA 6058	1,624,979		1,624,979	
			Total for Department of Transportation	1,772,631	-	1,772,631	
Department of Justice - Office of Justice Programs/ Pass Through Clark County	ARRA - Edward Byrne Memorial Formula Grant Program	16.579	2009-SB-B9-1974	1,768		1,768	5
Department of Justice - Criminal Division	Equitable Sharing Agreement	16.000	WA0060400	-	1,356	1,356	
Department of Justice - Bureau of Justice Assistance	Bulletproof Vest Partnership	16.607	FY2010 Regular Fund		3,945	3,945	6
Department of the Treasury	Equitable Sharing Agreement	21.000	WA0060400		2,502	2,502	
Department of Transportation - National Highway Traffic Safety Administration	Alcohol Impaired Driving Countermeasures	20.601	X52 DUI Patrol		232	232	
Department of Energy/ Pass Through Washington State Department of Commerce	ARRA - Energy Efficiency and Conservation Block Grant	81.128	F10-52110-054	211,626		211,626	4,5
				2,225,163	8,035	2,233,198	

CITY OF WASHOUGAL
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE/LOCAL FINANCIAL ASSISTANCE

NOTE 1 **BASIS OF ACCOUNTING**

The Schedule of Financial Assistance is prepared on the same basis of accounting as the city's financial statements. The city uses the single entry, cash basis accounting.

NOTE 2 **PROGRAM COSTS**

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

NOTE 3 **INDIRECT COST RATE**

The amount expended includes \$2,976.16 claimed as an indirect cost recovery using an approved indirect cost rate of 127.06%.

NOTE 4 **AMOUNTS AWARDED TO SUBRECIPIENTS**

Included in the total amount expended for this program is \$ 116,841.73 that was passed through to a subrecipient for this program by ARRA

NOTE 5 **AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) of 2009**

Expenditures for this program were funded by ARRA.

NOTE 6 **BULLETPROOF VEST PARTNERSHIP**

Included in this total is \$3,560.48 of 2010 expenditures.



ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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Deputy Chief of Staff
Chief Policy Advisor
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Director for Legal Affairs
Director of Quality Assurance
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Communications Director
Public Records Officer
Main number
Toll-free Citizen Hotline

Brian Sonntag, CGFM
Ted Rutt
Doug Cochran
Jerry Pugnetti
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