



**Washington State Auditor
Brian Sonntag**

March 1, 2010

Mayor
City of Selah
Selah, Washington

Report on Financial Statements

Please find attached our report on the City of Selah's financial statements.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Sonntag".

**BRIAN SONNTAG, CGFM
STATE AUDITOR**

Table of Contents

City of Selah
Yakima County
January 1, 2007 through December 31, 2008

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters in Accordance with *Government Auditing Standards*..... 1

Independent Auditor's Report on Financial Statements..... 3

Financial Section..... 5

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

City of Selah
Yakima County
January 1, 2007 through December 31, 2008

Mayor
City of Selah
Selah, Washington

We have audited the financial statements of the City of Selah, Yakima County, Washington, as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated December 21, 2009.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 audits, 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 *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

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 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.

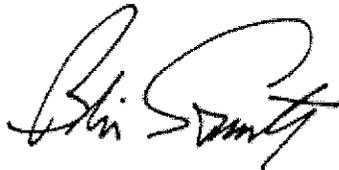
However, we noted certain matters that we have reported to the management of the City in a separate letter dated February 12, 2010.

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 and the Mayor. 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

December 21, 2009

Independent Auditor's Report on Financial Statements

**City of Selah
Yakima County
January 1, 2007 through December 31, 2008**

Mayor
City of Selah
Selah, Washington

We have audited the accompanying financial statements of the City of Selah, Yakima County, Washington, for the years ended December 31, 2008 and 2007. 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 audits.

We conducted our audits 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 audits provide 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 Selah, for the years ended December 31, 2008 and 2007, 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 audits.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedules of Long-Term Debt are 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 has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Brian Sonntag". The signature is written in a cursive, flowing style.

BRIAN SONNTAG, CGFM
STATE AUDITOR

December 21, 2009

Financial Section

**City of Selah
Yakima County
January 1, 2007 through December 31, 2008**

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2008
Fund Resources and Uses Arising from Cash Transactions – 2007
Notes to Financial Statements – 2008
Notes to Financial Statements – 2007

SUPPLEMENTAL INFORMATION

Schedule of Long-Term Debt – 2008
Schedule of Long-Term Debt – 2007

CITY OF SELAH
Fund Resources and Uses Arising From Cash Transactions
For The Year Ended December 31, 2008

MCAG No. 844
 STMT C-4

		OO1	
		Current Expense	
		Budget	Actual
Beginning Net Cash and Investments		\$581,067	\$581,067
<u>Revenues:</u>			
310 Taxes		\$2,654,050	\$2,735,237
320 License		97,544	108,025
330 Intergovernmental		148,457	159,521
340 Charges For Services		211,877	231,950
350 Fines & Forfeits		86,212	76,924
360 Miscellaneous		96,350	101,865
390 Other Financing Sources		570,259	460,028
Total Revenue & Other Sources		\$3,864,749	\$3,873,550
Total Resources		\$4,445,816	\$4,454,617
<u>Operating Expenditures:</u>			
511 Legislative			
Salaries		\$45,757	\$44,686
Benefits		11,520	11,395
Supplies		875	853
Other Services & Charges		4,531	4,366
Intergovt. Services		12,579	12,579
		\$75,262	\$73,878
512 Judicial			
Salaries		\$61,062	\$61,061
Benefits		17,563	17,563
Supplies		318	318
Other Services & Charges		10,597	10,332
		\$89,540	\$89,273
513 Economic Development			
Salaries		\$42,722	\$42,721
Benefits		13,811	13,810
Supplies		1,845	1,836
Other Services & Charges		13,690	13,555
		\$72,068	\$71,922
514 Finance, Record Svcs. & Facilities			
Salaries		\$109,572	\$109,416
Benefits		35,672	35,672
Supplies		6,019	5,735
Other Services & Charges		45,040	44,233
		\$196,303	\$195,056

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH

Fund Resources and Uses Arising From Cash Transactions For The Year Ended December 31, 2008

MCAG No. 844

STMT C-4

		001	
		Current Expense	
		Budget	Actual
515	Legal		
	Supplies	\$300	\$195
	Other Services & Charges	79,525	79,051
		\$79,825	\$79,247
519	Other General Govt. Service		
	Other Services & Charges	\$17,150	\$17,047
510	General Government	\$530,148	\$526,424
521	Law Enforcement		
	Salaries	\$925,444	\$922,634
	Benefits	327,247	310,459
	Supplies	71,270	69,022
	Other Services & Charges	191,146	183,784
	Intergovt. Services	60,171	60,171
		\$1,575,278	\$1,546,070
523	Detention		
	Other Services & Charges	\$4,555	\$4,392
	Intergovt. Services	106,148	101,041
		\$110,703	\$105,433
525	Emergency Services		
	Other Services & Charges	69	63
	Intergovt. Services	2,392	2,392
		\$2,461	\$2,455
520	Security Of Persons & Property	\$1,688,442	\$1,653,958

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH
Fund Resources and Uses Arising From Cash Transactions
For The Year Ended December 31, 2008

MCAG No. 844
 STMT C-4

		OO1	
		Current Expense	
		Budget	Actual
531	Natural Resources		
	Intergovt. Services	\$1,847	\$1,847
539	Animal Control		
	Other Services & Charges	\$7,500	\$7,500
530	Physical Environment	\$9,347	\$9,347
558	Planning		
	Salaries	\$56,640	\$56,520
	Benefits	19,223	19,222
	Supplies	3,975	3,348
	Other Services & Charges	79,638	79,193
		\$159,476	\$158,284
559	Housing		
	Salaries	\$48,802	\$48,699
	Benefits	19,762	19,761
	Supplies	1,826	1,719
	Other Services & Charges	40,065	39,551
		\$110,455	\$109,731
550	Planning & Community Development	\$269,931	\$268,014
567	Substance Abuse		
	Other Services & Charges	\$1,695	\$1,695
	Intergovt. Services	1,613	1,612
560	Mental & Physical Health	\$3,308	\$3,307
573	Community Services		
	Other Services & Charges	\$9,606	\$8,723

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH

Fund Resources and Uses Arising From Cash Transactions For The Year Ended December 31, 2008

MCAG No. 844

STMT C-4

		OO1	
		Current Expense	
		Budget	Actual
574	Recreation		
	Salaries	\$129,389	\$129,385
	Benefits	32,735	32,733
	Supplies	31,519	31,516
	Other Services & Charges	46,131	46,091
	Intergovt. Services	1,051	1,050
		\$240,825	\$240,775
576	Park Facilities & Pool		
	Salaries	\$253,152	\$252,899
	Benefits	82,050	82,048
	Supplies	88,983	88,916
	Other Services & Charges	118,801	118,461
	Intergovt. Services & Taxes	3,539	3,539
		\$546,525	\$545,862
		\$796,956	\$795,360
	Total Operating Expenditures	\$3,298,132	\$3,256,411
594-595	Capital Outlay		
	12 - Judicial	558	497
	13 - Economic Development	461	461
	14 - Financial and Record Svcs.	4,574	4,573
	21 - Police Operations	109,989	109,989
	76 - Park Facilities & Pool	467,677	447,588
		\$583,259	\$563,108
		\$187,404	\$187,404
	Toal Expend. & Other Uses	\$4,068,795	\$4,006,922
	Excess Of Resources Over Uses	\$377,021	\$447,695
	380 Non-Revenues		90,235
	580 Non-Expenditures		97,418
	Ending Net Cash and Investments	\$377,021	\$440,512

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH

Fund Resources and Uses Arising From Cash Transactions For The Year Ended December 31, 2008

MCAG No. 844

STMT C-4/5

	002 Narcotic Imprest		003 Fire Control	
	Budget	Actual	Budget	Actual
Beginning Net Cash and Invest.	\$30,500	\$30,811	\$250,000	\$250,779
Revenues:				
310 Taxes			310,730	310,614
320 License				
330 Intergovernmental			455,600	460,032
340 Charges For Services			9,550	7,259
360 Miscellaneous	1,400	842	18,950	10,481
390 Other Financing Sources				
Total Revenue & Other Sources	\$1,400	\$842	\$794,830	\$788,386
Total Resources	\$31,900	\$31,653	\$1,044,830	\$1,039,165
Operating Expenditures:				
521 Law Enforcement				
Salaries				
Benefits				
Supplies				
Other Services & Charges				
522 Fire Control				
Salaries			\$423,162	\$413,036
Benefits			119,467	115,440
Supplies			36,529	33,002
Other Services & Charges			120,458	111,950
Intergovt. Professional Svcs.			41,650	38,019
Total Operating Expenditures	\$0	\$0	\$741,266	\$711,446
594-595 Capital Outlay			\$60,050	\$58,131
597 Transfers-Out			50,000	50,000
Toal Expend. & Other Uses	\$0	\$0	\$851,316	\$819,577
Excess Of Resources Over Uses	\$31,900	\$31,653	\$193,514	\$219,587
380 Non-Revenues				
580 Non-Expenditures				
Ending Net Cash and Invest.	\$31,900	\$31,653	\$193,514	\$219,587

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH

**Fund Resources and Uses Arising From Cash Transactions
For The Year Ended December 31, 2008**

MCAG No. 844

STMT C-4/5

<u>SPECIAL REVENUE FUNDS</u>	110 Street Maintenance		111 Street Improvement		113 Paths & Trails	
	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Net Cash and Invest.	\$30,000	\$36,340	\$170,000	\$121,704	\$2,200	\$1,471
Revenues:						
310 Taxes	198,542	201,333				
320 License						
330 Intergovernmental	153,467	139,961	736,495	688,172	1,000	1,364
340 Charges For Services				1,500		
360 Miscellaneous	2,100	5,691	1,040	3,592	100	12
390 Other Financing Sources	24,642	15,142	200,000	203,800		
Total Revenue & Other Sources	\$378,751	\$362,127	\$937,535	\$897,064	\$1,100	\$1,375
Total Resources	\$408,751	\$398,467	\$1,107,535	\$1,018,768	\$3,300	\$2,847
Operating Expenditures:						
540 Transportation						
Salaries	\$113,296	\$112,331				
Benefits	40,908	40,906				
Supplies	59,009	58,341				
Other Services & Charges	86,192	84,922				
595 Roads & St. Construction						
Salaries			\$15,376	\$15,375		
Benefits			4,334	4,334		
Supplies						
Other Services & Charges			8,980	8,980		
Total Operating Expenditures	\$299,405	\$296,501	\$28,690	\$28,688	\$0	\$0
594-595 Capital Outlay	\$10,982	\$10,981	\$976,654	\$930,035		
597 Transfers-Out	5,000	5,000				
Toal Expend. & Other Uses	\$315,387	\$312,482	\$1,005,344	\$958,723	\$0	\$0
Excess Of Resources Over Uses	\$93,364	\$85,985	\$102,191	\$60,045	\$3,300	\$2,847
380 Non-Revenues			\$0			
580 Non-Expenditures			40,000			
Ending Net Cash and Invest.	\$93,364	\$85,985	\$62,191	\$60,045	\$3,300	\$2,847

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH

MCAG No. 844

Fund Resources and Uses Arising From Cash Transactions For The Year Ended December 31, 2008

STMT C-4/5

SPECIAL REVENUE FUNDS

	115 Street Improvement Amortization		118 Civic Center		119 Transit	
	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Net Cash and Invest.	\$25,000	\$54,214	\$4,000	\$4,113	\$0	\$29,505
Revenues:						
310 Taxes			\$25,000	\$25,000	190,000	276,090
320 License						
330 Intergovernmental						
340 Charges For Services						
350 Fines & Forfeits						
360 Miscellaneous			6,200	5,453		3,485
390 Other Financing Sources	200,000	200,000	39,666	38,267		
Total Revenue & Other Sources	\$200,000	\$200,000	\$70,866	\$68,720	\$190,000	\$279,575
Total Resources	\$225,000	\$254,214	\$74,866	\$72,834	\$190,000	\$309,080
Operating Expenditures:						
540 Transportation						
Salaries						
Benefits						
Supplies			457	456		
Other Services & Charges			68,419	66,362	282	282
Intergovt. Professional Svcs.					189,718	148,972
Total Operating Expenditures	\$0	\$0	\$68,876	\$66,818	\$190,000	\$149,254
594-595 Capital Outlay						
597 Transfers-Out	200,000	200,000				
Toal Expend. & Other Uses	\$200,000	\$200,000	\$68,876	\$66,818	\$190,000	\$149,254
Excess Of Resources Over Uses	\$25,000	\$54,214	\$5,990	\$6,015	\$0	\$159,826
380 Non-Revenues						
580 Non-Expenditures						
Ending Net Cash and Invest.	\$25,000	\$54,214	\$5,990	\$6,015	\$0	\$159,826

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH
Fund Resources and Uses Arising From Cash Transactions
For The Year Ended December 31, 2008

MCAG No. 844
 STMT C-4/5

SPECIAL REVENUE FUNDS

	140 Contingency Reserve		150 Fire Equipment Reserve		153 EMS Equipment Reserve	
	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Net Cash and Invest.	\$38,000	\$86,093	\$200,000	\$265,693	\$142,000	\$146,265
<u>Revenues:</u>						
310 Taxes						
320 License						
330 Intergovernmental						
340 Charges For Services						
350 Fines & Forfeits						
360 Miscellaneous	2,000	3,405	8,000	11,349	5,000	5,177
390 Other Financing Sources			50,000	50,000		
Total Revenue & Other Sources	\$2,000	\$3,405	\$58,000	\$61,349	\$5,000	\$5,177
Total Resources	\$40,000	\$89,498	\$258,000	\$327,042	\$147,000	\$151,442
<u>Operating Expenditures:</u>						
570 Culture & Recreation						
Salaries						
Benefits						
Supplies						
Other Services & Charges						
Intergovt. Professional Svcs.						
Total Operating Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
594-595 Capital Outlay						
597 Transfers-Out						
Toal Expend. & Other Uses	\$0	\$0	\$0	\$0	\$0	\$0
Excess Of Resources Over Uses	\$40,000	\$89,498	\$258,000	\$327,042	\$147,000	\$151,442
380 Non-Revenues						
580 Non-Expenditures						
Ending Net Cash and Invest.	\$40,000	\$89,498	\$258,000	\$327,042	\$147,000	\$151,442

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH

**Fund Resources and Uses Arising From Cash Transactions
For The Year Ended December 31, 2008**

MCAG No. 844

STMT C-4/5

SPECIAL REVENUE FUNDS

	170 Current Exp. Equip. Reserve		171 Public Works Equipment Res.		180 Drugs & Alcohol Community Res.	
	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Net Cash and Invest.	\$600,000	\$590,172	\$310,000	\$325,025	\$5,000	\$5,150
<u>Revenues:</u>						
310 Taxes						
320 License						
330 Intergovernmental						
340 Charges For Services						
350 Fines & Forfeits					400	50
360 Miscellaneous	30,000	17,071	15,500	14,684	200	115
390 Other Financing Sources	79,100	79,100	85,000	85,000		
Total Revenue & Other Sources	\$109,100	\$96,171	\$100,500	\$99,684	\$600	\$166
Total Resources	\$709,100	\$686,343	\$410,500	\$424,709	\$5,600	\$5,316
<u>Operating Expenditures:</u>						
Salaries						
Benefits						
Supplies						
Other Services & Charges						
Total Operating Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
594-595 Capital Outlay						
597 Transfers-Out	147,126	147,126	33,642	5,142	906	906
Toal Expend. & Other Uses	\$147,126	\$147,126	\$33,642	\$5,142	\$906	\$906
Excess Of Resources Over Uses	\$561,974	\$539,217	\$376,858	\$419,567	\$4,694	\$4,410
380 Non-Revenues						
580 Non-Expenditures						
Ending Net Cash and Invest.	\$561,974	\$539,217	\$376,858	\$419,567	\$4,694	\$4,410

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH
Fund Resources and Uses Arising From Cash Transactions
For The Year Ended December 31, 2008

MCAG No. 844
 STMT C-4/5

SPECIAL REVENUE FUNDS

	181 Crime Prevention Accumulative Res.		198 Salmon Recovery	
	Budget	Actual	Budget	Actual
Beginning Net Cash and Invest.	\$4,300	\$4,305		(\$31,016)
<u>Revenues:</u>				
310 Taxes				
320 License				
330 Intergovernmental				
340 Charges For Services				
350 Fines & Forfeits	450	184		
360 Miscellaneous	200	90		
390 Other Financing Sources				
Total Revenue & Other Sources	\$650	\$274	\$0	\$0
Total Resources	\$4,950	\$4,579	\$0	(\$31,016)
<u>Operating Expenditures:</u>				
Salaries				
Benefits				
Supplies				
Other Services & Charges				
Total Operating Expenditures	\$0	\$0	\$0	\$0
594-595 Capital Outlay				
597 Transfers-Out	1,467	1,467		
Toal Expend. & Other Uses	\$1,467	\$1,467	\$0	\$0
Excess Of Resources Over Uses	\$3,483	\$3,112	\$0	(\$31,016)
380 Non-Revenues				
580 Non-Expenditures				
Ending Net Cash and Invest.	\$3,483	\$3,112	\$0	(\$31,016)

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH

**Fund Resources and Uses Arising From Cash Transactions
For The Year Ended December 31, 2008**

MCAG No. 844
STMT C-4/5

DEBT SERVICE FUNDS

	202 Goodlander LID		220 LID Guaranty		231 Fire Station GO Ref. Bond Redem.	
	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Net Cash and Invest.	\$9,696	\$9,696	\$41,500	\$42,442	\$4,400	\$4,653
Revenues:						
310 Taxes					35,165	35,165
320 License						
330 Intergovernmental						
340 Charges For Services						
350 Fines & Forfeits						
360 Miscellaneous	30,177	38,243	2,000	2,382	500	385
390 Other Financing Sources						
Total Revenue & Other Sources	\$30,177	\$38,243	\$2,000	\$2,382	\$35,665	\$35,550
Total Resources	\$39,873	\$47,939	\$43,500	\$44,824	\$40,065	\$40,203
Operating Expenditures:						
Salaries						
Benefits						
Supplies						
Other Services & Charges						
Total Operating Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
591-93 Debt Service	37,739	37,738			35,565	35,544
594-595 Capital Outlay						
597 Transfers-Out						
Toal Expend. & Other Uses	\$37,739	\$37,738	\$0	\$0	\$35,565	\$35,544
Excess Of Resources Over Uses	\$2,134	\$10,201	\$43,500	\$44,824	\$4,500	\$4,659
380 Non-Revenues						
580 Non-Expenditures						
Ending Net Cash and Invest.	\$2,134	\$10,201	\$43,500	\$44,824	\$4,500	\$4,659

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH

Fund Resources and Uses Arising From Cash Transactions For The Year Ended December 31, 2008

MCAG No. 844

STMT C-4/5

DEBT SERVICE FUNDS

		232 2002 GO Bonds	
		Budget	Actual
Beginning Net Cash and Invest.		\$0	\$0
Revenues:			
310 Taxes			
320 License			
330 Intergovernmental			
340 Charges For Services			
350 Fines & Forfeits			
360 Miscellaneous			
390 Other Financing Sources		416,417	416,416
Total Revenue & Other Sources		\$416,417	\$416,416
Total Resources		\$416,417	\$416,416
Operating Expenditures:			
Salaries			
Benefits			
Supplies			
Other Services & Charges			
Total Operating Expenditures		\$0	\$0
591-93 Debt Service		416,417	416,416
594-595 Capital Outlay			
597 Transfers-Out			
Toal Expend. & Other Uses		\$416,417	\$416,416
Excess Of Resources Over Uses		\$0	\$0
380 Non-Revenues			
580 Non-Expenditures			
Ending Net Cash and Invest.		\$0	\$0

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH
Fund Resources and Uses Arising From Cash Transactions
For The Year Ended December 31, 2008

MCAG No. 844
 STMT C-4/5

CAPITAL PROJECT FUNDS

	301 Capital Improvement		303 Fire Control Building Res.		308 Civic Center Capital	
	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Net Cash and Invest.	\$331,958	\$331,958	\$18,500	\$18,509	\$11,600	\$8,258
Revenues:						
310 Taxes	70,000	72,505				
320 License						
330 Intergovernmental						
340 Charges For Services						
350 Fines & Forfeits						
360 Miscellaneous	28,500	18,279	800	669	500	1,187
390 Other Financing Sources						
Total Revenue & Other Sources	\$98,500	\$90,783	\$800	\$669	\$500	\$1,187
Total Resources	\$430,458	\$422,741	\$19,300	\$19,178	\$12,100	\$9,445
Operating Expenditures:						
Salaries						
Benefits						
Supplies						
Other Services & Charges						
Total Operating Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
594-595 Capital Outlay						
597 Transfers-Out	87,779	46,380				
Toal Expend. & Other Uses	\$87,779	\$46,380	\$0	\$0	\$0	\$0
Excess Of Resources Over Uses	\$342,679	\$376,361	\$19,300	\$19,178	\$12,100	\$9,445
380 Non-Revenues						
580 Non-Expenditures						
Ending Net Cash and Invest.	\$342,679	\$376,361	\$19,300	\$19,178	\$12,100	\$9,445

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH

Fund Resources and Uses Arising From Cash Transactions For The Year Ended December 31, 2008

MCAG No. 844

STMT C-4/5

CAPITAL PROJECT FUNDS

	309 2002 Marudo Land Acquisition		310 CE Building/Prop. Reserve		321 Public Works Shop Construction	
	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Net Cash and Invest.	\$755,000	\$631,606	\$70,000	\$207,792	\$1,100,000	\$1,407,304
Revenues:						
310 Taxes						
320 License						
330 Intergovernmental	227,000					
340 Charges For Services						
350 Fines & Forfeits						
360 Miscellaneous	47,446	773,061	3,500	6,165	50,000	54,607
390 Other Financing Sources	227,000	227,000			470,000	470,000
Total Revenue & Other Sources	\$501,446	\$1,000,061	\$3,500	\$6,165	\$520,000	\$524,606
Total Resources	\$1,256,446	\$1,631,667	\$73,500	\$213,957	\$1,620,000	\$1,931,910
Operating Expenditures:						
510 General Government						
Salaries						
Benefits						
Supplies						
Other Services & Charges	185	184	8	7		
Total Operating Expenditures	\$185	\$184	\$8	\$7	\$0	\$0
591-593 Debt Svc	22,870	22,869				
594-595 Capital Outlay	588,300	588,300			270,000	143,671
597 Transfers-Out	600,760	580,528	20,000		270,000	270,000
Toal Expend. & Other Uses	\$1,212,115	\$1,191,881	\$20,008	\$7	\$540,000	\$413,670
Excess Of Resources Over Uses	\$44,331	\$439,785	\$53,492	\$213,950	\$1,080,000	\$1,518,240
380 Non-Revenues						
580 Non-Expenditures						
Ending Net Cash and Invest.	\$44,331	\$439,785	\$53,492	\$213,950	\$1,080,000	\$1,518,240

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH

Fund Resources and Uses Arising From Cash Transactions For The Year Ended December 31, 2008

MCAG No. 844

STMT C-4/5

ENTERPRISE FUNDS

	411		415		420	
	Water		Sewer		Solid Waste	
	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Net Cash and Invest. PreTreatment Equipment Res.	\$175,000	\$301,984	\$368,378	\$415,177	\$50,000	\$106,115
Revenues:						
310 Taxes						
320 License						
330 Intergovernmental			35,000			
340 Charges For Services	1,514,950	1,558,277	1,531,100	1,541,961	644,800	673,175
350 Fines & Forfeits						
360 Miscellaneous	23,000	25,264	60,000	17,156	4,500	4,583
390 Other Financing Sources	9,500		669,500	292,574		
Total Revenue & Other Sources	\$1,547,450	\$1,583,541	\$2,295,600	\$1,851,691	\$649,300	\$677,757
Total Resources	\$1,722,450	\$1,885,525	\$2,663,978	\$2,266,868	\$699,300	\$783,872
Operating Expenditures:						
530 Physical Environment						
Salaries	264,853	264,754	403,670	360,722	29,377	26,575
Benefits	94,860	94,860	143,811	127,087	10,145	9,690
Supplies	120,002	118,595	80,785	79,416	1,010	996
Other Services & Charges	250,464	248,639	593,961	524,412	503,383	493,393
Intergovt. Svcs. & Taxes	164,312	164,075	120,878	120,878	74,983	73,581
Total Operating Expenditures	\$894,491	\$890,921	\$1,343,105	\$1,212,515	\$618,898	\$604,236
591-93 Debt Service	196,717	193,216	244,066	238,481		
594-595 Capital Outlay	1,542,835	275,789	858,835	305,115		
597 Transfers-Out	235,791	235,790	220,000	220,000	5,000	5,000
Toal Expend. & Other Uses	\$2,869,834	\$1,595,716	\$2,666,006	\$1,976,110	\$623,898	\$609,236
Excess Of Resources Over Uses	(\$1,147,384)	\$289,809	(\$2,028)	\$290,757	\$75,402	\$174,636
380 Non-Revenues	\$1,449,685	\$4,263	\$282,520	\$282,520		
580 Non-Expenditures		2,913				
PreTreatment Equipment Res. PWTF Loan Draw	0					
Ending Net Cash and Invest.	\$302,301	\$291,159	\$280,492	\$573,277	\$75,402	\$174,636

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH
Fund Resources and Uses Arising From Cash Transactions
For The Year Ended December 31, 2008

MCAG No. 844
 STMT C-4/5

ENTERPRISE FUNDS

	452 1994 Water-Sewer Bond Redemption		453 1994 Water-Sewer Bond Reserve		461 Water Reserve	
	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Net Cash and Invest.	\$900	\$987	\$88,722	\$90,620	\$515,000	\$738,160
<u>Revenues:</u>						
310 Taxes						
320 License						
330 Intergovernmental						
340 Charges For Services						
350 Fines & Forfeits						
360 Miscellaneous	100	90	4,000	2,888	20,000	22,112
370 Capital Contributions					56,000	50,148
390 Other Financing Sources	69,150	69,150			46,000	46,640
Total Revenue & Other Sources	\$69,250	\$69,240	\$4,000	\$2,888	\$122,000	\$118,900
Total Resources	\$70,150	\$70,227	\$92,722	\$93,507	\$637,000	\$857,060
<u>Operating Expenditures:</u>						
Salaries						
Benefits						
Supplies						
Other Services & Charges						
Total Operating Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
591-93 Debt Service	69,500	69,467				
594-595 Capital Outlay						
597 Transfers-Out						
Toal Expend. & Other Uses	\$69,500	\$69,467	\$0	\$0	\$0	\$0
Excess Of Resources Over Uses	\$650	\$761	\$92,722	\$93,507	\$637,000	\$857,060
380 Non-Revenues						
580 Non-Expenditures						
Ending Net Cash and Invest.	\$650	\$761	\$92,722	\$93,507	\$637,000	\$857,060

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH

**Fund Resources and Uses Arising From Cash Transactions
For The Year Ended December 31, 2008**

MCAG No. 844

STMT C-4/5

ENTERPRISE FUNDS

	465 Sewer Reserve		470 Solid Waste Reserve	
	Budget	Actual	Budget	Actual
Beginning Net Cash and Invest.	\$1,200,000	\$1,752,284	\$138,000	\$140,015
<u>Revenues:</u>				
310 Taxes				
320 License				
330 Intergovernmental				
340 Charges For Services				
350 Fines & Forfeits				
360 Miscellaneous	50,000	73,938	6,500	3,997
370 Capital Contributions	60,000	53,859		
390 Other Financing Sources	50,000	50,000	5,000	5,000
Total Revenue & Other Sources	\$160,000	\$177,797	\$11,500	\$8,997
Total Resources	\$1,360,000	\$1,930,082	\$149,500	\$149,012
<u>Operating Expenditures:</u>				
Salaries				
Benefits				
Supplies				
Other Services & Charges				
Total Operating Expenditures	\$0	\$0	\$0	\$0
594-595 Capital Outlay				
597 Transfers-Out	660,000	292,574	60,000	30,000
Toal Expend. & Other Uses	\$660,000	\$292,574	\$60,000	\$30,000
Excess Of Resources Over Uses	\$700,000	\$1,637,508	\$89,500	\$119,012
380 Non-Revenues				
580 Non-Expenditures				
Ending Net Cash and Invest.	\$700,000	\$1,637,508	\$89,500	\$119,012

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH
Fund Resources and Uses Arising From Cash Transactions
For The Year Ended December 31, 2007

MCAG No. 844
 STMT C-4

		001	
		Current Expense	
		Budget	Actual
Beginning Cash and Investments		\$349,302	\$474,905
<u>Revenues:</u>			
310 Taxes		\$2,504,918	\$2,618,039
320 License		102,623	105,980
330 Intergovernmental		227,107	285,383
340 Charges For Services		181,425	185,801
350 Fines & Forfeits		72,300	95,644
360 Miscellaneous		92,665	117,135
390 Other Financing Sources		1,220,167	1,220,166
Total Revenue & Other Sources		\$4,401,205	\$4,628,148
Total Resources		\$4,750,507	\$5,103,054
<u>Operating Expenditures:</u>			
511 Legislative			
Salaries		\$44,570	\$44,568
Benefits		11,045	11,045
Supplies		831	831
Other Services & Charges		3,672	3,666
Intergovt. Services		7,849	7,848
		\$67,967	\$67,958
512 Judicial			
Salaries		\$46,778	\$46,777
Benefits		13,167	13,166
Supplies		325	325
Other Services & Charges		7,936	7,933
		\$68,206	\$68,201
513 Economic Development			
Salaries		\$40,631	\$40,630
Benefits		12,584	12,584
Supplies		2,750	2,749
Other Services & Charges		4,972	4,966
		\$60,937	\$60,928
514 Finance, Record Svcs. & Facilities			
Salaries		\$104,820	\$104,818
Benefits		31,275	31,274
Supplies		5,991	5,989
Other Services & Charges		52,318	52,293
		\$194,404	\$194,375

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH
Fund Resources and Uses Arising From Cash Transactions
For The Year Ended December 31, 2007

MCAG No. 844
 STMT C-4

		001	
		Current Expense	
		Budget	Actual
515	Legal		
	Supplies	\$22	\$22
	Other Services & Charges	72,938	72,843
		\$72,960	\$72,865
519	Other General Govt. Service		
	Other Services & Charges	\$19,815	\$19,351
510	General Government	\$484,289	\$483,677
521	Law Enforcement		
	Salaries	\$875,363	\$862,228
	Benefits	323,769	316,831
	Supplies	66,049	65,996
	Other Services & Charges	501,784	501,569
	Intergovt. Services	56,850	35,898
		\$1,823,815	\$1,782,523
523	Detention		
	Other Services & Charges	\$3,735	\$3,735
	Intergovt. Services	76,742	76,740
		\$80,477	\$80,474
525	Emergency Services		
	Supplies	\$80	\$80
	Other Services & Charges	1,026	1,025
	Intergovt. Services	2,291	2,291
		\$3,397	\$3,395
520	Security Of Persons & Property	\$1,907,689	\$1,866,393

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH

**Fund Resources and Uses Arising From Cash Transactions
For The Year Ended December 31, 2007**

MCAG No. 844
STMT C-4

		001	
		Current Expense	
		Budget	Actual
531	Natural Resources Intergovt. Services	\$1,070	\$1,070
539	Animal Control Other Services & Charges	\$16,532	\$16,532
530	Physical Environment	\$17,602	\$17,602
558	Planning		
	Salaries	\$53,999	\$53,999
	Benefits	17,602	17,602
	Supplies	1,332	1,289
	Other Services & Charges	32,969	32,963
		\$105,902	\$105,852
559	Housing		
	Salaries	\$45,097	\$45,077
	Benefits	18,023	18,015
	Supplies	2,238	2,236
	Other Services & Charges	43,727	43,721
		\$109,085	\$109,049
550	Planning & Community Development	\$214,987	\$214,901
567	Substance Abuse		
	Other Services & Charges	\$1,391	\$1,391
	Intergovt. Services	1,612	1,612
560	Mental & Physical Health	\$3,003	\$3,003
573	Community Services		
	Other Services & Charges	\$13,458	\$12,857

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH
Fund Resources and Uses Arising From Cash Transactions
For The Year Ended December 31, 2007

MCAG No. 844
 STMT C-4

		001	
		Current Expense	
		Budget	Actual
574	Recreation		
	Salaries	\$107,470	\$106,868
	Benefits	28,478	28,263
	Supplies	27,299	27,297
	Other Services & Charges	48,111	44,638
	Intergovt. Services	647	647
		\$212,005	\$207,712
576	Park Facilities & Pool		
	Salaries	\$218,219	\$214,340
	Benefits	70,519	70,263
	Supplies	81,233	81,228
	Other Services & Charges	104,890	104,742
	Intergovt. Services & Taxes	3,550	3,550
	Debt Service	43,204	43,204
		\$521,615	\$517,326
	570 Parks & Recreation	\$747,078	\$737,895
	Total Operating Expenditures	\$3,374,648	\$3,323,471
	594-595 Capital Outlay		
	11 - Legislative	654	654
	13 - Economic Development	911	911
	14 - Financial and Record Svcs.	1,196	1,195
	21 - Police Operations	151,914	151,914
	74 - Recreation	182	182
	76 - Park Facilities & Pool	153,504	111,426
		\$308,361	\$266,282
	597 Transfers-Out	\$93,100	\$93,100
	Toal Expend. & Other Uses	\$3,776,109	\$3,682,853
	Excess Of Resources Over Uses	\$974,398	\$1,420,201
	380 Non-Revenues		125,602
	580 Non-Expenditures	844,831	964,736
	Ending Cash and Investments	\$129,567	\$581,067

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH

Fund Resources and Uses Arising From Cash Transactions For The Year Ended December 31, 2007

MCAG No. 844

STMT C-4/5

	002 Narcotic Imprest		003 Fire Control	
	Budget	Actual	Budget	Actual
Beginning Cash and Investments	\$27,850	\$29,287	\$257,303	\$257,303
Revenues:				
310 Taxes			303,553	305,943
320 License				
330 Intergovernmental			501,017	499,206
340 Charges For Services			6,750	7,910
350 Fines & Forfeits				
360 Miscellaneous	1,300	1,524	7,770	9,367
390 Other Financing Sources			5,729	4,321
Total Revenue & Other Sources	\$1,300	\$1,524	\$824,819	\$826,747
Total Resources	\$29,150	\$30,811	\$1,082,122	\$1,084,050
Operating Expenditures:				
521 Law Enforcement				
Salaries				
Benefits				
Supplies				
Other Services & Charges				
522 Fire Control				
Salaries			\$427,979	\$398,017
Benefits			117,297	103,675
Supplies			27,993	27,070
Other Services & Charges			116,564	114,781
Intergovt. Professional Svcs.			44,509	42,008
Total Operating Expenditures	\$0	\$0	\$734,342	\$685,551
594-595 Capital Outlay			\$67,721	\$67,720
597 Transfers-Out			80,000	80,000
Toal Expend. & Other Uses	\$0	\$0	\$882,063	\$833,271
Excess Of Resources Over Uses	\$29,150	\$30,811	\$200,059	\$250,779
380 Non-Revenues				
580 Non-Expenditures				
Ending Cash and Investments	\$29,150	\$30,811	\$200,059	\$250,779

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH

Fund Resources and Uses Arising From Cash Transactions For The Year Ended December 31, 2007

MCAG No. 844

STMT C-4/5

<u>SPECIAL REVENUE FUNDS</u>	110 Street Maintenance		111 Street Improvement		113 Paths & Trails	
	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Cash and Investments	\$34,109	\$51,567	\$19,724	(\$136,673)	\$500	\$1,471
Revenues:						
310 Taxes	192,659	192,784				
320 License						
330 Intergovernmental	150,520	146,359	20,138	337,095	1,000	
340 Charges For Services						
360 Miscellaneous	2,100	5,431	450	1,651		
390 Other Financing Sources	22,733	21,067	200,000	13,683		
Total Revenue & Other Sources	\$368,012	\$365,641	\$220,588	\$352,429	\$1,000	\$0
Total Resources	\$402,121	\$417,208	\$240,312	\$215,756	\$1,500	\$1,471
Operating Expenditures:						
540 Transportation						
Salaries	\$108,591	\$106,683				
Benefits	38,112	37,131				
Supplies	72,266	71,302				
Other Services & Charges	78,950	78,300				
595 Roads & St. Construction						
Salaries			\$14,781	\$14,782		
Benefits			3,944	3,944		
Supplies						
Other Services & Charges			4,789	4,789		
Total Operating Expenditures	\$297,919	\$293,415	\$23,514	\$23,515	\$0	\$0
594-595 Capital Outlay	\$42,121	\$32,453	\$196,689	\$30,537		
597 Transfers-Out	55,000	55,000				
Toal Expend. & Other Uses	\$395,040	\$380,868	\$220,203	\$54,052	\$0	\$0
Excess Of Resources Over Uses	\$7,081	\$36,340	\$20,109	\$161,704	\$1,500	\$1,471
380 Non-Revenues			\$0			
580 Non-Expenditures				40,000		
Ending Cash and Investments	\$7,081	\$36,340	\$20,109	\$121,704	\$1,500	\$1,471

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH

MCAG No. 844

**Fund Resources and Uses Arising From Cash Transactions
For The Year Ended December 31, 2007**

STMT C-4/5

SPECIAL REVENUE FUNDS

	115 Street Improvement Amortization		118 Civic Center		119 Transit	
	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Cash and Investments	\$170,000	\$200,491	\$7,866	\$8,278	\$0	\$0
Revenues:						
310 Taxes			\$25,000	\$25,000	111,000	95,352
320 License						
330 Intergovernmental						
340 Charges For Services						
350 Fines & Forfeits						
360 Miscellaneous	8,000	9,352	5,236	5,391		517
390 Other Financing Sources	50,000	50,000	21,832	21,832		
Total Revenue & Other Sources	\$58,000	\$59,352	\$52,068	\$52,223	\$111,000	\$95,869
Total Resources	\$228,000	\$259,844	\$59,934	\$60,501	\$111,000	\$95,869
Operating Expenditures:						
540 Transportation						
Salaries						
Benefits						
Supplies			145	145		
Other Services & Charges			36,985	36,979		
Intergovt. Professional Svcs.					111,000	66,364
Total Operating Expenditures	\$0	\$0	\$37,130	\$37,123	\$111,000	\$66,364
594-595 Capital Outlay			19,265	19,265		
597 Transfers-Out	200,000	13,683				
Toal Expend. & Other Uses	\$200,000	\$13,683	\$56,395	\$56,388	\$111,000	\$66,364
Excess Of Resources Over Uses	\$28,000	\$246,161	\$3,539	\$4,113	\$0	\$29,505
380 Non-Revenues						
580 Non-Expenditures						
Ending Cash and Investments	\$28,000	\$246,161	\$3,539	\$4,113	\$0	\$29,505

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH

**Fund Resources and Uses Arising From Cash Transactions
For The Year Ended December 31, 2007**

MCAG No. 844

STMT C-4/5

SPECIAL REVENUE FUNDS

	140 Contingency Reserve		150 Fire Equipment Reserve		153 EMS Equipment Reserve	
	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Cash and Investments	\$74,241	\$81,736	\$203,180	\$181,456	\$137,000	\$139,290
Revenues:						
310 Taxes						
320 License						
330 Intergovernmental						
340 Charges For Services						
350 Fines & Forfeits						
360 Miscellaneous	2,000	4,357	8,000	8,558	5,000	6,975
390 Other Financing Sources			18,000	80,000		
Total Revenue & Other Sources	\$2,000	\$4,357	\$26,000	\$88,558	\$5,000	\$6,975
Total Resources	\$76,241	\$86,093	\$229,180	\$270,015	\$142,000	\$146,265
Operating Expenditures:						
570 Culture & Recreation						
Salaries						
Benefits						
Supplies						
Other Services & Charges						
Intergovt. Professional Svcs.						
Total Operating Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
594-595 Capital Outlay						
597 Transfers-Out	45,000		5,729	4,321		
Toal Expend. & Other Uses	\$45,000	\$0	\$5,729	\$4,321	\$0	\$0
Excess Of Resources Over Uses	\$31,241	\$86,093	\$223,451	\$265,693	\$142,000	\$146,265
380 Non-Revenues						
580 Non-Expenditures						
Ending Cash and Investments	\$31,241	\$86,093	\$223,451	\$265,693	\$142,000	\$146,265

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH

Fund Resources and Uses Arising From Cash Transactions For The Year Ended December 31, 2007

MCAG No. 844

STMT C-4/5

SPECIAL REVENUE FUNDS

	170 Current Exp. Equip. Reserve		171 Public Works Equipment Res.		180 Drugs & Alcohol Community Res.	
	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Cash and Investments	\$91,999	\$128,592	\$291,872	\$279,251	\$4,500	\$4,547
Revenues:						
310 Taxes						
320 License						
330 Intergovernmental						
340 Charges For Services						
350 Fines & Forfeits					400	350
360 Miscellaneous	29,000	31,421	20,000	17,349	200	252
390 Other Financing Sources	88,100	79,100	30,000	39,000		
Total Revenue & Other Sources	\$117,100	\$110,521	\$50,000	\$56,349	\$600	\$603
Total Resources	\$209,099	\$239,113	\$341,872	\$335,600	\$5,100	\$5,150
Operating Expenditures:						
Salaries						
Benefits						
Supplies						
Other Services & Charges						
Total Operating Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
594-595 Capital Outlay						
597 Transfers-Out	129,734	123,941	68,200	63,200		
Toal Expend. & Other Uses	\$129,734	\$123,941	\$68,200	\$63,200	\$0	\$0
Excess Of Resources Over Uses	\$79,365	\$115,172	\$273,672	\$272,400	\$5,100	\$5,150
380 Non-Revenues	\$475,000	\$475,000		\$52,625		
580 Non-Expenditures						
Ending Cash and Investments	\$554,365	\$590,172	\$273,672	\$325,025	\$5,100	\$5,150

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH

Fund Resources and Uses Arising From Cash Transactions For The Year Ended December 31, 2007

MCAG No. 844

STMT C-4/5

SPECIAL REVENUE FUNDS

	181 Crime Prevention Accumulative Res.		198 Salmon Recovery	
	Budget	Actual	Budget	Actual
Beginning Cash and Investments	\$4,300	\$3,780		(\$31,016)
Revenues:				
310 Taxes				
320 License				
330 Intergovernmental				
340 Charges For Services				
350 Fines & Forfeits	400	359		
360 Miscellaneous	200	165		
390 Other Financing Sources				
Total Revenue & Other Sources	\$600	\$524	\$0	\$0
Total Resources	\$4,900	\$4,305	\$0	(\$31,016)
Operating Expenditures:				
Salaries				
Benefits				
Supplies				
Other Services & Charges				
Total Operating Expenditures	\$0	\$0	\$0	\$0
594-595 Capital Outlay				
597 Transfers-Out				
Toal Expend. & Other Uses	\$0	\$0	\$0	\$0
Excess Of Resources Over Uses	\$4,900	\$4,305	\$0	(\$31,016)
380 Non-Revenues				
580 Non-Expenditures				
Ending Cash and Investments	\$4,900	\$4,305	\$0	(\$31,016)

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH

Fund Resources and Uses Arising From Cash Transactions For The Year Ended December 31, 2007

MCAG No. 844

STMT C-4/5

DEBT SERVICE FUNDS

	201 11th Street LID Control		202 Goodlander LID		220 LID Guaranty	
	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Cash and Investments	\$4,500	\$4,903	\$4,165	\$4,828	\$43,280	\$45,253
Revenues:						
310 Taxes						
320 License						
330 Intergovernmental						
340 Charges For Services						
350 Fines & Forfeits						
360 Miscellaneous	5,667	1,064	23,600	28,343	1,500	2,023
390 Other Financing Sources	5191	5190.32				356
Total Revenue & Other Sources	\$10,858	\$6,254	\$23,600	\$28,343	\$1,500	\$2,379
Total Resources	\$15,358	\$11,157	\$27,765	\$33,171	\$44,780	\$47,632
Operating Expenditures:						
Salaries						
Benefits						
Supplies						
Other Services & Charges						
Total Operating Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
591-93 Debt Service	10,801	10,801	24,200	23,476		
594-595 Capital Outlay						
597 Transfers-Out	357	356.36			5,191	5,190
Total Expend. & Other Uses	\$11,158	\$11,157	\$24,200	\$23,476	\$5,191	\$5,190
Excess Of Resources Over Uses	\$4,200	\$0	\$3,565	\$9,696	\$39,589	\$42,442
380 Non-Revenues						
580 Non-Expenditures						
Ending Cash and Investments	\$4,200	\$0	\$3,565	\$9,696	\$39,589	\$42,442

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH

Fund Resources and Uses Arising From Cash Transactions For The Year Ended December 31, 2007

MCAG No. 844

STMT C-4/5

DEBT SERVICE FUNDS

	231 Fire Station GO Ref. Bond Redem.		232 2002 GO Bonds	
	Budget	Actual	Budget	Actual
Beginning Cash and Investments	\$5,000	\$4,635	\$0	\$0
Revenues:				
310 Taxes	36,000	36,000		
320 License				
330 Intergovernmental				
340 Charges For Services				
350 Fines & Forfeits				
360 Miscellaneous	250	702		
390 Other Financing Sources			417,395	417,394
Total Revenue & Other Sources	\$36,250	\$36,702	\$417,395	\$417,394
Total Resources	\$41,250	\$41,337	\$417,395	\$417,394
Operating Expenditures:				
Salaries				
Benefits				
Supplies				
Other Services & Charges				
Total Operating Expenditures	\$0	\$0	\$0	\$0
591-93 Debt Service	36,684	36,684	417,395	417,395
594-595 Capital Outlay				
597 Transfers-Out				
Total Expend. & Other Uses	\$36,684	\$36,684	\$417,395	\$417,394
Excess Of Resources Over Uses	\$4,566	\$4,653	\$0	\$0
380 Non-Revenues				
580 Non-Expenditures				
Ending Cash and Investments	\$4,566	\$4,653	\$0	\$0

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH
Fund Resources and Uses Arising From Cash Transactions
For The Year Ended December 31, 2007

MCAG No. 844
 STMT C-4/5

CAPITAL PROJECT FUNDS

	301 Capital Improvement		303 Fire Control Building Res.		308 Civic Center Capital	
	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Cash and Investments	\$210,000	\$278,904	\$15,211	\$17,738	\$9,000	\$11,197
Revenues:						
310 Taxes	65,000	79,438				
320 License						
330 Intergovernmental						
340 Charges For Services						
350 Fines & Forfeits						
360 Miscellaneous	17,500	31,163	2,000	771	300	563
390 Other Financing Sources						
Total Revenue & Other Sources	\$82,500	\$110,600	\$2,000	\$771	\$300	\$563
Total Resources	\$292,500	\$389,504	\$17,211	\$18,509	\$9,300	\$11,760
Operating Expenditures:						
Salaries						
Benefits						
Supplies						
Other Services & Charges						
Total Operating Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
594-595 Capital Outlay						
597 Transfers-Out	374,753	374,752			3,502	3,502
Total Expend. & Other Uses	\$374,753	\$374,752	\$0	\$0	\$3,502	\$3,502
Excess Of Resources Over Uses	(\$82,253)	\$14,752	\$17,211	\$18,509	\$5,798	\$8,258
380 Non-Revenues	\$317,206	\$317,206				
580 Non-Expenditures						
Ending Cash and Investments	\$234,953	\$331,958	\$17,211	\$18,509	\$5,798	\$8,258

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH

**Fund Resources and Uses Arising From Cash Transactions
For The Year Ended December 31, 2007**

MCAG No. 844

STMT C-4/5

CAPITAL PROJECT FUNDS

	309 2002 Marudo Land Acquisition		310 CE Building/Prop. Reserve		321 Public Works Shop Construction	
	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Cash and Investments	\$789,212	\$905,149	\$195,000	\$199,094	\$1,000,000	\$1,146,883
Revenues:						
310 Taxes						
320 License						
330 Intergovernmental						
340 Charges For Services						
350 Fines & Forfeits						
360 Miscellaneous	500,000	921,384	2,008	8,706	20,000	70,789
390 Other Financing Sources					200,000	200,000
Total Revenue & Other Sources	\$500,000	\$921,384	\$2,008	\$8,706	\$220,000	\$270,789
Total Resources	\$1,289,212	\$1,826,533	\$197,008	\$207,799	\$1,220,000	\$1,417,672
Operating Expenditures:						
Salaries						
Benefits						
Supplies						
Other Services & Charges	6,348	6,347	8	7		
Total Operating Expenditures	\$6,348	\$6,347	\$8	\$7	\$0	\$0
591-593 Debt Svc	25,956	25,956				
594-595 Capital Outlay	11,853	5,426			300,000	10,369
597 Transfers-Out	1,157,197	1,157,197	133,280			
Toal Expend. & Other Uses	\$1,201,354	\$1,194,927	\$133,288	\$7	\$300,000	\$10,369
Excess Of Resources Over Uses	\$87,858	\$631,606	\$63,720	\$207,792	\$920,000	\$1,407,304
380 Non-Revenues						
580 Non-Expenditures						
Ending Cash and Investments	\$87,858	\$631,606	\$63,720	\$207,792	\$920,000	\$1,407,304

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH

Fund Resources and Uses Arising From Cash Transactions For The Year Ended December 31, 2007

MCAG No. 844

STMT C-4/5

ENTERPRISE FUNDS

	411		415		420	
	Water		Sewer		Solid Waste	
	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Cash and Investments	\$268,645	\$268,645	\$1,546,452	\$1,546,452	\$30,676	\$55,049
PreTreatment Equipment Res.			116,138	116,138		
Revenues:						
310 Taxes						
320 License						
330 Intergovernmental			75,000	24,736		
340 Charges For Services	1,410,052	1,411,580	1,521,790	1,520,237	633,359	657,054
350 Fines & Forfeits						
360 Miscellaneous	18,156	25,179	64,421	64,421	1,500	4,943
390 Other Financing Sources	22,734	21,067	3,022,734	3,021,067		
Total Revenue & Other Sources	\$1,450,942	\$1,457,825	\$4,683,945	\$4,630,460	\$634,859	\$661,997
Total Resources	\$1,719,587	\$1,726,469	\$6,346,535	\$6,293,050	\$665,535	\$717,046
Operating Expenditures:						
530 Physical Environment						
Salaries	255,342	244,345	347,124	337,996	31,287	26,231
Benefits	85,453	84,341	116,471	113,187	10,747	8,828
Supplies	88,463	85,873	53,571	42,697	800	788
Other Services & Charges	255,770	230,100	638,121	451,631	498,205	498,082
Intergovt. Svcs. & Taxes	147,859	147,858	137,238	117,238	72,004	72,002
Total Operating Expenditures	\$832,887	\$792,518	\$1,292,525	\$1,062,747	\$613,043	\$605,931
591-93 Debt Service	197,917	194,417	160,805	160,805		
594-595 Capital Outlay	1,653,541	64,156	5,032,647	4,879,622		
597 Transfers-Out	372,894	372,894	621,000	621,000	5,000	5,000
Total Expend. & Other Uses	\$3,057,239	\$1,423,985	\$7,106,977	\$6,724,173	\$618,043	\$610,931
Excess Of Resources Over Uses	(\$1,337,652)	\$302,484	(\$760,442)	(\$431,123)	\$47,492	\$106,115
380 Non-Revenues	\$1,482,557	\$1,700	\$1,128,820	\$846,300		
580 Non-Expenditures		2,200				
PreTreatment Equipment Res.	0					
PWTF Loan Draw						
Ending Cash and Investments	\$144,905	\$301,984	\$368,378	\$415,177	\$47,492	\$106,115

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH

(\$0) MCAG No. 844

**Fund Resources and Uses Arising From Cash Transactions
For The Year Ended December 31, 2007**

STMT C-4/5

ENTERPRISE FUNDS

	452 1994 Water-Sewer Bond Redemption		453 1994 Water-Sewer Bond Reserve		461 Water Reserve	
	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Cash and Investments	\$1,260	\$1,051	\$83,300	\$86,083	\$400,000	\$455,889
Revenues:						
310 Taxes						
320 License						
330 Intergovernmental						
340 Charges For Services						
350 Fines & Forfeits						
360 Miscellaneous	257	258	3,000	4,537	15,000	25,427
370 Capital Contributions					55,500	60,844
390 Other Financing Sources	66,894	66,894				196,000
Total Revenue & Other Sources	\$67,151	\$67,152	\$3,000	\$4,537	\$70,500	\$282,271
Total Resources	\$68,411	\$68,203	\$86,300	\$90,620	\$470,500	\$738,160
Operating Expenditures:						
Salaries						
Benefits						
Supplies						
Other Services & Charges						
Total Operating Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
591-93 Debt Service	67,216	67,215				
594-595 Capital Outlay						
597 Transfers-Out						
Toal Expend. & Other Uses	\$67,216	\$67,215	\$0	\$0	\$0	\$0
Excess Of Resources Over Uses	\$1,195	\$987	\$86,300	\$90,620	\$470,500	\$738,160
380 Non-Revenues						
580 Non-Expenditures						
Ending Cash and Investments	\$1,195	\$987	\$86,300	\$90,620	\$470,500	\$738,160

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF SELAH

Fund Resources and Uses Arising From Cash Transactions For The Year Ended December 31, 2007

MCAG No. 844

STMT C-4/5

ENTERPRISE FUNDS

	465 Sewer Reserve		470 Solid Waste Reserve	
	Budget	Actual	Budget	Actual
Beginning Cash and Investments	\$4,024,436	\$4,062,082	\$125,000	\$128,375
Revenues:				
310 Taxes				
320 License				
330 Intergovernmental				
340 Charges For Services				
350 Fines & Forfeits				
360 Miscellaneous	100,000	115,985	5,000	6,639
370 Capital Contributions	50,000	63,218		
390 Other Financing Sources		511,000	5,000	5,000
Total Revenue & Other Sources	\$150,000	\$690,203	\$10,000	\$11,639
Total Resources	\$4,174,436	\$4,752,284	\$135,000	\$140,015
Operating Expenditures:				
Salaries				
Benefits				
Supplies				
Other Services & Charges				
Total Operating Expenditures	\$0	\$0	\$0	\$0
594-595 Capital Outlay				
597 Transfers-Out	3,000,000	3,000,000		
Toal Expend. & Other Uses	\$3,000,000	\$3,000,000	\$0	\$0
Excess Of Resources Over Uses	\$1,174,436	\$1,752,284	\$135,000	\$140,015
380 Non-Revenues				
580 Non-Expenditures				
Ending Cash and Investments	\$1,174,436	\$1,752,284	\$135,000	\$140,015

The Accompanying Notes Are An Integral Part Of This Statement.

**CITY OF SELAH
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

The city uses the revenue and expenditure classifications contained in the Budgeting, Accounting and Reporting System (BARS) manual. The manual is prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW.

The City of Selah was incorporated on March 17, 1919 and operates under the laws of the state of Washington applicable to a noncharter code city. The city is a general purpose government and provides Public Safety, Solid Waste Disposal, Fire Prevention, Street Improvement, Parks and Recreation, Municipal Court Library, and General Administration Services. The city uses double 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 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 revenues that are legally restricted or designated to finance particular activities of the city.

Debt Service Funds

These funds account for the accumulation of resources to pay principal, interest and related costs on general long-term debt.

Capital Project Funds

These funds account for financial resources which are designated for the acquisition or construction of general government capital projects.

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.

FIDUCIARY FUND TYPES

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

Agency Funds

These funds are used to account assets that the city holds for others in an agency capacity.

b. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Revenues are recognized only when cash is received, other than accrued interest on investments (see Note 3 Investments), and expenditures are recognized when paid, including those properly chargeable against the report year(s) budget appropriations as required by state law.

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

Annual appropriated budgets are adopted for all funds. The financial statements include budgetary comparisons for those funds.

Annual appropriated are adopted at the fund level (except the General (Current Expense) fund, where budgets are adopted at the department level). The budgets constitute the legal authority for expenditures at that level. Annual appropriations for all funds lapse at year end.

The Clerk-Treasurer is authorized to transfer budgeted amounts between (departments within any fund/object classes within departments); however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the city's legislative body.

d. Cash

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

e. Deposits

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

f. Investments See Note #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 may be accumulated up to 240 hours and is payable upon separation or retirement.

Sick leave may be accumulated indefinitely. Upon retirement (which shall be defined as immediately receiving PERS or LEOFF payments) employees may exercise an option to convert any of their unused sick leave (which was accrued after January 1, 2000) at a rate equal to one (1) full day of the employee's monetary compensation for each four (4) full days accrued sick leave up to a maximum of 180 days converted to a maximum of 45 days pay .

i. Long-Term Debt See Note #6

j. Other Financing Sources or Uses

Transfers to support the operations of other funds are recorded as "Operating Transfers" and classified as "Other Financing Sources or Uses". Also included are contributions to the capital or enterprise funds and transfers to establish or reduce working capital in other funds.

k. Risk Management

The city is a member of the Cities Insurance Association of Washington. Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The pool was formed on September 1, 1988 when 34 cities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. Currently, the CIAW has 97 member cities and 162 fire and special districts in the program.

The pool allows members to jointly purchase insurance coverage and provide related services, such as administration, risk management, claims administration, etc. Coverage for Public Officials Liability is on a "claims made basis". All other coverages are on an "occurrence basis". The pool provides the following forms of group purchased insurance coverage for its members: Property, liability, vehicle liability, other mobile equipment, boiler and machinery, bonds of various types, excess liability and public official liability.

The pool acquires liability insurance from unrelated underwriters that are subject to a per-occurrence deductible of \$ 100,000. Members are responsible for the first \$ 1,000 of the deductible amount of each claim, while the pool is responsible for the remaining \$ 99,000. Insurance carriers cover insured losses over \$ 100,000 to the limits of each policy. Since the pool is a cooperative program, there is a joint liability among the participating members towards the sharing of the \$ 99,000 portion of the deductible. The pool, however, purchases a Stop Loss Policy in the amount of \$ 5,500,000 to reduce risk to its members.

Property insurance is subject to a per-occurrence deductible of \$ 10,000. Members are responsible for the first \$ 1,000 of the deductible amount of each claim, while the pool is responsible for the remaining \$ 9,000.

Boiler and machinery insurance is subject to a per-occurrence deductible of \$ 2,500. Members are responsible for the deductible amount of each claim.

Each new member now pays the pool an admittance fee. This amount covers the member's share of unrestricted reserves. Members contract to remain in the pool for a minimum of one year, and must give notice before August 31 before terminating participation the following September 1. The Interlocal Governmental Agreement is renewed automatically each year. Even after termination, a member remains responsible for contributions to the pool for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Governmental Agreement.

The pool is fully funded by its member participants. Claims are filed by members with Canfield & Associates, which has been contracted to perform pool administration, claims adjustment and administration and loss prevention for the pool. Fees paid to the third party administrator under this arrangement for the year ended August 31, 2007 and 2008 were \$ 1,242,382 and \$ 1,321,289, respectively.

A governing board is selected by the membership and is responsible for conducting the business affairs of the pool. The Board of Directors has contracted with Canfield & Associates, Inc. to perform day-to-day administration of the pool. This pool has no employees. Copies of the pool's annual report may be obtained by writing to 451 Diamond Drive, Ephrata, WA 98823.

NOTE 2-COMPLIANCE AND ACCOUNTABILITY

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

Fund 198 Salmon Recovery had a negative cash balance of \$ 31,016 at year end 2008. This negative cash balance is offset by positive cash balances in unrestricted funds. This fund is reimbursed through a grant program.

NOTE 3-INVESTMENTS

The city's investments are either insured, registered or held by the city or it's agent in the city's name.

Investments by type at December 31, 2008 were as follows:

<u>Type of Investments</u>	<u>Balance</u>
L.G.I.P.	\$ 1,742,651
Money Market account	3,039,166
Time Deposits	<u>3,697,088</u>
Total Investments	<u>\$ 8,478,905</u>

Investments include accrued interest earnings. Recognition of accrued interest is a departure from cash basis accounting, which requires that interest earnings be available for withdrawal before being recognized as revenue.

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 the 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 2008 was \$2.54 per \$1,000 on assessed valuation of \$486,766,844 for a total regular levy of \$ 1,238,495.

NOTE 5-INTERFUND LOANS AND ADVANCES

As of December 31, 2008 the city had no interfund loans.

NOTE 6-LONG-TERM DEBT

The accompanying schedule of Long-Term Debt provides a listing of the outstanding debt of the city and summarizes the city's debt transactions for 2007. The debt service requirements, including interest, are as follows:

	<u>G.O.</u> <u>Debt</u>	<u>Revenue</u> <u>Bonds</u>	<u>Other</u> <u>Revenue</u> <u>Debt</u>	<u>Total</u> <u>Debt</u>
2009	476,207	66,200	431,155	973,562
2010	501,401	68,050	427,621	997,072
2011	506,751	69,600	424,088	1,000,439
2012	471,471	70,850	420,554	962,875
2013	396,963	66,950	417,020	880,933
2014-2023	<u>4,301,386</u>	<u> </u>	<u>3,170,103</u>	<u>7,471,489</u>
	<u>\$ 6,654,179</u>	<u>\$ 341,650</u>	<u>\$ 5,290,541</u>	<u>\$12,286,370</u>

NOTE 7-PENSION PLANS

Substantially all city full-time employees and qualifying part-time employees participate in the Public Employees Retirement System or the Law Enforcement Officers and Firefighters Retirement System administered by the Department of Retirement Systems, under cost-sharing multiple-employer public employment systems. Actuarial information is on a system-wide basis and is not considered pertinent to the city's financial statements. Contributions to the system by both employee and employer are based upon gross wages covered by the plan.

Historical trend information showing each system's progress in accumulating sufficient assets to pay benefits when due is presented in the State of Washington's *Comprehensive Annual Financial Report*. Please refer to said report for detailed information.

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98504-8380

**CITY OF SELAH
NOTES TO FINANCIAL STATEMENTS**

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The Clerk-Treasurer is authorized to transfer budgeted amounts between (departments within any fund/object classes within departments); however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the city's legislative body.

d. Cash

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

e. Deposits

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

f. Investments See Note #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 may be accumulated up to 240 hours and is payable upon separation or retirement.

Sick leave may be accumulated indefinitely. Upon retirement (which shall be defined as immediately receiving PERS or LEOFF payments) employees may exercise an option to convert any of their unused sick leave (which was accrued after January 1, 2000) at a rate equal to one (1) full day of the employee's monetary compensation for each four (4) full days accrued sick leave up to a maximum of 180 days converted to a maximum of 45 days pay .

i. Long-Term Debt See Note #6

j. Other Financing Sources or Uses

Transfers to support the operations of other funds are recorded as "Operating Transfers" and classified as "Other Financing Sources or Uses". Also included are contributions to the capital or enterprise funds and transfers to establish or reduce working capital in other funds.

k. Risk Management

The city is a member of the Cities Insurance Association of Washington. Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The pool was formed on September 1, 1988 when 34 cities in the State of Washington joined

together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. Currently, the CIAW has 117 member cities and 162 associate members.

The pool allows members to jointly purchase insurance coverage and provide related services, such as administration, risk management, claims administration, etc. Coverage for Public Officials Liability is on a "claims made basis". All other coverages are on an "occurrence basis". The pool provides the following forms of group purchased insurance coverage for its members: Property, liability, vehicle liability, other mobile equipment, boiler and machinery, bonds of various types, excess liability and public official liability.

The pool acquires liability insurance from unrelated underwriters that are subject to a per-occurrence deductible of \$ 100,000. Members are responsible for the first \$ 1,000 of the deductible amount of each claim, while the pool is responsible for the remaining \$ 99,000. Insurance carriers cover insured losses over \$ 100,000 to the limits of each policy. Since the pool is a cooperative program, there is a joint liability among the participating members towards the sharing of the \$ 99,000 portion of the deductible. The pool, however, purchases a Stop Loss Policy in the amount of \$ 2,653,767 to eliminate any risk to members and, in addition, fully funds the Stop Loss in the budget.

Property insurance is subject to a per-occurrence deductible of \$ 10,000. Members are responsible for the first \$ 1,000 of the deductible amount of each claim, while the pool is responsible for the remaining \$ 9,000.

Boiler and machinery insurance is subject to a per-occurrence deductible of \$ 2,500. Members are responsible for the deductible amount of each claim.

Each new member now pays the pool an admittance fee. This amount covers the member's share of unrestricted reserves. Members contract to remain in the pool for a minimum of one year, and must give notice before August 31 before terminating participation the following September 1. The Interlocal Governmental Agreement is renewed automatically each year. Even after termination, a member remains responsible for contributions to the pool for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Governmental Agreement.

The pool is fully funded by its member participants. Claims are filed by members with Canfield & Associates, Inc., which has been contracted to perform pool administration, claims adjustment and administration and loss prevention for the pool. Fees paid to the third party administrator under this arrangement for the year ended August 31, 2007 were \$ 1,242,382.

A governing board is selected by the membership and is responsible for conducting the business affairs of the pool. The Board of Directors has contracted with Canfield & Associates, Inc. to perform day-to-day administration of the pool. This pool has no employees. Copies of the pool's annual report may be obtained by writing to 451 Diamond Drive, Ephrata, WA 98823.

NOTE 2-COMPLIANCE AND ACCOUNTABILITY

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

Fund 198 Salmon Recovery had a negative cash balance of \$ 31,016 at year end 2007. This negative cash balance is offset by positive cash balances in unrestricted funds. This fund is reimbursed through a grant program.

NOTE 3-INVESTMENTS

The city's investments are either insured, registered or held by the city or it's agent in the city's name.

Investments by type at December 31, 2007 were as follows:

<u>Type of Investments</u>	<u>Balance</u>
L.G.I.P.	\$ 1,695,441
Money Market account	3,556,717
Time Deposits	<u>3,533,145</u>
Total Investments	\$ <u>8,785,303</u>

Investments include accrued interest earnings. Recognition of accrued interest is a departure from cash basis accounting, which requires that interest earnings be available for withdrawal before being recognized as revenue.

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 the 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 2007 was \$2.68 per \$1,000 on assessed valuation of \$441,277,221 for a total regular levy of \$ 1,183,311.

NOTE 5-INTERFUND LOANS AND ADVANCES

As of December 31, 2007 the city had no interfund loans.

NOTE 6-LONG-TERM DEBT

The accompanying schedule of Long-Term Debt provides a listing of the outstanding debt of the city and summarizes the city's debt transactions for 2007. The debt service requirements, including interest, are as follows:

	G.O. <u>Debt</u>	Revenue <u>Bonds</u>	Other Revenue <u>Debt</u>	Total <u>Debt</u>
2008	474,222	69,150	408,652	952,024
2009	476,207	66,200	406,450	948,857
2010	472,229	68,050	403,122	943,401
2011	477,579	69,600	399,794	946,973
2012	442,299	70,850	396,467	909,616
2013-2023	<u>4,494,150</u>	<u>66,950</u>	<u>3,410,005</u>	<u>7,971,105</u>
	<u>\$ 6,836,686</u>	<u>\$ 410,800</u>	<u>\$ 5,424,490</u>	<u>\$12,671,976</u>

NOTE 7-PENSION PLANS

Substantially all city full-time employees and qualifying part-time employees participate in the Public Employees Retirement System or the Law Enforcement Officers and Firefighters Retirement System administered by the Department of Retirement Systems, under cost-sharing multiple-employer public employment systems. Actuarial information is on a system-wide basis and is not considered pertinent to the city's financial statements. Contributions to the system by both employee and employer are based upon gross wages covered by the plan.

Historical trend information showing each system's progress in accumulating sufficient assets to pay benefits when due is presented in the State of Washington's *Comprehensive Annual Financial Report*. Please refer to said report for detailed information.

State of Washington
Office of Financial Management
300 Insurance Building
P.O. Box 3113
Olympia, WA 98504-0201

CITY OF SELAH
Schedule of Long-Term debt
General Obligation Debt - Revenue Debt - Assessment Debt
For The Year Ended December 31, 2008

ID. NO.	DATE OF ORIGINAL ISSUE	DATE OF MATURITY	(1)		(2)		(3)		REDEEMING FUND NUMBER	(1)+(2)-(3) ENDING OUTSTANDING DEBT 12/31/08
			BEGINNING OUTSTANDING DEBT 1/1/08	AMOUNT ISSUED CURRENT YR.	BARS CODE FOR RECEIPT	RECEIVING FUND NUMBER	AMOUNT REDEEMED CURRENT YR.	BARS CODE FOR REDEMPTION		
251.15	10/1/2001	12/1/2011	\$125,000				\$30,000	591.22.71.01	231	\$95,000
251.11	10/1/2002	12/1/2022	4,590,000				235,000	591.19.71.01	232	4,355,000
263.81	5/31/2005	6/1/2026	288,000				9,909	591.19.78.01	309	278,091
263.81	3/18/2008	6/1/2019	0	\$227,000			0	591.19.78.01	309	227,000
Total GO Debt			\$5,003,000	\$227,000			\$274,909			\$4,955,091
263.82	11/17/1999	11/16/2019	1,570,800				149,742	582.35.78.03	415	\$1,647,158
252.11	3/15/1994	5/1/2013	345,000	\$226,100			50,000	582.34.72.00	411/452	295,000
263.82	8/30/2001	8/29/2020	2,372,832				169,488	591.34.79.01	411	2,203,344
263.82	7/14/2003	7/1/2023	1,036,346	\$56,420			68,298	582.35.78.04	415	1,024,468
Total Revenue Debt			\$5,324,978	\$282,520			\$437,528			\$5,169,970
253.11	6/15/2002	7/1/2017	140,000				30,000	591.95.73.00	202	110,000
Total Assessment Debt			\$140,000	\$0			\$30,000			\$110,000

CITY OF SELAH
Schedule of Long-Term debt
General Obligation Debt - Revenue Debt - Assessment Debt
For The Year Ended December 31, 2007

ID. NO.	DATE OF ORIGINAL ISSUE	DATE OF MATURITY	(1)		(2)		(3)		REDEEMING FUND NUMBER	(1)+(2)-(3) ENDING OUTSTANDING DEBT 12/31/07
			BEGINNING OUTSTANDING DEBT 1/1/07	AMOUNT ISSUED CURRENT YR.	BARS CODE FOR RECEIPT	RECEIVING FUND NUMBER	AMOUNT REDEEMED CURRENT YR.	BARS CODE FOR REDEMPTION		
251.15	10/1/2001	12/1/2011	\$155,000				\$30,000	591.22.71.01	231	\$125,000
251.11	10/1/2002	12/1/2022	4,820,000				230,000	591.19.71.01	232	4,590,000
263.81	5/31/2005	6/1/2026	288,000				0	591.19.78.01	309	288,000
Total GO Debt			<u>\$5,263,000</u>	<u>\$0</u>			<u>\$260,000</u>			<u>\$5,003,000</u>
263.82	11/17/1999	11/16/2019	1,701,700				130,900	582.35.78.03	415	\$1,570,800
252.11	3/15/1994	5/1/2013	390,000				45,000	582.34.72.00	411/452	345,000
263.82	8/30/2001	8/29/2020	2,542,320				169,488	591.34.79.01	411	2,372,832
263.82	7/14/2003	7/1/2023	201,924	\$846,300			11,878	582.35.78.04	415	1,036,346
Total Revenue Debt			<u>\$4,835,944</u>	<u>\$846,300</u>			<u>\$357,266</u>			<u>\$5,324,978</u>
253.11	7/23/1996	7/1/2006	\$10,000				\$10,000	591.95.73.00	201	\$0
253.11	6/15/2002	7/1/2017	155,000				15,000	591.95.73.00	202	140,000
Total Assessment Debt			<u>\$165,000</u>	<u>\$0</u>			<u>\$25,000</u>			<u>\$140,000</u>