

CITY OF CLARKSTON

MCAG NO. 0197

ANNUAL REPORT

FISCAL YEAR ENDING

DECEMBER 31, 2010

Donna M. Engle, Mayor
Vickie Storey, Clerk/Treasurer

ANNUAL REPORT

CITY OF CLARKSTON

MCAG NO. 0197

Submitted pursuant to RCW 43.09.230

to the

STATE AUDITOR'S OFFICE

**FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2010**

Certified correct this 30th day of May 2011, to the best of my knowledge and belief:

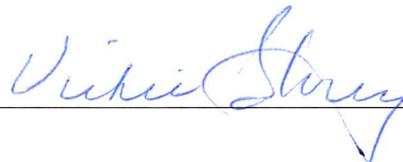
GOVERNMENT INFORMATION:

Official Mailing Address 829 5th Street, Clarkston, WA 99403
Official Web Site Address www.clarkston-wa.com

PREPARER INFORMATION & CERTIFICATION

Preparer Name & Title Vickie Storey, City Clerk/Treasurer
Contact Phone Number (509) 769-0131
Contact Fax Number (509) 769-6018
Contact E-mail Address clarkstoncity@cableone.net

Signature



City of Clarkston

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2010

BARS CODE		Total for	001	102
		All Funds 1/	Current Expense Fund	Rescue Unit One Fund
		Total Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
308.10	Reserved	\$499,400.00	\$0.00	\$0.00
308.80	Unreserved	\$6,076,185.67	\$2,095,876.85	\$33,576.74
388.80 or 588.80	Prior Period Adjustments	\$0.00	\$0.00	\$0.00
Revenues and Other Sources				
310	Taxes	\$3,808,954.01	\$2,933,136.98	\$0.00
320	Licenses and Permits	\$128,021.23	\$128,021.23	\$0.00
330	Intergovernmental	\$652,656.80	\$457,975.85	\$2,186.00
340	Charges for Goods and Services	\$2,390,638.25	\$6,833.46	\$0.00
350	Fines and Penalties	\$185,730.34	\$145,177.64	\$0.00
360	Miscellaneous	\$94,774.25	\$40,466.81	\$1,211.83
370	Capital Contributions	\$0.00	\$0.00	\$0.00
390	Other Financing Sources	\$2,312,683.05	\$1,731,960.00	\$0.00
Total Revenues and Other Financing Sources		\$9,573,457.93	\$5,443,571.97	\$3,397.83
Total Resources		\$16,149,043.60	\$7,539,448.82	\$36,974.57
Operating Expenditures:				
510	General Government	\$460,462.45	\$460,462.45	\$0.00
520	Public Safety	\$3,229,633.63	\$2,425,363.97	\$0.00
530	Physical Environment	\$2,039,866.85	\$43,984.37	\$0.00
540	Transportation	\$660,042.58	\$0.00	\$0.00
550	Economic Environment	\$197,133.82	\$106,776.20	\$0.00
560	Mental and Physical Health	\$1,880.94	\$1,880.94	\$0.00
570	Culture and Recreational	\$293,639.37	\$293,639.37	\$0.00
Total Operating Expenditures		\$6,882,659.64	\$3,332,107.30	\$0.00
591-593	Debt Service	\$93,009.28	\$74,198.32	\$0.00
594-595	Capital Outlay	\$1,687,242.03	\$1,181,114.12	\$27,228.24
Total Expenditures		\$8,662,910.95	\$4,587,419.74	\$27,228.24
597-599	Other Financing Uses	\$950,683.05	\$341,800.00	\$0.00
Total Expenditures and Other Financing Uses		\$9,613,594.00	\$4,929,219.74	\$27,228.24
Excess (Deficit) of Resources Over Uses		\$7,486,132.65	\$2,610,229.08	\$9,746.33
380	Nonrevenues (Except 384)	\$324,135.25	\$190,700.00	\$0.00
580	Nonexpenditures (Except 584)	\$590,525.85	\$100,000.00	\$0.00
Ending Cash and Investments:				
508.10	Reserved	\$148,600.00	\$0.00	\$0.00
508.80	Unreserved	\$6,120,459.00	\$2,700,929.08	\$9,746.33

1/ This column summarizes ALL reported funds, not just funds listed on this page

The Accompanying Notes Are An Integral Part Of This Statement.

City of Clarkston

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2010

BARS CODE		103	108	130
		Street Dept. Reserve Fund	Drug Enforcement	Lodging Tax Fund
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
308.10	Reserved	\$0.00	\$0.00	\$0.00
308.80	Unreserved	\$849,531.67	\$45,508.13	\$549,414.64
388.80 or 588.80	Prior Period Adjustments	\$0.00	\$0.00	\$0.00
Revenues and Other Sources				
310	Taxes	\$331,037.96	\$0.00	\$76,224.75
320	Licenses and Permits	\$0.00	\$0.00	\$0.00
330	Intergovernmental	\$174,287.95	\$0.00	\$0.00
340	Charges for Goods and Services	\$0.00	\$0.00	\$0.00
350	Fines and Penalties	\$0.00	\$3,710.00	\$0.00
360	Miscellaneous	\$23,943.89	\$1,388.77	\$4,053.15
370	Capital Contributions	\$0.00	\$0.00	\$0.00
390	Other Financing Sources	\$17,600.00	\$0.00	\$0.00
Total Revenues and Other Financing Sources		\$546,869.80	\$5,098.77	\$80,277.90
Total Resources		\$1,396,401.47	\$50,606.90	\$629,692.54
Operating Expenditures:				
510	General Government	\$0.00	\$0.00	\$0.00
520	Public Safety	\$0.00	\$268.74	\$0.00
530	Physical Environment	\$0.00	\$0.00	\$0.00
540	Transportation	\$660,042.58	\$0.00	\$0.00
550	Economic Environment	\$0.00	\$0.00	\$90,357.62
560	Mental and Physical Health	\$0.00	\$0.00	\$0.00
570	Culture and Recreational	\$0.00	\$0.00	\$0.00
Total Operating Expenditures		\$660,042.58	\$268.74	\$90,357.62
591-593	Debt Service	\$0.00	\$0.00	\$0.00
594-595	Capital Outlay	\$359,989.48	\$0.00	\$0.00
Total Expenditures		\$1,020,032.06	\$268.74	\$90,357.62
597-599	Other Financing Uses	\$0.00	\$0.00	\$0.00
Total Expenditures and Other Financing Uses		\$1,020,032.06	\$268.74	\$90,357.62
Excess (Deficit) of Resources Over Uses		\$376,369.41	\$50,338.16	\$539,334.92
380	Nonrevenues (Except 384)	\$0.00	\$112.36	\$0.00
580	Nonexpenditures (Except 584)	\$0.00	\$112.36	\$0.00
Ending Cash and Investments:				
508.10	Reserved	\$0.00	\$0.00	\$0.00
508.80	Unreserved	\$376,369.41	\$50,338.16	\$539,334.92

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City of Clarkston

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2010

BARS CODE		202	400	410
		Municipal Cap Imprvment Fund	Sewer M & O Fund	Util & Ent (santitation Fund)
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
308.10	Reserved	\$410,000.00	\$89,400.00	\$0.00
308.80	Unreserved	\$230,128.24	\$1,657,390.13	\$479,123.13
388.80 or 588.80	Prior Period Adjustments	\$0.00	\$0.00	\$0.00
Revenues and Other Sources				
310	Taxes	\$58,294.98	\$0.00	\$0.00
320	Licenses and Permits	\$0.00	\$0.00	\$0.00
330	Intergovernmental	\$0.00	\$0.00	\$0.00
340	Charges for Goods and Services	\$0.00	\$1,219,969.84	\$926,907.74
350	Fines and Penalties	\$0.00	\$18,421.27	\$18,421.43
360	Miscellaneous	\$4,111.89	\$13,713.27	\$4,570.76
370	Capital Contributions	\$0.00	\$0.00	\$0.00
390	Other Financing Sources	\$0.00	\$219,400.00	\$0.00
Total Revenues and Other Financing Sources		\$62,406.87	\$1,471,504.38	\$949,899.93
Total Resources		\$402,535.11	\$3,218,294.51	\$1,429,023.06
Operating Expenditures:				
510	General Government	\$0.00	\$0.00	\$0.00
520	Public Safety	\$0.00	\$0.00	\$0.00
530	Physical Environment	\$0.00	\$1,096,474.33	\$899,408.15
540	Transportation	\$0.00	\$0.00	\$0.00
550	Economic Environment	\$0.00	\$0.00	\$0.00
560	Mental and Physical Health	\$0.00	\$0.00	\$0.00
570	Culture and Recreational	\$0.00	\$0.00	\$0.00
Total Operating Expenditures		\$0.00	\$1,096,474.33	\$899,408.15
591-593	Debt Service	\$0.00	\$15,908.61	\$0.00
594-595	Capital Outlay	\$0.00	\$66,548.74	\$7,540.53
Total Expenditures		\$0.00	\$1,178,931.68	\$906,948.68
597-599	Other Financing Uses	\$300,000.00	\$219,400.00	\$0.00
Total Expenditures and Other Financing Uses		\$300,000.00	\$1,398,331.68	\$906,948.68
Excess (Deficit) of Resources Over Uses		\$402,535.11	\$1,819,962.83	\$522,074.38
380	Nonrevenues (Except 384)	\$0.00	\$750.00	\$32,572.89
580	Nonexpenditures (Except 584)	\$0.00	\$195,695.14	\$32,573.11
Ending Cash and Investments:				
508.10	Reserved	\$110,000.00	\$38,600.00	\$0.00
508.80	Unreserved	\$292,535.11	\$1,586,417.69	\$522,074.16

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City of Clarkston

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2010

BARS CODE		420		
		Ambulance / Ems Fund		
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
308.10	Reserved	\$0.00	\$0.00	\$0.00
308.80	Unreserved	\$135,636.14	\$0.00	\$0.00
388.80 or 588.80	Prior Period Adjustments	\$0.00	\$0.00	\$0.00
Revenues and Other Sources				
310	Taxes	\$410,259.34	\$0.00	\$0.00
320	Licenses and Permits	\$0.00	\$0.00	\$0.00
330	Intergovernmental	\$18,207.00	\$0.00	\$0.00
340	Charges for Goods and Services	\$236,927.21	\$0.00	\$0.00
350	Fines and Penalties	\$0.00	\$0.00	\$0.00
360	Miscellaneous	\$1,313.88	\$0.00	\$0.00
370	Capital Contributions	\$0.00	\$0.00	\$0.00
390	Other Financing Sources	\$343,723.05	\$0.00	\$0.00
Total Revenues and Other Financing Sources		\$1,010,430.48	\$0.00	\$0.00
Total Resources		\$1,146,066.62	\$0.00	\$0.00
Operating Expenditures:				
510	General Government	\$0.00	\$0.00	\$0.00
520	Public Safety	\$804,000.92	\$0.00	\$0.00
530	Physical Environment	\$0.00	\$0.00	\$0.00
540	Transportation	\$0.00	\$0.00	\$0.00
550	Economic Environment	\$0.00	\$0.00	\$0.00
560	Mental and Physical Health	\$0.00	\$0.00	\$0.00
570	Culture and Recreational	\$0.00	\$0.00	\$0.00
Total Operating Expenditures		\$804,000.92	\$0.00	\$0.00
591-593	Debt Service	\$2,902.35	\$0.00	\$0.00
594-595	Capital Outlay	\$44,820.92	\$0.00	\$0.00
Total Expenditures		\$851,724.19	\$0.00	\$0.00
597-599	Other Financing Uses	\$89,483.05	\$0.00	\$0.00
Total Expenditures and Other Financing Uses		\$941,207.24	\$0.00	\$0.00
Excess (Deficit) of Resources Over Uses		\$204,859.38	\$0.00	\$0.00
380	Nonrevenues (Except 384)	\$100,000.00	\$0.00	\$0.00
580	Nonexpenditures (Except 584)	\$262,145.24	\$0.00	\$0.00
Ending Cash and Investments:				
508.10	Reserved	\$0.00	\$0.00	\$0.00
508.80	Unreserved	\$42,714.14	\$0.00	\$0.00

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FIDUCIARY FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2010

	Total for		635		Actual Amount	Actual Amount	Actual Amount
	All Funds 1/	Total Amount	Agency Fund - Trust Account	Actual Amount			
Beginning Cash and Investments		(\$7,522.04)		(\$7,522.04)	\$0.00	\$0.00	\$0.00
Prior Period Adjustments		\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
Revenue and Other Financing Sources		\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
Total Resources		(\$7,522.04)		(\$7,522.04)	\$0.00	\$0.00	\$0.00
Expenditures And Other Financing Uses		\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
Excess (Deficit) of Resources Over Uses		(\$7,522.04)		(\$7,522.04)	\$0.00	\$0.00	\$0.00
Nonrevenues (Except 384)		\$723,858.03		\$723,858.03	\$0.00	\$0.00	\$0.00
Nonexpenditures (Except 584)		\$723,762.01		\$723,762.01	\$0.00	\$0.00	\$0.00
Ending Cash and Investments		(\$7,426.02)		(\$7,426.02)	\$0.00	\$0.00	\$0.00

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CITY OF CLARKSTON
G. O. DEBT & LIABILITIES RELATED TO GOVERNMENTAL FUNDS
For the Year Ended December 31, 2010

ID No.	Description	1 Beginning Balance 1/1/2010	2 Additions	3 Reductions	BARS Code for Redemption of Debt Only	4 Ending Balance Debt 12/31/2010 (1) + (2) - (3)
259.11	Compensated Balances	n/a				\$ 344,560
251.11	GO Bond, City Hall	\$ -	\$ 1,270,000	-	591.19.71	\$ 1,270,000
263.96	LOCAL #0197-3-1	\$ -	\$ 92,000	\$ 12,015	582.26.71	\$ 79,985
TOTALS		\$ -	\$ 1,362,000	\$ 12,015		\$ 1,694,545

CITY OF CLARKSTON
REVENUE DEBT & LIABILITIES RELATED TO PROPRIETARY FUNDS
For the Year Ended December 31, 2010

ID No.	Description	1	2	3	4
259.12	Compensated Balances	n/a			Ending Balance Debt 12/31/2010 (1) + (2) - (3)
263.82	PWTF Loan, Sewer	\$ 189,942	-	\$ 94,971	\$ 94,971
263.82	SRF Loan #L9400012	\$ 73,558	-	\$ 73,558	-
263.82	SRF Loan #L9700039	\$ 272,294	-	\$ 27,164	\$ 245,130
TOTALS		\$ 535,794	-	\$ 195,693	\$ 684,661

CITY OF CLARKSTON
SCHEDULE OF LIMITATION OF INDEBTEDNESS
 As of December 31, 2010

Total Taxable Property Value	\$	<u>368,614,603</u>	
1. 2.5% general purposes limit is allocated between: Value)	\$	<u>9,215,365</u>	
2. <i>Up to 1.5% debt without a vote (councilmanic)</i>	\$	<u>5,529,219</u>	
3. Less: outstanding debt	\$	<u>1,694,545</u>	
4. Less: contracts payable	\$	<u>-</u>	
5. Less: excess of debt with a vote	\$	<u>-</u>	
6. Add: available assets	\$	<u>1,751,757</u>	
7. Equals: remaining debt capacity without a vote			<u>\$ 5,586,431</u>
8. <i>1% general purposes debt with a vote.</i>		<u>3,686,146</u>	
9. Less: outstanding debt	\$	<u>-</u>	
10. Less: contracts payable	\$	<u>-</u>	
11. Add: assets available	\$	<u>-</u>	
12. Equals: remaining debt capacity with a vote			<u>\$ 3,686,146</u>
13. 2.5% utility purpose limit, voted	\$	<u>9,215,365</u>	
14. Less: outstanding debt	\$	<u>-</u>	
15. Less: contracts payable	\$	<u>-</u>	
16. Add: assets available	\$	<u>-</u>	
17. Equals: remaining debt capacity - utility purpose, voted			<u>\$ 9,215,365</u>
18. 2.5% open space, park and capital facilities , voted	\$	<u>9,215,365</u>	
19. Less: outstanding debt	\$	<u>-</u>	
20. Less: contracts payable	\$	<u>-</u>	
21. Add: assets available	\$	<u>-</u>	
22. Equals: remaining debt capacity - open space, park and capital facilities, voted			<u>\$ 9,215,365</u>

City of Clarkston
SCHEDULE OF CASH ACTIVITY

For the Year Ended December 31, 2010

Fund Number	Description	Cash Activity In						Total Available
		Beginning Balance	Receipts	Investments Liquidated	Transfers In			
001	Current Expense Fund	\$2,095,876.85	\$4,994,768.70	\$0.00	\$664,516.40		\$7,755,161.95	
102	Rescue Unit One Fund	\$33,576.74	\$3,404.73	\$0.00	\$0.00		\$36,981.47	
103	Street Fund	\$849,531.67	\$510,593.07	\$0.00	\$162,600.00		\$1,522,724.74	
108	Drug Enforcement Fund	\$45,508.13	\$5,303.95	\$0.00	\$0.00		\$50,812.08	
130	Lodging Tax Fund	\$549,414.64	\$80,654.46	\$0.00	\$0.00		\$630,069.10	
202	Municipal Cap Imprvment Fund	\$640,128.24	\$62,674.81	\$0.00	\$0.00		\$702,803.05	
400	Sewer M & O Fund	\$1,746,790.13	\$1,259,197.45	\$0.00	\$219,400.00		\$3,225,387.58	
410	Util & Ent (sanitation Fund)	\$479,123.13	\$984,413.60	\$0.00	\$20,000.00		\$1,483,536.73	
420	Ambulance / Ems Fund	\$135,636.14	\$759,813.15	\$0.00	\$351,723.05		\$1,247,172.34	
635	Agency Fund - Trust Account	(\$7,522.04)	\$723,883.03	\$0.00	\$0.00		\$716,360.99	
999	Treasurer's Surplus Cash	(\$6,779,732.91)	\$0.00	\$10,594,695.19	\$0.00		\$3,814,962.28	
TOTAL		(\$211,669.28)	\$9,384,706.95	\$10,594,695.19	\$1,418,239.45		\$21,185,972.31	

City of Clarkston
 SCHEDULE OF CASH ACTIVITY

For the Year Ended December 31, 2010

Cash Activity Out							
Fund Number	Investments Acquired	Transfer Out to Claims/Payroll	Other Transfers Out	Disbursements	Total Used	Ending Balance	
001	\$0.00	\$0.00	\$441,800.00	\$4,612,432.87	\$5,054,232.87	\$2,700,929.08	
102	\$0.00	\$0.00	\$0.00	\$27,235.14	\$27,235.14	\$9,746.33	
103	\$0.00	\$0.00	\$127,000.00	\$1,019,355.33	\$1,146,355.33	\$376,369.41	
108	\$0.00	\$0.00	\$0.00	\$473.92	\$473.92	\$50,338.16	
130	\$0.00	\$0.00	\$0.00	\$90,734.18	\$90,734.18	\$539,334.92	
202	\$0.00	\$0.00	\$300,000.00	\$267.94	\$300,267.94	\$402,535.11	
400	\$0.00	\$0.00	\$223,300.00	\$1,377,069.89	\$1,600,369.89	\$1,625,017.69	
410	\$0.00	\$0.00	\$43,900.00	\$917,562.57	\$961,462.57	\$522,074.16	
420	\$0.00	\$0.00	\$282,239.45	\$922,218.75	\$1,204,458.20	\$42,714.14	
635	\$0.00	\$0.00	\$0.00	\$723,787.01	\$723,787.01	(\$7,426.02)	
999	\$10,160,873.49	\$0.00	\$0.00	\$0.00	\$10,160,873.49	(\$6,345,911.21)	
TOTAL	\$10,160,873.49	\$0.00	\$1,418,239.45	\$9,691,137.60	\$21,270,250.54	(\$84,278.23)	

City of Clarkston

SCHEDULE OF INVESTMENT ACTIVITY - ALL FUNDS

For the Year Ended December 31, 2010

Fund Number	Description	Beginning Investment Balance	Investment (At Cost)		Reinvested Interest	Ending Balance
			Acquired	Liquidated		
001	Current Expense Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
102	Rescue Unit One Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
103	Street Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
108	Drug Enforcement Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
130	Lodging Tax Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
202	Municipal Cap Imprvment Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
400	Sewer M & O Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
410	Util & Ent (sanitation Fund)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
420	Ambulance / Ems Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
635	Agency Fund - Trust Account	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
999	Treasurer's Surplus Cash	\$6,779,732.91	\$10,160,873.49	\$10,594,695.19	\$0.00	\$6,345,911.21
TOTAL		\$6,779,732.91	\$10,160,873.49	\$10,594,695.19	\$0.00	\$6,345,911.21

The City of Clarkston
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2010

1 Federal Agency Name/Pass- Through Agency Name	2 Federal Program Name	3 CFDA Number	4 Other I.D. Number	5 Expenditures			6 Foot- Note Ref.
				From Pass Through Awards	From Direct Awards	Total	
Dept of Justice/Whitman County	Justice Assistance Grant	16.738	MO9-34021-018	\$ 28,488	\$ 28,488	\$ 28,488	1, 2
Dept of Justice/Whitman County	Justice Assistance Grant	16.738	M10-34021-018	\$ 26,814	\$ 26,814	\$ 26,814	1, 2
Dept of Justice/Commerce	STOP Violence Against Women	16.588	FY09-31103-005	\$ 11,250	\$ 11,250	\$ 11,250	1, 2
Dept of Justice/Commerce	STOP Violence Against Women	16.588	F10-31103-003	\$ 3,795	\$ 3,795	\$ 3,795	1, 2
Dept of Transportation/WASPC	Traffic Safety Equipment	20.600	n/a	\$ 1,000	\$ 1,000	\$ 1,000	1, 2
Dept of Transportation/ WA Traffic Safety Commission	DUI Emphasis	20.601	n/a	\$ 1,635	\$ 1,635	\$ 1,635	1, 2
DOT/ WA Traffic Safety Comm	Nighttime Seatbelt	20.602	n/a	\$ 575	\$ 575	\$ 575	1, 2
DOT/ WA Traffic Safety Comm	Speed Enforcement	20.600	n/a	\$ 1,930	\$ 1,930	\$ 1,930	1, 2
Dept Homeland Security/EP&R FEMA	Assistance to Firefighters	97.044	EMW-2009-OF-06676	\$ 31,738	\$ 31,738	\$ 31,738	1, 2
Dept Homeland Security/EP&R FEMA	Assistance to Firefighters	97.044	EMW-2007-FR-0091	\$ 64,074	\$ 64,074	\$ 64,074	1, 2
Dept Homeland Security	SAFER	97.083	EMW-2008-FF-01250	\$ 37,617	\$ 37,617	\$ 37,617	1, 2
Total Federal Awards Expended				\$ 75,487	\$ 133,429	\$ 208,916	

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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 cash basis of accounting.

NOTE 2 - PROGRAM COSTS

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

**CITY OF CLARKSTON
SCHEDULE OF STATE AND LOCAL FINANCIAL ASSISTANCE
For the Year Ended December 31, 2010**

1		4
Grantor/ Program Title	Identification Number	Current Year Expenditures
Dept of Commerce/ Public Works Board	CJ09-951-118	\$ 25,987.00
Dept of Health/ Pre-Hospital	n/a	\$ 2,186.00

TOTAL STATE ASSISTANCE

\$ 28,173.00

The Accompanying Notes to the Schedule of Financial Assistance Are an Integral Part of this Schedule

City of Clarkston
LABOR RELATIONS CONSULTANT
For the Year Ended December 31, 2010

Has your government engaged labor relations consultants? Yes No

If yes, please provide the following information for each consultant(s):

Name of Firm	THE WESLEY GROUP
Name of Consultant	KEVIN WESLEY
Business Address	P O BOX 7164 KENNEWICK, WA 99336
Amount Paid to Consultant During Fiscal Year	\$13,077
Terms and Conditions, As Applicable, Including: Rates (E.g., Hourly, Etc.)	\$8,400 Annually Plus \$80 per hr. for Arbitration, Mediation, ULP's, etc. mileage @ Federal rate
Maximum Compensation Allowed	N/A
Duration of Service	January 1, 2010 through December 31, 2010
Services Provided	Labor Negotiations and Contract Administration

Certified Correct this _____ day of _____, 2010	
to the best of my knowledge and belief:	
Signature	
Name	Vickie Storey
Title	City Clerk

City of Clarkston
LOCAL GOVERNMENT RISK-ASSUMPTION
For the Year Ended December 31, 2010

Program Manger Washington Cities Insurance Authority
Address: P O Box 88030
 Tukwila, WA 98138
Phone: (206) 575 - 6046
Email: wciapool.org

1. No. Does the entity self-insure for any class of risk, including liability, property, health and welfare, unemployment compensation, workers' compensation?

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Clarkston reports financial activity using the revenue and expenditure classifications, statements, and schedules contained in the Cash Basis Budgeting, Accounting and Reporting System, (BARS) manual. The basis of accounting and reporting is another 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 Clarkston was incorporated in 1902 and operates under the laws of the State of Washington applicable to a non-charter code city. The City is a general purpose government and provides police, fire, ambulance, community development, parks, sewer, streets and sanitation services. 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 of Clarkston:

GOVERNMENTAL FUND TYPES:

General (Current Expense) 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 committed to expenditures for specified purposes of the City.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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.

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 for 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 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.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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

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

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

Fund	Final Appropriated Amounts	Actual Expenditures	Variance
001 - General Fund	\$5,148,228	\$4,825,137	\$323,091
004 - CE Reserve	\$600	\$600	\$0
006 - Emp Benefit Rsrv	\$0	\$0	\$0
007 - Community Projects	\$0	\$0	\$0
102 - Rescue One	\$29,000	\$27,228	\$1,772
103 - Street Fund	\$1,404,380	\$1,020,033	\$384,347
105 - Street Reserve	\$150,000	\$125,000	\$25,000
106 - Vehicle Reserve	\$79,200	\$79,200	\$0
107 - DARE Fund	\$4,825	\$4,766	\$59
108 - Drug Enforcement	\$5,500	\$269	\$5,231
110 - National Night Out	\$1,600	\$65	\$1,535
111 - Victims Rights	\$4,000	\$2,450	1,550
130 - Lodging Tax	\$140,450	\$90,358	\$50,092
202 - Capital Improvement	\$385,000	\$300,000	\$85,000

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

378 – CDBG Fund	\$25,200	17,000	8,200
400 – Sewer O & M	\$1,662,060	\$1,382,423	279,637
401 – Sewer Equip Rsrv	\$0	\$0	\$0
402 – Sewer Line Reserve	\$0	\$0	\$0
403 – Sewer Capital Rplcmnt	\$0	\$0	\$0
404 – Sewer Reserve	\$0	\$0	\$0
407 – PWTF Loan	\$96,875	\$96,871	\$4
408 – SRF Loan	\$89,485	\$114,732	\$(25,247)
410 – Sanitation O & M	\$1,157,840	\$926,949	\$230,891
411 – Sanitation Equip Rsrv	\$0	\$0	\$0
420 – Ambulance	\$939,584	\$877,483	\$62,101
421 – EMS Capital Reserve	\$0	\$0	\$0

Budgeted amounts are authorized to be transferred between object classes within department; 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 cash and investments shown on the statements of fund resources and uses arising from cash transactions. The interest on these investments is prorated to the various funds.

E. Deposits

The City's 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.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

H. Compensated Absences

Vacation leave may be accumulated up to 1.5 x the annual earnable amount for each employee and is payable upon separation or retirement.

Sick leave may be accumulated up to 960 hours for general employees with larger accumulative amounts as determined by collection bargaining agreements. Upon separation or retirement employees with a hire date prior to January 1, 1985 will be compensated for any unused sick leave up to a maximum of 720 hours.

I. Long Term Debt

See Note #6

J. Other Financing Sources or Uses

The City's "Other Financing Sources or Uses" consist of operating transfers in and out.

K. Risk Management

The City of Clarkston is a member of 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 145 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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

to aggregate sublimits in the excess layers. The Board of Directors determines the limits and terms of coverage annually.

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

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

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

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.

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.

L. Reserved Fund Balance

The City has two funds with Reserved Ending Balances. They are the Municipal Capital Improvement Fund with a reserve of \$110,000 which is dedicated to a construction project and the Sewer Fund with a reserved balance of \$38,600 which is designated by bond covenants.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

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

One fund exceeded legal appropriations in 2010. An early payment was made on a State Revolving Fund loan in Fund 408 at year end, resulting in \$25,247 expenditure over the appropriated budget. That was the final payment on the loan and actually due in January 2011.

NOTE 3 - INVESTMENTS

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

Investments are presented at face value.

Investments by type at December 31, 2010 are as follows:

<u>Type of Investment</u>	<u>Balance</u>
L.G.I.P.	\$3,346,536.21
U S Bank (PiperJaffray)	\$2,500,000.00
Twin River Bank (CD)	\$ 245,000.00
Banner Bank (CD)	\$ 254,375.00
Total	<u>\$6,345,911.21</u>

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 the year 2010 was \$2.2644491 per \$1,000 on an assessed valuation of \$368,614,603 for a total regular levy of \$834,709.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

In 2010 the City also levied \$1.142724 per \$1,000 of the assessed valuation of 362,146,907 (which is the adjusted assessed valuation deducting the senior citizen exemptions) for an E.M.S. levy for a total additional levy of \$413,834.

NOTE 5 - INTERFUND LOANS AND ADVANCES

The following table displays interfund loan activity during 2010:

Borrowing Fund	Lending Fund	Balance 1/1/2010	New Loans	Repayments	Balance 12/31/2010
420	001	\$-0-	\$90,700.00	\$90,700.00	\$ 0-
420	001	\$-0-	\$100,000.00	\$100,000.00	\$-0-
TOTALS		\$-0-	\$190,700.00	\$190,700.00	\$-0-

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 2010. The debt service requirements, including interest, are as follows:

	General Obligation Bonds	Revenue Bonds	Other Debt	Total Debt
2010	37,890	211,603	0	249,493
2011	122,874	134,505	0	257,379
2012	121,524	38,584	0	160,108
2013	120,174	38,584	0	158,758
2014	111,809	38,584	0	150,393
2015	98,294	38,584	0	136,878
2016-2020	487,769	96,460	0	584,229
2021-2025	485,394	0	0	485,394
2026-2030	489,592	0	0	489,592
TOTAL	\$2,075,320	\$596,904	0	\$2,672,224

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 7 - PENSION PLAN

Substantially all City of Clarkston, full-time and qualifying part-time employees participate in PERS, LEOFF, or Volunteer Fire Fighters Relief & Pension Fund administered by the Washington State Department of Retirement Systems or the Board of Volunteer Firefighters, under cost-sharing multiple-employer public employee defined benefit and 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 the employee and employer are based upon gross wages covered by plan benefits.

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

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

NOTE 8 – OTHER DISCLOSURES

In 2010 the City applied for a Public Works Trust Fund loan and USDA Rural Development loan to fund a planned upgrade to the City's Waste Water Treatment Plant. The City received notice on May 27, 2011 that we were awarded a \$10 million loan through the Public Works Trust Fund. The total project is estimated at \$12 million. The balance of the funding is expected to come from USDA and the project should go to bid in the fall of 2011.