

ANNUAL REPORT

CITY OF MILLWOOD

MCAG No. 0718

Submitted pursuant to RCW 43.09.230

to the

STATE AUDITOR'S OFFICE

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

Prepared by

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City of Millwood
MCAG #0718

Cash Notes to the Financial Statements
For the Year Ended December 31, 2014

The accompanying notes are integral to the financial statements

Note 1 - Summary of Significant Accounting Policies

The City of Millwood was incorporated in 1928 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 public safety, street improvement, parks and recreation, general administrative services, and a city owned water & sewer utility.

The City of Millwood reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

A. **Fund Accounting**

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund

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

Special Revenue Funds

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

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 Projects 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.

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

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.

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/Department	Final		Actual Expenses	Variance
	Appropriated	Amounts		
001 - General Fund	\$	762,355	\$ 676,110	\$ 86,245
101 - Street Fund	\$	619,425	\$ 514,226	\$ 105,199
201 - LTGO Bond Fund	\$	74,875	\$ 74,872	\$ 3
204 - GO Note Bond Fund	\$	76,135	\$ 76,132	\$ 3
Utility Fund		1,147,105	912,063	235,042
Revenue Reserve Bond Fund		99,525	99,525	
Revenue Debt Service Bond Fund		75,755	75,752	3
401 - Utility Fund	\$	1,322,385	\$ 1,087,339	\$ 235,046

Budgeted amounts are authorized to be transferred between departments within any fund or object classes within departments; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City's legislative body.

D. Cash and Investments

See Note 3, *Deposits and Investments*.

E. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5000 and an estimated useful life in excess of 1 year. Capital assets and inventory are recorded as capital expenditures when purchased.

F. Compensated Absences

Vacation leave is accrued monthly and is based upon years of service and hours worked or per contract or specific individuals. Benefit years are based upon hire date. The following table shows the amount earned per years of service.

Years of Service	Vacation Earned
Less than five	Ten days
Five through nine	Fifteen days
Ten through fourteen	Twenty days
Fifteen or more	Twenty-five days

Employees must use half of what they have received during the year. Rollover of unused vacation time is only allowed with the Mayor's approval. Accumulated vacation is paid at a 1:1 ratio.

Sick leave may be accumulated up to 720 hours and accrues at 8 hours per month. Upon separation or retirement employees do not receive payment for unused sick leave.

Payments are recognized as expenditures when paid.

G. Long-Term Debt

See Note 4, *Debt Service Requirements*.

H. Other Financing Sources or Uses

The government's *Other Financing Sources* consist of capital contributions to the water and sewer utility systems for new connections, payments from other governments for expenditures made by the City, and insurance recoveries. The governments *Other Financing Uses* consist of refunds for overpayments by customers or employees.

I. Risk Management

The City of Millwood is a member of the Washington Cities Insurance Authority (WCIA).

Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 175 Members.

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

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

Insurance coverage for property, automobile physical damage, fidelity, inland marine, and boiler and machinery are purchased on a group basis. Various deductibles apply by type of coverage. Property insurance and auto physical damage are self-funded from the members' deductible to \$750,000, 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.

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.

J. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the City of Millwood's City Council. When expenditures that meet restrictions are incurred, the City intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments consist of:

Fund Name	Amount Reserved	Reason for Restriction
101	\$ 568,094	51.43% Restricted Use Current Revenues - Grant and MVFT
201	\$ 1,477	Property Taxes restricted for Bond repayment
204	\$ 12	Property Taxes restricted for Bond repayment
301	\$ 24,068	100% Restricted Use Current Revenues - REET 1
302	\$ 26,068	100% Restricted Use Current Revenues - REET 2
401	\$ 86,757	Restricted by Bond Covenants
401	\$ 1,735	Restricted by Bond Covenants

Note 2 - Property Tax

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed (at/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 tax is levied.

The City's regular levy for the year 2014 was \$1.600265634 per \$1,000 on an assessed valuation of \$223,607,166 for a total regular levy of \$357,830.86.

Note 3 – Deposits and Investments

It is the City's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission. All investments are insured, registered or held by the City or its agent in the government's name.

Money Market investments are reported at fair market value; Certificates of Deposit are reported at cost.

Investments by type at December 31, 2015 are as follows:

Type of Investment	District's own investments	Investments held by the District as an agent for other local governments, individuals or private organizations.	Total
Money Market	\$ 504,294		\$ 504,294
Certificate of Deposit	\$ 1,508,564		\$ 1,508,564
Total	\$ 2,012,857		\$ 2,012,857

Note 4 – Debt Service Requirements

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the City and summarizes the City’s debt transactions for year ended December 31, 2015.

The debt service requirements for general obligation bonds and revenue bonds, including both principle and interest, are as follows:

Year	General Obligation Bonds	Revenue Bonds	Other Debt	Total Debt
2015	114,680	73,045		187,725
2016	75,070			75,070
2017	71,820			71,820
2018	73,570			73,570
Totals	\$ 335,140.00	\$ 73,045.00	\$ -	\$ 408,185.00

Note 5 - Pension Plans

Substantially all the City’s full-time and qualifying part-time employees participate in the PERS 2 plan, administered by the Washington State Department of Retirement Systems, 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 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 Systems
Communications Unit
PO Box 48380
Olympia, WA 98504-8380

Note 6 - Other Disclosures

Interlocal Agreements

The City has an Interlocal Agreement with the Spokane Aquifer Joint Board, and is assessed a portion of its operating costs. This board oversees the water quality in the Spokane Aquifer. As the City’s water utility draws its water from the Aquifer, decisions & resolutions of this board impact the operations of the City’s utility.

The City has Interlocal Agreement(s) with the Spokane County, including Building Plan Review and Inspection services, care & custody of prisoners, prosecutorial and public defender services, and SCRAPS for animal control service. The City pays for these services as needed.

The City has an Interlocal Agreement with the Spokane County Sheriff to provide public safety services in lieu of a City police force. The City maintains an annual contract and pays for service on a monthly basis.

The City leases two public properties to Spokane County for public safety purposes. A portion of the City Hall is leased to Sheriff Community Oriented Policing Effort (SCOPE). This lease is renewed yearly. The City also leases land to the Spokane Valley Fire District. The City issued G.O. Bonds to build the station. The SVFD, as part of their lease, pays all G.O. Bond Payments as rent to the City. The City then makes the appropriate payment for the bond. The SVFD lease term is 150 years. The building reverts to the possession of the SVFD at the end of the bond payment obligation.

The City has an Interlocal Agreement with the City of Spokane for shared hearing examiner services for administrative appeals and land use matters.

The City has an Interlocal Agreement with Spokane County as a participating Regional City in the Spokane County Regional Solid Waste System.

The City has an Interlocal Agreement with Spokane County for a multi-use trail along a portion of the former Great Northern Railway Company Right-of-Way.

The City has an Interlocal Agreement with Orchard Avenue Irrigation District regarding the maintenance, service areas, and responsibilities regarding water infrastructure in a shared trench in the Bessie Road Right-of-way.

The City has an Interlocal Agreement with Spokane County regarding CDBG Block Grants and related funds. The City may not separately apply for small city or state CDBG grants while the City participates in the Spokane County CDBG and HOME programs during fiscal years 2015, 2016, 2017, and until all funded activities are completed. Neither party may withdraw from the agreement during this period. The City and County will take all actions necessary to comply with the urban county's certification under 104(b) of Title 1 of the Housing and Community Development Act of 1974 and other applicable laws. The agreement covers a number of Fair Housing, Community Development Action Plan, and Regional County Homeless Program issues. The City will have a representative on the County Housing and Community Development Advisory Committee.

The City has an Interlocal Agreement with Spokane County for Animal Control Services.

The City has an Interlocal Agreement with the Association of Washington Cities Employee Benefit Trust for the provision of Healthcare Payroll Benefits.

The City has an Interlocal Agreement with Spokane County for emergency management services. The City agrees to participate in collaboration, dialog, planning, and exercises by the Greater Spokane Department of Emergency Management. The Department's purpose is to provide for effective and economical preparation and coordination of emergency functions, as well as to mitigate, respond to, prepare for, and recover from emergency disasters caused by all hazards.

The City has an Interlocal Agreement with the Spokane Regional Transportation Council to coordinate transportation within the City's boundaries with the Metropolitan Transportation Plan and Regional Transportation Improvement Plan.

The City has an Interlocal Agreement with Spokane County and 12 regional towns and cities for developing Countywide Growth Management Act Planning Policies.

Subsequent Events

The City was awarded a DWSRF loan in September of 2013 in the amount of \$448,000. This grant is a cost reimbursement type grant and had neither expenditures nor any reimbursements in 2013. \$372,945.59 has been expended in 2014 as the City begins work on the Buckeye water main.

The City was awarded a TIB grant in July 2013 for \$261,345. This grant is a cost reimbursement type grant and had neither expenditures nor any reimbursements in 2013. Work was completed for sidewalk replacements on Buckeye Avenue during summer of 2014 with \$235,191.62 expended.

Change in Financial Presentation

The City began the process of combining the Water and Sewer funds into one Utility fund in 2014. The Sewer fund (402) transferred the majority of its resources into the former Water fund (401). This combined fund is now known as the Utility fund. Fund 402 is being presented on the C4 in 2014 for the purposes of documenting the transfers between funds, and to support the continuity of year to year ending and beginning balances as reported to the SAO. Fund 402 will be completely consolidated at the end of 2015.

City Of Millwood

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STATEMENT C-4

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For Year Ending: December 31, 2014

1 Of 3

BARS CODE		Total For All Funds Total Amount	001 - General Fund Actual Amount	101 - Street Fund Actual Amount
Beginning Cash and Investments:				
308.10	Reserved	878,184.42	0.00	569,042.22
308.80	Unreserved	1,695,356.15	1,185,366.85	0.00
	Prior Period Adjustments (388.80 or 588.80)	0.00	0.00	0.00
Operating Revenues:				
310	Taxes	1,053,902.22	786,691.47	246,372.99
320	Licenses and Permits	27,316.77	26,811.77	105.00
330	Intergovernmental	425,440.36	25,263.96	263,985.66
340	Charges for Goods and Services	669,232.60	380.95	0.00
350	Fines and Penalties	353.48	353.48	0.00
360	Miscellaneous	15,469.65	14,470.63	503.65
	Total Operating Revenues	2,191,715.08	853,972.26	510,967.30
Operating Expenditures				
510	General Government	326,733.11	326,733.11	0.00
520	Public Safety	217,639.31	217,639.31	0.00
530	Physical Environment	420,320.59	0.00	0.00
540	Transportation	161,532.17	0.00	161,532.17
550	Economic Environment	70,774.72	70,774.72	0.00
560	Mental and Physical Health	288.39	288.39	0.00
570	Culture and Recreational	49,849.53	49,849.53	0.00
	Operating Expenditures	1,247,137.82	665,285.06	161,532.17
	Net Operating Increase (Decrease)	944,577.26	188,687.20	349,435.13
Non Operating Revenues:				
391-393	Debt Proceeds	0.00	0.00	0.00
37X,380,395,398	Other Financing Sources	92,317.39	443.46	2,309.96
397	Transfers-In	415,192.75	0.00	0.00
	Total Non Operating Revenues	507,510.14	443.46	2,309.96
Non Operating Expenditures				
591-593	Debt Service	326,280.25	0.00	0.00
594-595	Capital Expenditures	703,531.50	9,748.47	277,821.74
580, 596, 599	Other Financing uses	803.44	774.69	0.00
597	Transfers-out	415,192.75	302.00	74,872.00
	Total Non Operating Expenditures	1,445,807.94	10,825.16	352,693.74
	Increase (Decrease) in Cash and investments	6,279.46	178,305.50	(948.65)
Ending Cash and Investments				
508.10	Reserved	708,210.55	0.00	568,093.57
508.80	Unreserved	1,871,609.48	1,363,672.35	0.00

The accompanying notes are an integral part of this Statement

City Of Millwood

MCAG #: 0718

STATEMENT C-4

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For Year Ending: December 31, 2014

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BARS CODE		201 - LTGO Bond Fund	204 - GO Note Bond Fund	301 - Capital Projects Fund
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments:				
308.10	Reserved	1,476.50	11.50	13,649.30
308.80	Unreserved	0.00	0.00	0.00
	Prior Period Adjustments (388.80 or 588.80)	0.00	0.00	0.00
Operating Revenues:				
310	Taxes	0.00	0.00	10,418.91
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	0.00	0.00
350	Fines and Penalties	0.00	0.00	0.00
360	Miscellaneous	0.00	0.00	0.00
	Total Operating Revenues	0.00	0.00	10,418.91
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	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
	Operating Expenditures	0.00	0.00	0.00
	Net Operating Increase (Decrease)	0.00	0.00	10,418.91
Non Operating Revenues:				
391-393	Debt Proceeds	0.00	0.00	0.00
37X,380,395,398	Other Financing Sources	0.00	75,830.00	0.00
397	Transfers-In	74,872.00	302.00	0.00
	Total Non Operating Revenues	74,872.00	76,132.00	0.00
Non Operating Expenditures				
591-593	Debt Service	74,871.75	76,131.75	0.00
594-595	Capital Expenditures	0.00	0.00	0.00
580, 596, 599	Other Financing uses	0.00	0.00	0.00
597	Transfers-out	0.00	0.00	0.00
	Total Non Operating Expenditures	74,871.75	76,131.75	0.00
Increase (Decrease) in Cash and investments		0.25	0.25	10,418.91
Ending Cash and Investments				
508.10	Reserved	1,476.75	11.75	24,068.21
508.80	Unreserved	0.00	0.00	0.00

The accompanying notes are an integral part of this Statement

City Of Millwood

MCAG #: 0718

STATEMENT C-4

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For Year Ending: December 31, 2014

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BARS CODE		302 - Special Capital Projects Fund Actual Amount	401 - Utility Fund Actual Amount	402 - Sewer Fund - For Outstanding Checks Actual Amount
Beginning Cash and Investments:				
308.10	Reserved	15,649.21	46,958.97	231,396.72
308.80	Unreserved	0.00	289,475.16	220,514.14
	Prior Period Adjustments (388.80 or 588.80)	0.00	0.00	0.00
Operating Revenues:				
310	Taxes	10,418.85	0.00	0.00
320	Licenses and Permits	0.00	400.00	0.00
330	Intergovernmental	0.00	136,190.74	0.00
340	Charges for Goods and Services	0.00	668,851.65	0.00
350	Fines and Penalties	0.00	0.00	0.00
360	Miscellaneous	0.00	122.52	372.85
	Total Operating Revenues	10,418.85	805,564.91	372.85
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	420,320.59	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
	Operating Expenditures	0.00	420,320.59	0.00
	Net Operating Increase (Decrease)	10,418.85	385,244.32	372.85
Non Operating Revenues:				
391-393	Debt Proceeds	0.00	0.00	0.00
37X,380,395,398	Other Financing Sources	0.00	13,733.97	0.00
397	Transfers-In	0.00	264,266.75	75,752.00
	Total Non Operating Revenues	0.00	278,000.72	75,752.00
Non Operating Expenditures				
591-593	Debt Service	0.00	0.00	175,276.75
594-595	Capital Expenditures	0.00	415,961.29	0.00
580, 596, 599	Other Financing uses	0.00	28.75	0.00
597	Transfers-out	0.00	75,752.00	264,266.75
	Total Non Operating Expenditures	0.00	491,742.04	439,543.50
	Increase (Decrease) in Cash and investments	10,418.85	171,503.00	(363,418.65)
Ending Cash and Investments				
508.10	Reserved	26,068.06	0.00	88,492.21
508.80	Unreserved	0.00	507,937.13	0.00

The accompanying notes are an integral part of this Statement

City of Millwood
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2014

		Total for All Funds (Memo Only)	001 General Fund	101 Street Fund	201 LTGO Bond Fund
Beginning Cash and Investments					
30810	Reserved	878,184	-	569,042	1,477
30880	Unreserved	1,695,356	1,185,367	-	-
388 & 588	Prior Period Adjustments, Net	-	-	-	-
Operating Revenues					
310	Taxes	1,053,902	786,691	246,373	-
320	Licenses and Permits	27,317	26,812	105	-
330	Intergovernmental Revenues	425,440	25,264	263,986	-
340	Charges for Goods and Services	669,233	381	-	-
350	Fines and Penalties	353	353	-	-
360	Miscellaneous Revenues	15,470	14,471	504	-
Total Operating Revenues:		2,191,715	853,972	510,967	-
Operating Expenditures					
510	General Government	326,733	326,733	-	-
520	Public Safety	217,639	217,639	-	-
530	Utilities	420,321	-	-	-
540	Transportation	161,532	-	161,532	-
550	Natural and Economic Environment	70,775	70,775	-	-
560	Social Services	288	288	-	-
570	Culture and Recreation	49,850	49,850	-	-
Total Operating Expenditures:		1,247,138	665,285	161,532	-
Net Operating Increase (Decrease):		944,577	188,687	349,435	-
Nonoperating Revenues					
370-380, 395 & 398	Other Financing Sources	92,317	443	2,310	-
391-393	Debt Proceeds	-	-	-	-
397	Transfers-In	415,193	-	-	74,872
Total Nonoperating Revenues:		507,510	443	2,310	74,872
Nonoperating Expenditures					
580, 596 & 599	Other Financing Uses	803	775	-	-
591-593	Debt Service	326,280	-	-	74,872
594-595	Capital Expenditures	703,532	9,748	277,822	-
597	Transfers-Out	415,193	302	74,872	-
Total Nonoperating Expenditures:		1,445,808	10,825	352,694	74,872
Net Increase (Decrease) in Cash and Investments:		6,279	178,305	(949)	-
Ending Cash and Investments					
50810	Reserved	708,211	-	568,094	1,477
50880	Unreserved	1,871,609	1,363,672	-	-

The accompanying notes are an integral part of this statement.

City of Millwood
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2014

		<u>204 GO Note Bond Fund</u>	<u>301 Capital Projects Fund</u>	<u>302 Special Capital Projects Fund</u>	<u>401 Utility Fund</u>
Beginning Cash and Investments					
30810	Reserved	12	13,649	15,649	46,959
30880	Unreserved	-	-	-	289,475
388 & 588	Prior Period Adjustments, Net	-	-	-	-
Operating Revenues					
310	Taxes	-	10,419	10,419	-
320	Licenses and Permits	-	-	-	400
330	Intergovernmental Revenues	-	-	-	136,191
340	Charges for Goods and Services	-	-	-	668,852
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	-	123
Total Operating Revenues:		-	10,419	10,419	805,565
Operating Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	420,321
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Operating Expenditures:		-	-	-	420,321
Net Operating Increase (Decrease):		-	10,419	10,419	385,244
Nonoperating Revenues					
370-380, 395 & 398	Other Financing Sources	75,830	-	-	13,734
391-393	Debt Proceeds	-	-	-	-
397	Transfers-In	302	-	-	264,267
Total Nonoperating Revenues:		76,132	-	-	278,001
Nonoperating Expenditures					
580, 596 & 599	Other Financing Uses	-	-	-	29
591-593	Debt Service	76,132	-	-	-
594-595	Capital Expenditures	-	-	-	415,961
597	Transfers-Out	-	-	-	75,752
Total Nonoperating Expenditures:		76,132	-	-	491,742
Net Increase (Decrease) in Cash and Investments:		-	10,419	10,419	171,503
Ending Cash and Investments					
50810	Reserved	12	24,068	26,068	-
50880	Unreserved	-	-	-	507,937

The accompanying notes are an integral part of this statement.

City of Millwood
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2014

		402 Sewer Fund - For Outstanding Checks
Beginning Cash and Investments		
30810	Reserved	231,397
30880	Unreserved	220,514
388 & 588	Prior Period Adjustments, Net	-
Operating Revenues		
310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	-
340	Charges for Goods and Services	-
350	Fines and Penalties	-
360	Miscellaneous Revenues	373
Total Operating Revenues:		373
Operating Expenditures		
510	General Government	-
520	Public Safety	-
530	Utilities	-
540	Transportation	-
550	Natural and Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Operating Expenditures:		-
Net Operating Increase (Decrease):		373
Nonoperating Revenues		
370-380, 395 & 398	Other Financing Sources	-
391-393	Debt Proceeds	-
397	Transfers-In	75,752
Total Nonoperating Revenues:		75,752
Nonoperating Expenditures		
580, 596 & 599	Other Financing Uses	-
591-593	Debt Service	175,277
594-595	Capital Expenditures	-
597	Transfers-Out	264,267
Total Nonoperating Expenditures:		439,544
Net Increase (Decrease) in Cash and Investments:		(363,419)
Ending Cash and Investments		
50810	Reserved	88,492
50880	Unreserved	-

The accompanying notes are an integral part of this statement.

SCHEDULE OF DISBURSEMENT ACTIVITY
For Year Ending: December 31, 2014

Fund	Fund Title	Beginning Outstanding Items 01/01/2014	Issued During The Year	During The Year	Redeemed During The Year	Canceled During The Year	Ending Outstanding Items 12/31/2014	Prior Yr Open Period Items	Curr Yr Open Period Items	Disbursements 12/31/2014
001	General Fund	56,443.09	675,744.74	656,323.33			75,864.50	0.00	0.00	675,744.74
101	Street Fund	13,326.13	439,353.91	425,328.23			27,351.81	0.00	0.00	439,353.91
201	LTGO Bond Fund		74,871.75	74,871.75				0.00	0.00	74,871.75
204	GO Note Bond Fund		76,131.75	76,131.75				0.00	0.00	76,131.75
401	Utility Fund	44,334.13	1,011,587.38	996,611.77			59,309.74	0.00	0.00	1,011,587.38
TOTALS:		114,103.35	2,277,689.53	2,229,266.83	0.00	0.00	162,526.05			2,277,689.53

CITY OF MILLWOOD

LIABILITIES

ID. No.	Description	Maturity/Payment Due Date _/_/20__	Beginning Balance 01/01/2014	Additions	Reductions	BARS Code for Redemption of Debt Only	Ending Balance 12/31/2014
251.11	LTGO Bond	12/1/2015	120,000		60,000	5919571	60,000
251.11	GO Bond	12/21/2018	310,000		70,000	5912271	240,000
	Compensated						
259.11	Absenses		2,428	2,898			5,326
251.13	Revenue Bond	12/1/2015	231,861		165,000	5913572	66,861
	Compensated						
259.12	Absenses		502	1,475			1,977

SCHEDULE OF CASH ACTIVITY
For Year Ending: December 31, 2014

Fund	Beg Balance	Receipts	Transfers-In	Other Rev	Netted Trans	Ttl Increase	Disbursements	Trans-Out	Other Exp	Ttl Decrease	End Balance
001 General Fund	1,185,366.85	854,415.72				854,415.72	675,744.74	302.00	63.48	676,110.22	1,363,672.35
101 Street Fund	569,042.22	513,277.24		0.02		513,277.26	439,353.91	74,872.00		514,225.91	568,093.57
201 LTGO Bond Fund	1,476.50		74,872.00			74,872.00	74,871.75			74,871.75	1,476.75
204 GO Note Bond Fund	11.50	75,830.00	302.00			76,132.00	76,131.75			76,131.75	11.75
301 Capital Projects Fund	13,649.30	10,418.91				10,418.91					24,068.21
302 Special Capital Projects Fund	15,649.21	10,418.85				10,418.85					26,068.06
401 Utility Fund	788,344.99	820,408.81		-737.08		819,671.73	1,011,587.38			1,011,587.38	596,429.34
TOTALS:	2,573,540.57	2,284,769.53	75,174.00	-737.06		2,359,206.47	2,277,689.53	75,174.00	63.48	2,352,927.01	2,579,820.03

CITY OF MILLWOOD
SCHEDULE OF STATE AND LOCAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDING: DECEMBER 31, 2014

MCAG #: 0718

Schedule 15

Grantor/Program Title	ID #	Amount	Footnote Ref
Transportation Improvement Board			
TIB Buckeye Sidewalk Project	P-E-166(P02)-1	235,191.62	
Total Transportation Improvement Board:		<u>235,191.62</u>	
Total State Assistance:		<u>235,191.62</u>	

CITY OF MILLWOOD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDING: DECEMBER 31, 2014

Schedule 16

MCAG #: 0718

Federal Agency Name / Pass-Through Agency Name	Federal Program Name	CFDA #	Other ID #	From Pass-Thru Awards	From Direct Awards	Total	Footnote Ref
Environmental Protection Agency / Thru Washington State Department Of Health	Buckeye Water Main Replacement	66.468	DMI3-952-144	372,945.59	0.00	372,945.59	1, 2
Total Federal Awards Expended:				372,945.59		372,945.59	

**City of Millwood
MCAG #0718**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2014**

Note 1 is required for all entities. Disclose other notes only if applicable to your circumstances.

NOTE 1 - BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as the City's financial statements. The City of reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW.

NOTE 2 - PROGRAM COSTS

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

**LABOR RELATIONS CONSULTANT(S)
For the Year Ended December 31, 2014**

Has your government engaged labor relations consultants? Yes No

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

Name of Firm
Name of Consultant
Business Address
Amount Paid to Consultant During Fiscal Year
Terms and Conditions, as Applicable, Including: Rates (E.g., Hourly, etc.) _____ Maximum Compensation Allowed _____ Duration of Services _____ Services Provided _____ _____

Certified Correct this <u>13TH</u> day of <u>MAY</u> , 20 <u>15</u> to the best of my knowledge and belief:
Signature <u>Deborah Matkin</u>
Name <u>Deborah Matkin</u>
Title <u>City Treasurer</u>

**LOCAL GOVERNMENT RISK-ASSUMPTION
For the Year Ended December 31, 2014**

Program Manager: Deborah Matkin, City Treasurer

Address: 9103 E. Frederick Ave., Spokane, WA 99206

Phone: (509) 924-0960

Email: treasurer@millwoodwa.us

- I. YES Does the entity self-insure for any class of risk, including liability, property, health and welfare, unemployment compensation, workers' compensation? (yes/no)

If NO, STOP, you do not need to complete the rest of this Schedule.

If YES, continue below.

- a. Which class of risk does the entity self-insure? Check all that apply.
 - i. Liability
 - ii. Property
 - iii. Health and Welfare (medical, vision, dental, prescription)
 - iv. Unemployment Compensation
 - v. Workers' Compensation
 - vi. Other - please describe: _____
- b. YES Does the entity self-insure as an individual program? (yes/no)
 - i. NO If answered YES, does the entity allow another separate legal entity into its self-insurance program(s)? (yes/no) For example, employees of a different organization participate in a health and welfare program of a city.
If so, list the entity or entities: _____
- c. NO Does the entity self-insure as a joint program? (yes/no)
 - i. If answered YES, list the other member(s): _____

2. NO Does the entity administer its own claims? (yes/no)
3. YES Does the entity contract with a third party administrator for claims administration? (yes/no)
4. NO Did the entity receive a claims audit in the last three years, regardless of who administered the claims? (yes/no)
5. YES Were the program's revenues sufficient to cover the program's expenses? (yes/no)
6. NO Did the program use an actuary to determine its liabilities? (yes/no)

EXAMPLE

Description of Risk Type	Number of claims received during the period	Number of claims paid during the period	Total amount of claims paid during the period
Liability (automobile)	354	279	\$104,366

Description of Risk Type	Number of claims received during the period	Number of claims paid during the period	Total amount of claims paid during the period
Unemployment Insurance	0	0	0