

Washington State Auditor's Office
Financial Statements Audit Report

Town of Coupeville
Island County

Audit Period
January 1, 2008 through December 31, 2009

Report No. 1004583

Issue Date
November 22, 2010



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

November 22, 2010

Mayor and Town Council
Town of Coupeville
Coupeville, Washington

Report on Financial Statements

Please find attached our report on the Town of Coupeville's financial statements.

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

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Island County
January 1, 2008 through December 31, 2009**

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

Town of Coupeville
Island County
January 1, 2008 through December 31, 2009

Mayor and Town Council
Town of Coupeville
Coupeville, Washington

We have audited the financial statements of the Town of Coupeville, Island County, Washington, as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated November 5, 2010

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 Town'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 Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

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

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

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of the Town'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 and Town Council. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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

BRIAN SONNTAG, CGFM
STATE AUDITOR

November 5, 2010

Independent Auditor's Report on Financial Statements

**Town of Coupeville
Island County
January 1, 2008 through December 31, 2009**

Mayor and Town Council
Town of Coupeville
Coupeville, Washington

We have audited the accompanying financial statements of the Town of Coupeville, Island County, Washington, for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Town'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 Town 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 Town of Coupeville, for the years ended December 31, 2009 and 2008, 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 Town'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 schedule 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 fluid and cursive, with the first name "Brian" and last name "Sonntag" clearly distinguishable.

BRIAN SONNTAG, CGFM
STATE AUDITOR

November 5, 2010

Financial Section

**Town of Coupeville
Island County
January 1, 2008 through December 31, 2009**

FINANCIAL STATEMENTS

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FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

Year Ended December 31, 2009

BARS CODE		Fund Number & Name * 105 Capital Improvement Fund		Fund Number & Name * 303 Water Cap. Improvmts	
		Budget	Actual	Budget	Actual
	Beginning Net Cash & Investments	\$ 570,852	\$ 547,588	\$ 608,235	\$ 705,671
	Revenues & Other Sources				
310	Taxes	\$ 56,000	\$ 40,611	\$ -	\$ -
320	Licenses & Permits		\$ -	\$ -	\$ -
330	Intergovernmental & Grants	\$ -	\$ -	\$ -	\$ -
340	Charges for Goods & Services	\$ -	\$ -	\$ 18,000	\$ 40,500
350	Fines & Forfeits	\$ -	\$ -	\$ -	\$ -
360	Miscellaneous	\$ 15,000	\$ 4,130	\$ 16,000	\$ 5,381
390	Other Financing Sources	\$ 14,679	\$ 14,679	\$ 20,000	\$ 20,000
	Total Revenues & Other Resources	\$ 85,679	\$ 59,420	\$ 54,000	\$ 65,881
	Total Resources	\$ 656,531	\$ 607,009	\$ 662,235	\$ 771,552
	Operating Expenditures				
510	General Government	\$ -	\$ -	\$ -	\$ -
520	Public Safety	\$ -	\$ -	\$ -	\$ -
530	Physical Environment	\$ -	\$ -	\$ -	\$ -
540	Transportation	\$ 20,000	\$ -	\$ -	\$ -
550	Economic Environment	\$ -	\$ -	\$ -	\$ -
560	Mental & Physical Health	\$ -	\$ -	\$ -	\$ -
570	Culture and Recreational	\$ 135,000	\$ -	\$ -	\$ -
	Total Operating Expenditures	\$ 155,000	\$ -	\$ -	\$ -
591-593	Debt Service	\$ 27,063	\$ 27,063	\$ -	\$ -
594-596	Capital Outlay	\$ 165,000	\$ 49,274	\$ 652,235	\$ 126,459
	Total Expenditures	\$ 347,063	\$ 76,337	\$ 652,235	\$ 126,459
597-599	Other Financing Uses	\$ -	\$ -	\$ -	\$ -
	Total Expenditures & Other Uses	\$ 347,063	\$ 76,337	\$ 652,235	\$ 126,459
	Excess (Deficit) of Resources over Uses	\$ 309,468	\$ 530,672	\$ 10,000	\$ 645,093
380	Nonrevenues (Except 384 & 388.8)	\$ -	\$ -	\$ -	\$ -
580	Nonexpenditures (Except 584 & 588.8)	\$ -	\$ -	\$ -	\$ -
	Ending Net Cash & Investments	\$ 309,468	\$ 530,672	\$ 10,000	\$ 645,093

The accompanying notes are an integral part of this statement.

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

Year Ended December 31, 2009

BARS CODE		Fund Number & Name * 304 Sewer - Cap. Improvmnts		Fund Number & Name 401 Utility Fund	
		Budget	Actual	Budget	Actual
	Beginning Net Cash & Investments	\$ 614,300	\$ 592,630	\$ 293,595	\$ 403,496
	Revenues & Other Sources				
310	Taxes	\$ -	\$ -	\$ -	\$ -
320	Licenses & Permits	\$ -	\$ -	\$ -	\$ -
330	Intergovernmental & Grants	\$ -	\$ -	\$ -	\$ -
340	Charges for Goods & Services	\$ 22,000	\$ 27,500	\$ 1,007,500	\$ 1,008,032
350	Fines & Forfeits	\$ -	\$ -	\$ -	\$ -
360	Miscellaneous	\$ 20,000	\$ 4,450	\$ 9,000	\$ 2,499
390	Other Financing Sources	\$ 10,000	\$ 10,000	\$ -	\$ -
	Total Revenues & Other Resources	\$ 52,000	\$ 41,950	\$ 1,016,500	\$ 1,010,530
	Total Resources	\$ 666,300	\$ 634,579	\$ 1,310,095	\$ 1,414,026
	Operating Expenditures				
510	General Government	\$ -	\$ -	\$ -	\$ -
520	Public Safety	\$ -	\$ -	\$ -	\$ -
530	Physical Environment	\$ -	\$ -	\$ 652,827	\$ 613,502
540	Transportation	\$ -	\$ -	\$ -	\$ -
550	Economic Environment	\$ -	\$ -	\$ -	\$ -
560	Mental & Physical Health	\$ -	\$ -	\$ -	\$ -
570	Culture and Recreational	\$ -	\$ -	\$ -	\$ -
	Total Operating Expenditures	\$ -	\$ -	\$ 652,827	\$ 613,502
591-593	Debt Service	\$ -	\$ -	\$ -	\$ -
594-596	Capital Outlay	\$ 666,300	\$ 106,734	\$ 108,600	\$ 16,120
	Total Expenditures	\$ 666,300	\$ 106,734	\$ 761,427	\$ 629,623
597-599	Other Financing Uses	\$ -	\$ -	\$ 432,386	\$ 398,392
	Total Expenditures & Other Uses	\$ 666,300	\$ 106,734	\$ 1,193,813	\$ 1,028,014
	Excess (Deficit) of Resources over Uses	\$ -	\$ 527,845	\$ 116,282	\$ 386,012
380	Nonrevenues (Except 384 & 388.8)	\$ -	\$ -	\$ -	\$ -
580	Nonexpenditures (Except 584 & 588.8)	\$ -	\$ -	\$ -	\$ -
	Ending Net Cash & Investments	\$ -	\$ 527,845	\$ 116,282	\$ 386,012

The accompanying notes are an integral part of this statement.

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

Year Ended December 31, 2009

Fund Type:	Fund Number & Name Special Revenue Fund 104 - Civic Improvement Fund		Fund Number & Name Special Revenue Fund 106 - Drug Enforcement/DARE	
	Budget	Actual	Budget	Actual
	Beginning Net Cash & Investments	\$ 20,000	\$ 37,884	\$ 1,650
Total Revenues & Other Financing Sources	\$ 30,800	\$ 40,226	\$ 40	\$ 12
Total Resources	\$ 50,800	\$ 78,111	\$ 1,690	\$ 1,682
Expenditures and Other Financing Uses	\$ 45,640	\$ 49,108	\$ 1,690	\$ -
Excess (Deficit) of Resources Over Uses	\$ 5,160	\$ 29,003	\$ -	\$ 1,682
Nonrevenues (Except 384 & 388.80)	\$ -	\$ -	\$ -	\$ -
Nonexpenditures (Except 584 & 588.80)	\$ -	\$ -	\$ -	\$ -
Ending Net Cash & Investments	\$ 5,160	\$ 29,003	\$ -	\$ 1,682

Fund Type:	Fund Number & Name Special Revenue Fund 107 - Harbor Improvements		Fund Number & Name Special Revenue Fund 109 - Park Impact Fees	
	Budget	Actual	Budget	Actual
	Beginning Net Cash & Investments	\$ 10,552	\$ 10,717	\$ 55,000
Total Revenues & Other Financing Sources	\$ 1,960	\$ 3,289	\$ 5,480	\$ 4,745
Total Resources	\$ 12,512	\$ 14,006	\$ 60,480	\$ 56,476
Expenditures and Other Financing Uses	\$ 12,512	\$ -	\$ 60,480	\$ -
Excess (Deficit) of Resources Over Uses	\$ -	\$ 14,006	\$ -	\$ 56,476
Nonrevenues (Except 384 & 388.80)	\$ -	\$ -	\$ -	\$ -
Nonexpenditures (Except 584 & 588.80)	\$ -	\$ -	\$ -	\$ -
Ending Net Cash & Investments	\$ -	\$ 14,006	\$ -	\$ 56,476

Fund Type:	Fund Number & Name Debt Service Fund 202 - 1977 Water & Sewer Rev Bond		Fund Number & Name Debt Service Fund 203 - 1975 Water & Sewer Rev Bond	
	Budget	Actual	Budget	Actual
	Beginning Net Cash & Investments	\$ 7,700	\$ 8,249	\$ 12,943
Total Revenues & Other Financing Sources	\$ 6,800	\$ 6,696	\$ 10,600	\$ 10,351
Total Resources	\$ 14,500	\$ 14,946	\$ 23,543	\$ 23,720
Expenditures and Other Financing Uses	\$ 6,600	\$ 6,200	\$ 10,200	\$ 10,575
Excess (Deficit) of Resources Over Uses	\$ 7,900	\$ 8,746	\$ 13,343	\$ 13,145
Nonrevenues (Except 384 & 388.80)	\$ -	\$ -	\$ -	\$ -
Nonexpenditures (Except 584 & 588.80)	\$ -	\$ -	\$ -	\$ -
Ending Net Cash & Investments	\$ 7,900	\$ 8,746	\$ 13,343	\$ 13,145

The accompanying notes are an integral part of this statement.

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

Year Ended December 31, 2009

Fund Type:	Fund Number & Name Debt Service Fund 207 - 1986 Water & Sewer Rev. bond		Fund Number & Name Debt Service Fund 208 - 1988 GO Bond	
	Budget	Actual	Budget	Actual
	Beginning Net Cash & Investments	\$ -	\$ -	\$ 390
Total Revenues & Other Financing Sources	\$ -	\$ -	\$ 65,427	\$ 65,422
Total Resources	\$ -	\$ -	\$ 65,817	\$ 65,817
Expenditures and Other Financing Uses	\$ -	\$ -	\$ 65,817	\$ 65,817
Excess (Deficit) of Resources Over Uses	\$ -	\$ -	\$ -	\$ -
Nonrevenues (Except 384 & 388.80)	\$ -	\$ -	\$ -	\$ -
Nonexpenditures (Except 584 & 588.80)	\$ -	\$ -	\$ -	\$ -
Ending Net Cash & Investments	\$ -	\$ -	\$ -	\$ -

Fund Type:	Fund Number & Name Debt Service Fund 209 - 1995 PWTF Loan		Fund Number & Name Debt Service Fund 210 - 1987 PWTF	
	Budget	Actual	Budget	Actual
	Beginning Net Cash & Investments	\$ 2,200	\$ 2,249	\$ -
Total Revenues & Other Financing Sources	\$ 43,950	\$ 43,750	\$ -	\$ -
Total Resources	\$ 46,150	\$ 45,999	\$ -	\$ -
Expenditures and Other Financing Uses	\$ 43,550	\$ 43,545	\$ -	\$ -
Excess (Deficit) of Resources Over Uses	\$ 2,600	\$ 2,454	\$ -	\$ -
Nonrevenues (Except 384 & 388.80)	\$ -	\$ -	\$ -	\$ -
Nonexpenditures (Except 584 & 588.80)	\$ -	\$ -	\$ -	\$ -
Ending Net Cash & Investments	\$ 2,600	\$ 2,454	\$ -	\$ -

Fund Type:	Fund Number & Name Debt Service Fund 212- WWTP Loan Fund		Fund Number & Name Capital Projects Fund 621 - Commemorative Fund	
	Budget	Actual	Budget	Actual
	Beginning Net Cash & Investments	\$ 111,074	\$ 111,537	\$ 5,700
Total Revenues & Other Financing Sources	\$ 81,824	\$ 78,914	\$ 1,100	\$ 372
Total Resources	\$ 192,898	\$ 190,451	\$ 6,800	\$ 6,442
Expenditures and Other Financing Uses	\$ 92,824	\$ 92,823	\$ 3,950	\$ -
Excess (Deficit) of Resources Over Uses	\$ 100,074	\$ 97,628	\$ 2,850	\$ 6,442
Nonrevenues (Except 384 & 388.80)	\$ -	\$ -	\$ -	\$ -
Nonexpenditures (Except 584 & 588.80)	\$ -	\$ -	\$ -	\$ -
Ending Net Cash & Investments	\$ 100,074	\$ 97,628	\$ 2,850	\$ 6,442

The accompanying notes are an integral part of this statement.

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

Year Ended December 31, 2009

Fund Type:	Fund Number & Name Enterprise Fund 631 - Cafeteria Plan Fund		Fund Number & Name Claims Clearing Fund 802 - Claims Clearing Fund	
	Budget	Actual	Budget	Actual
	Beginning Net Cash & Investments	\$ 1,500	\$ 2,342	\$ -
Total Revenues & Other Financing Sources	\$ 3,050	\$ 3,533	\$ -	\$ -
Total Resources	\$ 4,550	\$ 5,875	\$ -	\$ 163,831
Expenditures and Other Financing Uses	\$ 3,000	\$ 4,118	\$ -	\$ -
Excess (Deficit) of Resources Over Uses	\$ 1,550	\$ 1,757	\$ -	\$ 163,831
Nonrevenues (Except 384 & 388.80)	\$ -	\$ -	\$ -	\$ 1,867,320
Nonexpenditures (Except 584 & 588.80)	\$ -	\$ -	\$ -	\$ 1,912,802
Ending Net Cash & Investments	\$ 1,550	\$ 1,757	\$ -	\$ 118,350

Fund Type:	Fund Number & Name Payroll Clearing Fund 803 - Payroll Clearing Fund		Fund Number & Name	
	Budget	Actual	Budget	Actual
	Beginning Net Cash & Investments	\$ -	\$ 97,566	\$ -
Total Revenues & Other Financing Sources	\$ -	\$ -	\$ -	\$ -
Total Resources	\$ -	\$ 97,566	\$ -	\$ -
Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -
Excess (Deficit) of Resources Over Uses	\$ -	\$ 97,566	\$ -	\$ -
Nonrevenues (Except 384 & 388.80)	\$ -	\$ 1,148,212	\$ -	\$ -
Nonexpenditures (Except 584 & 588.80)	\$ -	\$ 1,160,172	\$ -	\$ -
Ending Net Cash & Investments	\$ -	\$ 85,607	\$ -	\$ -

Fund Type:	Fund Number & Name		Fund Number & Name	
	Budget	Actual	Budget	Actual
	Beginning Net Cash & Investments	\$ -	\$ -	\$ -
Total Revenues & Other Financing Sources	\$ -	\$ -	\$ -	\$ -
Total Resources	\$ -	\$ -	\$ -	\$ -
Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -
Excess (Deficit) of Resources Over Uses	\$ -	\$ -	\$ -	\$ -
Nonrevenues (Except 384 & 388.80)	\$ -	\$ -	\$ -	\$ -
Nonexpenditures (Except 584 & 588.80)	\$ -	\$ -	\$ -	\$ -
Ending Net Cash & Investments	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this statement.

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

Year Ended December 31, 2008

BARS CODE		Fund Number & Name * 105 Capital Improvement Fund		Fund Number & Name * 303 Water Cap. Improvmts	
		Budget	Actual	Budget	Actual
	Beginning Net Cash & Investments	\$ 468,816	\$ 468,816	\$ 824,095	\$ 791,395
	Revenues & Other Sources				
310	Taxes	\$ 74,000	\$ 54,170	\$ -	\$ -
320	Licenses & Permits		\$ -	\$ -	\$ -
330	Intergovernmental & Grants	\$ -	\$ -	\$ -	\$ -
340	Charges for Goods & Services	\$ -	\$ -	\$ 27,000	\$ 18,000
350	Fines & Forfeits	\$ -	\$ -	\$ -	\$ -
360	Miscellaneous	\$ 15,000	\$ 13,972	\$ 20,000	\$ 20,219
390	Other Financing Sources	\$ 39,679	\$ 39,679	\$ 45,000	\$ 45,000
	Total Revenues & Other Resources	\$ 128,679	\$ 107,821	\$ 92,000	\$ 83,219
	Total Resources	\$ 597,495	\$ 576,637	\$ 916,095	\$ 874,614
	Operating Expenditures				
510	General Government	\$ -	\$ -	\$ -	\$ -
520	Public Safety	\$ -	\$ -	\$ -	\$ -
530	Physical Environment	\$ -	\$ -	\$ -	\$ -
540	Transportation	\$ -	\$ -	\$ -	\$ -
550	Economic Environment	\$ -	\$ -	\$ -	\$ -
560	Mental & Physical Health	\$ -	\$ -	\$ -	\$ -
570	Culture and Recreational	\$ 75,000	\$ -	\$ -	\$ -
	Total Operating Expenditures	\$ 75,000	\$ -	\$ -	\$ -
591-593	Debt Service	\$ 26,643	\$ 27,063	\$ -	\$ -
594-596	Capital Outlay	\$ 165,000	\$ 1,986	\$ 906,095	\$ 168,943
	Total Expenditures	\$ 266,643	\$ 29,049	\$ 906,095	\$ 168,943
597-599	Other Financing Uses	\$ -	\$ -	\$ -	\$ -
	Total Expenditures & Other Uses	\$ 266,643	\$ 29,049	\$ 906,095	\$ 168,943
	Excess (Deficit) of Resources over Uses	\$ 330,852	\$ 547,588	\$ 10,000	\$ 705,671
380	Nonrevenues (Except 384 & 388.8)	\$ -	\$ -	\$ -	\$ -
580	Nonexpenditures (Except 584 & 588.8)	\$ -	\$ -	\$ -	\$ -
	Ending Net Cash & Investments	\$ 330,852	\$ 547,588	\$ 10,000	\$ 705,671

The accompanying notes are an integral part of this statement.

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

Year Ended December 31, 2008

BARS CODE		Fund Number & Name * 304 Sewer - Cap. Improvmnts		Fund Number & Name 401 Utility Fund	
		Budget	Actual	Budget	Actual
	Beginning Net Cash & Investments	\$ 1,590,850	\$ 1,040,494	\$ 410,478	\$ 512,384
	Revenues & Other Sources				
310	Taxes	\$ -	\$ -	\$ -	\$ -
320	Licenses & Permits	\$ -	\$ -	\$ -	\$ -
330	Intergovernmental & Grants	\$ -	\$ -	\$ -	\$ -
340	Charges for Goods & Services	\$ 33,000	\$ 11,000	\$ 984,300	\$ 980,970
350	Fines & Forfeits	\$ -	\$ -	\$ -	\$ -
360	Miscellaneous	\$ 30,000	\$ 18,991	\$ 12,000	\$ 10,266
390	Other Financing Sources	\$ 25,000	\$ 25,000	\$ -	\$ -
	Total Revenues & Other Resources	\$ 88,000	\$ 54,991	\$ 996,300	\$ 991,236
	Total Resources	\$ 1,678,850	\$ 1,095,485	\$ 1,406,778	\$ 1,503,620
	Operating Expenditures				
510	General Government	\$ -	\$ -	\$ -	\$ -
520	Public Safety	\$ -	\$ -	\$ -	\$ -
530	Physical Environment	\$ -	\$ -	\$ 720,324	\$ 589,741
540	Transportation	\$ -	\$ -	\$ -	\$ -
550	Economic Environment	\$ -	\$ -	\$ -	\$ -
560	Mental & Physical Health	\$ -	\$ -	\$ -	\$ -
570	Culture and Recreational	\$ -	\$ -	\$ -	\$ -
	Total Operating Expenditures	\$ -	\$ -	\$ 720,324	\$ 589,741
591-593	Debt Service	\$ -	\$ -	\$ -	\$ -
594-596	Capital Outlay	\$ 1,678,850	\$ 502,855	\$ 160,000	\$ 55,323
	Total Expenditures	\$ 1,678,850	\$ 502,855	\$ 880,324	\$ 645,064
597-599	Other Financing Uses	\$ -	\$ -	\$ 463,365	\$ 455,060
	Total Expenditures & Other Uses	\$ 1,678,850	\$ 502,855	\$ 1,343,689	\$ 1,100,124
	Excess (Deficit) of Resources over Uses	\$ -	\$ 592,630	\$ 63,089	\$ 403,496
380	Nonrevenues (Except 384 & 388.8)	\$ -	\$ -	\$ -	\$ -
580	Nonexpenditures (Except 584 & 588.8)	\$ -	\$ -	\$ -	\$ -
	Ending Net Cash & Investments	\$ -	\$ 592,630	\$ 63,089	\$ 403,496

The accompanying notes are an integral part of this statement.

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

Year Ended December 31, 2008

Fund Type:	Fund Number & Name Special Revenue Fund		Fund Number & Name Special Revenue Fund	
	104 - Civic Improvement Fund		106 - Drug Enforcement/DARE	
	Budget	Actual	Budget	Actual
Beginning Net Cash & Investments	\$ 9,846	\$ 34,812	\$ 1,562	\$ 1,624
Total Revenues & Other Financing Sources	\$ 30,800	\$ 43,306	\$ 90	\$ 45
Total Resources	\$ 40,646	\$ 78,118	\$ 1,652	\$ 1,670
Expenditures and Other Financing Uses	\$ 36,043	\$ 40,233	\$ 1,000	\$ -
Excess (Deficit) of Resources Over Uses	\$ 4,603	\$ 37,884	\$ 652	\$ 1,670
Nonrevenues (Except 384 & 388.80)	\$ -	\$ -	\$ -	\$ -
Nonexpenditures (Except 584 & 588.80)	\$ -	\$ -	\$ -	\$ -
Ending Net Cash & Investments	\$ 4,603	\$ 37,884	\$ 652	\$ 1,670

Fund Type:	Fund Number & Name Special Revenue Fund		Fund Number & Name Special Revenue Fund	
	107 - Harbor Improvements		109 - Park Impact Fees	
	Budget	Actual	Budget	Actual
Beginning Net Cash & Investments	\$ 4,911	\$ 5,025	\$ 49,854	\$ 62,427
Total Revenues & Other Financing Sources	\$ 1,960	\$ 5,693	\$ 7,720	\$ 3,475
Total Resources	\$ 6,871	\$ 10,717	\$ 57,574	\$ 65,901
Expenditures and Other Financing Uses	\$ 6,871	\$ -	\$ 57,574	\$ 14,170
Excess (Deficit) of Resources Over Uses	\$ -	\$ 10,717	\$ -	\$ 51,732
Nonrevenues (Except 384 & 388.80)	\$ -	\$ -	\$ -	\$ -
Nonexpenditures (Except 584 & 588.80)	\$ -	\$ -	\$ -	\$ -
Ending Net Cash & Investments	\$ -	\$ 10,717	\$ -	\$ 51,732

Fund Type:	Fund Number & Name Debt Service Fund		Fund Number & Name Debt Service Fund	
	202 - 1977 Water & Sewer Rev Bond		203 - 1975 Water & Sewer Rev Bond	
	Budget	Actual	Budget	Actual
Beginning Net Cash & Investments	\$ 7,700	\$ 7,461	\$ 12,618	\$ 12,403
Total Revenues & Other Financing Sources	\$ 7,050	\$ 7,188	\$ 10,800	\$ 10,903
Total Resources	\$ 14,750	\$ 14,649	\$ 23,418	\$ 23,306
Expenditures and Other Financing Uses	\$ 14,750	\$ 6,400	\$ 10,400	\$ 9,938
Excess (Deficit) of Resources Over Uses	\$ -	\$ 8,249	\$ 13,018	\$ 13,369
Nonrevenues (Except 384 & 388.80)	\$ -	\$ -	\$ -	\$ -
Nonexpenditures (Except 584 & 588.80)	\$ -	\$ -	\$ -	\$ -
Ending Net Cash & Investments	\$ -	\$ 8,249	\$ 13,018	\$ 13,369

The accompanying notes are an integral part of this statement.

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

Year Ended December 31, 2008

Fund Type:	Fund Number & Name Debt Service Fund 104 - 1986 Water & Sewer Rev. bond		Fund Number & Name Debt Service Fund 208 - 1988 GO Bond	
	Budget	Actual	Budget	Actual
Beginning Net Cash & Investments	\$ -	\$ -	\$ 444	\$ 342
Total Revenues & Other Financing Sources	\$ -	\$ -	\$ 5,424	\$ 5,437
Total Resources	\$ -	\$ -	\$ 5,868	\$ 5,779
Expenditures and Other Financing Uses	\$ -	\$ -	\$ 5,384	\$ 5,384
Excess (Deficit) of Resources Over Uses	\$ -	\$ -	\$ 484	\$ 395
Nonrevenues (Except 384 & 388.80)	\$ -	\$ -	\$ -	\$ -
Nonexpenditures (Except 584 & 588.80)	\$ -	\$ -	\$ -	\$ -
Ending Net Cash & Investments	\$ -	\$ -	\$ 484	\$ 395

6.

Fund Type:	Fund Number & Name Debt Service Fund 107209 - 1995 PWTF Loan		Fund Number & Name Debt Service Fund 210 - 1987 PWTF	
	Budget	Actual	Budget	Actual
Beginning Net Cash & Investments	\$ 2,821	\$ 1,729	\$ 410	\$ 418
Total Revenues & Other Financing Sources	\$ 44,740	\$ 44,857	\$ 10	\$ 9
Total Resources	\$ 47,561	\$ 46,586	\$ 420	\$ 428
Expenditures and Other Financing Uses	\$ 44,340	\$ 44,337	\$ 420	\$ 428
Excess (Deficit) of Resources Over Uses	\$ 3,221	\$ 2,249	\$ -	\$ -
Nonrevenues (Except 384 & 388.80)	\$ -	\$ -	\$ -	\$ -
Nonexpenditures (Except 584 & 588.80)	\$ -	\$ -	\$ -	\$ -
Ending Net Cash & Investments	\$ 3,221	\$ 2,249	\$ -	\$ -

80

Fund Type:	Fund Number & Name Debt Service Fund 202 - 1912- WWTP Loan Fund		Fund Number & Name Capital Projects Fund 621 - Commemorative Fund	
	Budget	Actual	Budget	Actual
Beginning Net Cash & Investments	\$ 93,024	\$ 112,576	\$ 227,031	\$ 227,031
Total Revenues & Other Financing Sources	\$ 92,824	\$ 91,785	\$ 141,114	\$ 140,679
Total Resources	\$ 185,848	\$ 204,361	\$ 368,145	\$ 367,711
Expenditures and Other Financing Uses	\$ 92,824	\$ 92,823	\$ 366,329	\$ 361,640
Excess (Deficit) of Resources Over Uses	\$ 93,024	\$ 111,537	\$ 1,816	\$ 6,070
Nonrevenues (Except 384 & 388.80)	\$ -	\$ -	\$ -	\$ -
Nonexpenditures (Except 584 & 588.80)	\$ -	\$ -	\$ -	\$ -
Ending Net Cash & Investments	\$ 93,024	\$ 111,537	\$ 1,816	\$ 6,070

The accompanying notes are an integral part of this statement.

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

Year Ended December 31, 2008

Fund Type:	Fund Number & Name Enterprise Fund 104 - 31 - Cafeteria Plan Fund		Fund Number & Name Claims Clearing Fund 802 - Claims Clearing Fund	
	Budget	Actual	Budget	Actual
Beginning Net Cash & Investments	\$ 4,334	\$ 1,596	\$ -	\$ 87,455
Total Revenues & Other Financing Sources	\$ 2,050	\$ 3,269	\$ -	\$ -
Total Resources	\$ 6,384	\$ 4,865	\$ -	\$ 87,455
Expenditures and Other Financing Uses	\$ 3,500	\$ 2,524	\$ -	\$ -
Excess (Deficit) of Resources Over Uses	\$ 2,884	\$ 2,342	\$ -	\$ 87,455
Nonrevenues (Except 384 & 388.80)	\$ -	\$ -	\$ -	\$ 2,514,609
Nonexpenditures (Except 584 & 588.80)	\$ -	\$ -	\$ -	\$ 2,438,232
Ending Net Cash & Investments	\$ 2,884	\$ 2,342	\$ -	\$ 163,831

Fund Type:	Fund Number & Name Payroll Clearing Fund 1073 - Payroll Clearing Fund		Fund Number & Name	
	Budget	Actual	Budget	Actual
Beginning Net Cash & Investments	\$ -	\$ 74,190	\$ -	\$ -
Total Revenues & Other Financing Sources	\$ -	\$ -	\$ -	\$ -
Total Resources	\$ -	\$ 74,190	\$ -	\$ -
Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -
Excess (Deficit) of Resources Over Uses	\$ -	\$ 74,190	\$ -	\$ -
Nonrevenues (Except 384 & 388.80)	\$ -	\$ 1,107,699	\$ -	\$ -
Nonexpenditures (Except 584 & 588.80)	\$ -	\$ 1,084,323	\$ -	\$ -
Ending Net Cash & Investments	\$ -	\$ 97,566	\$ -	\$ -

Fund Type:	Fund Number & Name 202 - 19		Fund Number & Name	
	Budget	Actual	Budget	Actual
Beginning Net Cash & Investments	\$ -	\$ -	\$ -	\$ -
Total Revenues & Other Financing Sources	\$ -	\$ -	\$ -	\$ -
Total Resources	\$ -	\$ -	\$ -	\$ -
Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -
Excess (Deficit) of Resources Over Uses	\$ -	\$ -	\$ -	\$ -
Nonrevenues (Except 384 & 388.80)	\$ -	\$ -	\$ -	\$ -
Nonexpenditures (Except 584 & 588.80)	\$ -	\$ -	\$ -	\$ -
Ending Net Cash & Investments	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this statement.

**TOWN OF COUPEVILLE
NOTES TO FINANCIAL STATEMENTS**

December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Coupeville reports financial activity using the revenue and expenditure classifications, statements, and schedules contained in the Cash Basis Budgeting, Accounting and Reporting System (BARS) manual. This basis of accounting and reporting is 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 Town of Coupeville was incorporated in April 1910 and operates under the laws of the State of Washington applicable to a Town with a Mayor-Council form of government. The Town of Coupeville is a general purpose government and provides public safety, planning, street improvement, parks, and general administrative services. In addition the Town owns and operates a water/sewer system. The Town uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

a. Fund Accounting

The accounts of the Town of Coupeville 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 Town of Coupeville's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are fund types used by the Town of Coupeville.

GOVERNMENTAL FUND TYPES

General (Current Expense) Fund (001)

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

Special Revenue Funds (100-199)

These funds account for revenues that are legally restricted or designated to finance particular activities of the Town of Coupeville.

Debt Service Funds (200 – 299)

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

Capital Project Funds (300 – 399)

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

PROPRIETARY FUND TYPES:

Enterprise Funds (400-499)

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 Town in a trustee capacity or as an agent on behalf of others.

Private-Purpose Trust Funds (621-630)

These funds report all trust arrangements under which principal and income benefit individuals, private organizations or other governments.

Agency Funds (631-699)

These funds are used to account assets that the Town 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 Town also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

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

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

c. Budgets

Annual appropriated budgets are adopted for the general, special revenue, capital project, and enterprise funds. The financial statements include budgetary comparisons for those funds.

Annual appropriated budgets are adopted at the fund level, except the general 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 the fiscal period end.

The Clerk-Treasurer is authorized to transfer budgeted amounts between (departments within any/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 Town's legislative body.

d. Cash

It is the Town'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 prorated to the various funds.

e. Deposits

The Town's deposits are covered by the Federal Deposit Insurance Corporation (FDIC), and/or the Washington Public Deposit Protection Commission (WPDPC).

Deposits

f. Investments

See Note 3.

g. Capital Assets

Capital assets are long-lived assets of the Town of Coupeville 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 accumulate up to 960 hours (pro-rated for part-time employees). Upon separation any outstanding sick leave is lost. Upon retirement or death a lump sum payment of 25% of any accrued but unused sick leave is paid.

i. Long-Term Debt

See Note 6.

j. Other Financing Sources or Uses

The Town's "Other Financing Sources or Uses" consist of transfers in, transfers out, grants and loan funds.

k. Risk Management

The Town of Coupeville 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 136 Members.

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

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, public officials' errors or omissions, stop gap, and employee benefits liability. Limits are \$4 million per occurrence self insured layer, and \$16 million per occurrence in

the re-insured excess layer. The excess layer is insured by the purchase of reinsurance and insurance and is subject to aggregate limits. Total limits are \$20 million per occurrence subject to aggregate sublimits in the excess layers. The Board of Directors determines the limits and terms of coverage annually.

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

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

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

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.

NOTE 2 – COMPLIANCE AND ACCOUNTABILITY

Fund 104 Civic Improvement Fund – REVENUES exceeded the budget appropriation by \$27,311, due to under estimations of the Beginning Fund Balance of \$17,884 and the Revenues of \$9,426. EXPENDITURES exceeded the budget appropriation by \$27,311, due to under estimation of Expenditures of \$3,468 and Ending Fund Balance of \$23,843.

NOTE 3 – INVESTMENTS

The Town's investments are insured, registered or held by the Town or its agent in the Town's name. Investments by type at December 31, 2009 are as follows:

Type of Investment	Balance
Local Government Investment Pool	\$3,104,949.85
Total Investments	\$3,104,949.85

NOTE 4 – PROPERTY TAX

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 Town. Delinquent taxes are considered fully collectible because a lien affixes to the property after taxes are levied.

The Town's regular levy for the year 2009 was \$1.18221723 per \$1,000 on an assessed valuation of \$283,819,449.00 for a total regular levy of \$335,536.24.

NOTE 5 – INTERFUND LOANS AND ADVANCES

There were no Interfund loans and advances in 2009.

NOTE 6 – LONG TERM DEBT

The accompanying Schedule of Long-Term Debt (09) provides a listing of the outstanding debt of the Town of Coupeville and summarizes the Town's debt transactions for the year 2009. The debt service requirements, including interest, are as follows:

Year	General Obligation	Revenue Debt	Total Debt
2009	92,879.65	153,143.39	246,023.04
2010	27,062.74	151,751.65	178,814.39
2011	27,062.74	151,347.43	178,410.17
2012	27,062.74	149,905.69	176,968.43
2013	27,062.74	149,451.37	176,514.11
2014-2018	135,313.70	502,840.50	638,154.20
2019-2023	90,920.10	464,115.50	555,035.60
2024-2028	0.00	139,234.63	139,234.63
2029-2033	0.00	0.00	0.00
TOTALS	427,364.41	1,861,790.16	2,289,154.57

NOTE 7 – PENSION PLANS

Substantially all Town full-time and qualifying part-time employees participate in the PERS or LEOFF plans 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 Town's financial statements. Contributions to the system 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

**TOWN OF COUPEVILLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

The Town of Coupeville 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 Town of Coupeville was incorporated in April 1910 and operates under the laws of the State of Washington applicable to a Town with a Mayor-Council form of government. The Town of Coupeville is a general purpose government and provides public safety, planning, street improvement, parks, and general administrative services. In addition the Town owns and operates a water/sewer system. The Town uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

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

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

PROPRIETARY FUND TYPES:

Enterprise Funds (400-499)

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

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

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These funds report all trust arrangements under which principal and income benefit individuals, private organizations or other governments.

Agency Funds (631-699)

These funds are used to account assets that the Town 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.

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 the general, special revenue, capital project, and enterprise funds. The financial statements include budgetary comparisons for those funds.

Annual appropriated budgets are adopted at the fund level, except the general 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 the fiscal period end.

The Clerk-Treasurer is authorized to transfer budgeted amounts between (departments within any/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 Town's legislative body.

d. Cash

It is the Town'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 prorated to the various funds.

e. Deposits

The Town's deposits are covered by the Federal Deposit Insurance Corporation (FDIC), and/or the Washington Public Deposit Protection Commission (WPDPC).

f. Investments

See Note 3.

g. Capital Assets

Capital assets are long-lived assets of the Town of Coupeville 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 accumulate up to 960 hours (pro-rated for part-time employees). Upon separation any outstanding sick leave is lost. Upon retirement or death a lump sum payment of 25% of any accrued but unused sick leave is paid.

i. Long-Term Debt

See Note 6.

j. Other Financing Sources Or Uses

The Town's "Other Financing Sources or Uses" consist of transfers in, transfers out, grants and loan funds.

k. Risk Management

The Town of Coupeville is a member of the Washington Cities Insurance Authority (WCIA).

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

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

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

Insurance coverage for property, automobile physical damage, fidelity, inland marine, and boiler and machinery are purchased on a group basis. Various deductibles apply by type of coverage.

Property insurance and auto physical damage are self-funded from the members' deductible to \$500,000, for all perils other than flood and earthquake, and insured above that amount by the purchase of insurance.

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

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

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.

NOTE 2 – COMPLIANCE AND ACCOUNTABILITY

Fund 104 Civic Improvement Fund – REVENUES exceeded the budget appropriation by \$37,472, due to under estimations of the Beginning Fund Balance of \$24,966 and the Revenues of \$12,506. EXPENDITURES exceeded the budget appropriation by \$37,472, due to under estimation of Expenditures of \$4,190 and Ending Fund Balance of \$33,281.

NOTE 3 – INVESTMENTS

The Town's investments are insured, registered or held by the Town or its agent in the Town's name. Investments by type at December 31, 2008 are as follows:

Type of Investment	Balance
Local Government Investment Pool	\$3,479,029.63
Total Investments	\$3,479,029.63

NOTE 4 – PROPERTY TAX

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 Town. 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 2008 was \$1.14892833 per \$1,000 on an assessed valuation of \$271,719,100 for a total regular levy of \$312,185.77.

NOTE 5 – INTERFUND LOANS AND ADVANCES

There were no Interfund loans and advances in 2008.

NOTE 6 – LONG TERM DEBT

The accompanying Schedule of Long-Term Debt (09) provides a listing of the outstanding debt of the Town of Coupeville and summarizes the Town’s debt transactions for the year 2008. The debt service requirements, including interest, are as follows:

Year	General Obligation	Revenue Debt	Total Debt
2008	\$32,446.74	\$153,497.58	\$185,944.32
2009	\$32,446.93	\$151,164.06	\$183,610.99
2010	\$32,446.93	\$150,168.19	\$182,615.12
2011	\$32,446.93	\$150,159.82	\$182,606.75
2012	\$32,446.93	\$149,113.96	\$181,560.89
2013-2017	\$162,234.65	\$551,260.49	\$713,495.14
2018-2022	\$132,842.06	\$471,928.00	\$604,770.06
2023-2027	\$ 38,946.68	\$232,057.63	\$271,004.31
2028-2032	\$5,384.00	\$0.00	\$5,384.00
TOTALS	\$501,641.85	\$2,009,349.73	\$2,510,991.58

NOTE 7 – PENSION PLANS

Substantially all Town full-time and qualifying part-time employees participate in the PERS or LEOFF plans 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 Town’s financial statements. Contributions to the system 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

SCHEDULE OF LONG-TERM DEBT **Revenue Debt**

For the Year Ended December 31, 2009

I.D. NO.	DATE OF ORIGINAL ISSUE	DATE OF MATURITY	BEGINNING OUTSTANDING DEBT 1/1/2009	ISSUED IN CURRENT YEAR	REDEEMED IN CURRENT YEAR	BARS CODE FOR REDEMPTION	REDEEMING FUND NUMBER	ENDING OUTSTANDING DEBT 12/31/2009
252.11	1/29/1978	12/1/2018	\$ 45,000	\$ -	\$ 4,000	591.34	202 (79 W&S Rev)	\$ 41,000
252.11	9/23/1975	9/23/2014	\$ 53,500	\$ -	\$ 8,000	591.34	203 (75 W&S Rev)	\$ 45,500
263.82	6/29/1993	7/1/2013	\$ 197,933	\$ -	\$ 39,587	591.34	209 (95 PWTF Loan)	\$ 158,346
263.82	6/25/2005	4/30/2025	\$ 1,531,581	\$ -	\$ 92,823	591.34	212 (03 WWTP Loan)	\$ 1,438,758
	TOTAL		\$ 1,828,014	\$ -	\$ 144,410			\$ 1,683,604

Revenue Debt

SCHEDULE OF LONG-TERM DEBT

For the Year Ended December 31, 2008

I.D. NO.	DATE OF ORIGINAL ISSUE	DATE OF MATURITY	BEGINNING OUTSTANDING DEBT 1/1/2008	ISSUED IN CURRENT YEAR	REDEEMED IN CURRENT YEAR	BARS CODE FOR REDEMPTION	REDEEMING FUND NUMBER	ENDING OUTSTANDING DEBT 12/31/2008
252.11	1/29/1978	12/1/2018	\$ 49,000	\$ -	\$ 4,000	591.34	202 (79 W&S Rev)	\$ 45,000
252.11	9/23/1975	9/23/2014	\$ 60,500	\$ -	\$ 7,000	591.34	203 (75 W&S Rev)	\$ 53,500
263.82	6/29/1993	7/1/2013	\$ 237,520	\$ -	\$ 39,587	591.34	209 (95 PWTF Loan)	\$ 197,933
263.82	6/25/2005	4/30/2025	\$ 1,624,404	\$ -	\$ 92,823	591.34	212 (03 WWTP Loan)	\$ 1,531,581
	TOTAL		\$ 1,971,424	\$ -	\$ 143,410			\$ 1,828,014



ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service. We continue to refine our reporting efforts to ensure the results of our audits are useful and understandable.

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

State Auditor
Chief of Staff
Deputy Chief of Staff
Chief Policy Advisor
Director of Audit
Director of Special Investigations
Director for Legal Affairs
Director of Quality Assurance
Local Government Liaison
Communications Director
Public Records Officer
Main number
Toll-free Citizen Hotline

Brian Sonntag, CGFM
Ted Rutt
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