PRELIMINARY OFFICIAL STATEMENT DATED [______________ __, 2012]

NEW ISSUE
BOOK-ENTRY ONLY

BONDS ARE BANK QUALIFIED
MOODY'S RATING: Applied For
See "OTHER MATTERS—Ratings"
WASHINGTON STATE SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM: Applied For
(See "OTHER MATTERS—Ratings" and "APPENDIX C—Washington State School District Credit Enhancement Program" herein.)

In the opinion of Pacifica Law Group LLP, Bond Counsel, assuming compliance with certain covenants of the District, interest on the Bonds is excludable from gross income for federal income tax purposes under existing law. Interest on the Bonds is not an item of tax preference for purposes of either individual or corporate alternative minimum tax. Interest on the Bonds may be indirectly subject to corporate alternative minimum tax and certain other taxes imposed on certain corporations. See "LEGAL MATTERS—Tax Matters" herein for a discussion of the opinion of Bond Counsel.

$2,925,000*
WOODLAND SCHOOL DISTRICT NO. 404, COWLITZ AND CLARK COUNTIES, WASHINGTON UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2012

Bonds Dated: Date of Delivery **Due: December 1, as set forth on inside cover**

The Woodland School District No. 404, Cowlitz and Clark Counties, Washington(the "District") Unlimited Tax General Obligation Refunding Bonds, 2012 (the "Bonds") will be issued as fully registered bonds in the name of Cede & Co., as Bondowner and as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Individual purchase and sale of the Bonds will initially be made in book-entry form only. Purchasers will not receive certificates representing their ownership of the Bonds. See "DESCRIPTION OF THE BONDS."

The Bonds will be issued in denominations of $5,000 or any integral multiple thereof. Interest on the Bonds will be payable on June 1, 2012 and semiannually thereafter on December 1 and June 1 of each year until their maturity. Principal of the Bonds will be payable by the fiscal agency of the State of Washington, currently The Bank of New York Mellon, New York, New York, to DTC which, in turn, will remit such principal and interest to the DTC participants for subsequent disbursement to the Beneficial Owners of the Bonds, as described herein under "DESCRIPTION OF THE BONDS—Book-Entry Only System/The Depository Trust Company."

The Bonds are not subject to optional redemption prior to maturity.

The Bonds are being issued for the purpose of providing the funds to current refund and defease certain outstanding unlimited tax general obligation bonds of the District and to pay the cost of issuing the Bonds. See "SOURCES AND USES OF FUNDS—Purpose."

The Bonds constitute valid and legally binding general obligations of the District. The District irrevocably covenants that, unless the principal of and interest on the Bonds are paid from other sources, it will make annual levies of taxes without limitation as to rate or amount upon all of the property in the District subject to taxation in amounts sufficient to pay such principal and interest as the same shall become due. The full faith, credit and resources of the District are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of such principal and interest. The Bonds do not constitute a debt or indebtedness of Cowlitz or Clark Counties, the State of Washington or any political subdivision thereof other than the District. See "SECURITY FOR THE BONDS."

Payment of principal of and interest on the Bonds when due is guaranteed by the full faith, credit, and taxing power of the

STATE OF WASHINGTON

under the provisions of the Washington State School District Credit Enhancement Program. See Appendix C attached hereto and titled "WASHINGTON STATE SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM."

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued, subject to the approving legal opinion of Pacifica Law Group LLP, Seattle, Washington, Bond Counsel. It is expected that delivery of the Bonds will be made through the facilities of DTC in New York, New York, by *Fast Automated Securities Transfer*, on or about March 6, 2012.

Martin Nelson & Company

Dated: __________ __, 2012

*Preliminary, subject to change.

$2,925,000*
WOODLAND SCHOOL DISTRICT NO. 404,
COWLITZ AND CLARK COUNIES, WASHINGTON
UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2012

Maturity Schedule

Due December 1	Maturity Amount	Interest Rate	Yield	Price	CUSIP† No.
2012	$	%	%		
2013					
2014					
2015					
2016					

* Preliminary, subject to change.

† The CUSIP numbers herein were obtained from CUSIP Global Services. The District makes no representation as to the accuracy thereof. CUSIP is a registered trademark of the American Bankers Association. CUSIP numbers are included in this Official Statement for convenience of the holders and potential holders of the Bonds. The CUSIP numbers were provided by CUSIP Global Services and are not intended to create a database and do not serve in any way as a substitute for the CUSIP Global Services. No assurance can be given that the CUSIP numbers for the Bonds will remain the same after the date of issuance and delivery of the Bonds.

WOODLAND SCHOOL DISTRICT NO. 404
800 3rd Street
Woodland, WA 98674-
(360) 841-2700
http://www.woodlandschools.org/*

Board of Directors	Title	Term Expiration
Jim Bays	President - Director District 1	2016
Janice Watts	Director District 2	2016
Tina Cayton	Director District 3	2016
Bill Woodward	Director District 4	2014
Jeremy Stuart	Director District 5	2014

Administration

Michael Green	Superintendent
Stacy Brown	Business Manager

County Officials

Terry McLaughlin	Assessor
Kathy Hanks	Treasurer

Bond Counsel

Pacifica Law Group LLP
Seattle, Washington

Financial Advisor

Public Financial Management
Seattle, Washington

Bond Registrar

The Bank of New York Mellon
New York, New York

No dealer, broker, salesperson, or other person has been authorized to give any information or to make any representation, other than the information and representations contained in this Official Statement, in connection with the offering of the Bonds and, if given or made, such information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

The information contained in this Official Statement has been provided by the District and other sources believed to be reliable. The information herein is subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof.

This Preliminary Official Statement has been "deemed final" by the District, pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, except for information which is permitted to be excluded from this Preliminary Official Statement under said Rule 15c2-12.

The CUSIP numbers provided on the cover of this Official Statement are included for convenience of the holders and potential holders of the Bonds. No assurance can be given that the CUSIP numbers for the Bonds will remain the same after the date of issuance and delivery of the Bonds.

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* The District's website is not part of this Official Statement, and investors should not rely on information presented in the District's website in determining whether to purchase the Bonds. This inactive textual reference to the District's website is not a hyperlink and does not incorporate the District's website by reference.

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$2,925,000*
WOODLAND SCHOOL DISTRICT NO. 404
COWLITZ AND CLARK COUNTIES, WASHINGTON

UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2012

INTRODUCTION

This Official Statement, including the cover page, the appendices attached hereto and the documents incorporated herein by reference, is being provided by Woodland School District No. 404, Cowlitz and Clark Counties, Washington(the "District"), to furnish information in connection with the issuance of $2,925,000* aggregate principal amount of its Unlimited Tax General Obligation Refunding Bonds, 2012 (the "Bonds"). Unless otherwise defined in this Official Statement, capitalized terms used herein will have the meanings or meanings as set forth in the Bond Resolution (as defined herein) authorizing the issuance of the Bonds.

The Bonds are issued pursuant to the laws of Washington State (the "State"), including chapters 28A.530, 39.36, and 39.46 of the Revised Code of Washington, as amended ("RCW"), and Resolution No. 2552 of the District adopted on January 23, 2012, authorizing the issuance of the Bonds (the "Bond Resolution"). This Official Statement is qualified in its entirety by references to the Bond Resolution.

Brief descriptions of the Bonds, the District, the Bond Resolution, and certain other documents are included in this Official Statement and the appendices hereto. Such descriptions do not purport to be comprehensive or definitive. All references herein to such documents and any other documents, statutes, reports, or other instruments described herein are qualified in their entirety by reference to each such document, statute, report, or other instrument. Information contained herein has been obtained from officers, employees and records of the District and from other sources believed to be reliable. The information herein is subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is not to be construed as a contract or agreement between the District's Board of Directors (the "Board") and purchasers or holders of any of the Bonds.

DESCRIPTION OF THE BONDS

General

The Bonds will be issued in denominations of $5,000 or any integral multiple thereof. The Bonds will bear interest at the rates and mature on the dates set forth on the cover of this Official Statement. Interest on the Bonds will be paid on June 1, 2012 and semiannually thereafter on December 1 and June 1 of each year until their maturity or early redemption.

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases will initially be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Bonds so purchased.

The District has requested that its Treasurer adopt the system of registration for the Bonds approved by the State Finance Committee of the State of Washington (the "Committee"). Pursuant to chapter 43.80 RCW, the Committee designates one or more fiscal agencies ("Fiscal Agency") for bonds issued within the State of Washington. The Committee currently is under contract with The Bank of New York Mellon, New York, New York. The Fiscal Agency will act as Bond Registrar under the terms of the Bond Resolution.

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* Preliminary, subject to change

In order to meet payment requirements for interest on and principal of the Bonds as the same becomes due and payable, the District will remit money to the Bond Registrar. The Bond Registrar will remit payment to DTC in accordance with the terms of the DTC procedures as then in effect. Principal of the Bonds will be paid to registered owners upon presentation and surrender of the Bonds at maturity or upon earlier redemption to the office of the Bond Registrar in New York, New York. See "Book-Entry Only System/The Depository Trust Company."

Redemption Provisions

The Bonds are not subject to optional redemption prior to maturity.

Purchase of Bonds for Retirement

The District has reserved the right and option to purchase any or all of the Bonds offered to the District at any time at any price deemed reasonable by the District.

Defeasance

In the event that cash and/or certain "governmental obligations" of the United States, maturing at such time or times and bearing interest to be earned thereon in amounts sufficient to redeem and retire the Bonds or any of them in accordance with their terms, are set aside in a special account to effect such redemption or retirement and such money and the principal of and interest on such obligations are irrevocably set aside and pledged for such purpose, then such Bonds shall cease to be entitled to any lien, benefit or security of the Bond Resolution except the right to receive the funds so set aside and pledged, and such Bonds shall be deemed not to be outstanding.

"Government obligations" is defined in the Bond Resolution to have the meaning specified in RCW 39.53.010, as it may be amended from time to time, which currently means any of the following: (a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, and bank certificates of deposit secured by such obligations; (b) bonds, debentures, notes, participation certificates or other obligations issued by the Banks for Cooperatives, the Federal Intermediate Credit Bank, the Federal Home Loan Bank system, the Export-Import Bank of the United States, Federal Land Banks or the Federal National Mortgage Association; (c) public housing bonds and project notes fully secured by contracts with the United States; and (d) obligations of financial institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, to the extent insured or to the extent guaranteed as permitted under any other provision of State law.

Book-Entry Only System/The Depository Trust Company

DTC will act as initial securities depository for the Bonds. The Bonds will be issued as fully registered bonds in the name of Cede & Co., as nominee of DTC. One fully registered Bond will be issued for each maturity of the Bonds in the principal amount of such maturity and will be deposited with DTC. See APPENDIX D—"Book-Entry Only System."

If DTC or any other successor depository resigns from its functions as depository, and no substitute depository can be obtained, or the District determines that it is in the best interest of the beneficial owners of the Bonds that such Bonds be provided in certificated form, the ownership of such Bonds may then be transferred to any person or entity as provided in the Bond Resolution, and will no longer be held in fully immobilized form. In such case, the District will request the Bond Registrar to issue the Bonds in appropriate denominations and registered in the names of the appropriate persons.

Neither the District nor the Bond Registrar has any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Bonds for: (1) the accuracy of any records maintained by DTC or any DTC participant; (2) the payment by DTC or any DTC participant of any amount in respect of the principal of or interest on the Bonds; (3) any notice which is permitted or required to be given to Registered Owners under the Bond Resolution (except such notices as required to be given by the District to the Bond Registrar or to DTC); or (4) any consent given or other action taken by DTC as the Registered Owner. For so long as any of the Bonds are held in fully immobilized form, DTC or its successor depository shall be deemed to be the Registered Owner for all purposes, and all references to the Registered Owners means DTC (or any successor depository) or its nominee and does not mean the beneficial owners.

SOURCES AND USES OF FUNDS

Purpose

As further described below under "Refunding Plan," proceeds of the Bonds will be used to provide funds (a) to establish an irrevocable escrow to refund prior to maturity certain callable maturities of the District's outstanding Unlimited Tax General Obligation Refunding Bonds, 2002 (the "2002 Bonds"), issued under date of May 23, 2002 pursuant to Resolution No. 2467 adopted by the Board on April 29, 2002 (the "2002 Bond Resolution"), and (b) to pay the administrative costs of the refunding and the costs related to the sale, issuance and delivery of the Bonds.

Sources and Uses

The following is a brief description of the sources and uses of the proceeds of the Bonds. Figures in the following table are rounded to the nearest dollar.

Sources	
Principal Amount of Bonds[1]	$ 2,925,000
Original Issue Premium	
Debt Service Fund Transfers	
Total Sources	$
Uses	
Escrow Fund	$
Costs of Issuance and Additional Proceeds[2]	
Total Uses	$

(1) Preliminary, subject to change.
(2) Issuance costs include legal fees, underwriter's discount, financial advisor fees, and other costs incurred in connection with the issuance of the Bonds.

Refunding Plan

The District will use a portion of the proceeds of the Bonds to current refund and defease the following callable maturities of the 2002 Bonds (as identified below, the "Refunded Bonds"):

Refunded Bonds

Maturity Dates (December 1)	Principal	Interest Rate	Call Date	Redemption Price
2012	$ 500,000	4.30%	06/01/2012	100%
2013	540,000	4.40	06/01/2012	100
2014	590,000	4.50	06/01/2012	100
2015	640,000	4.60	06/01/2012	100
2016	685,000	4.70	06/01/2012	100

Proceeds of the Bonds will be deposited in the custody of U.S. Bank National Association (the "Escrow Agent") and will be used without reinvestment to accomplish the refunding of the Refunded Bonds pursuant to the 2002 Bond Resolution.

The amounts held by the Escrow Agent, will irrevocably be pledged to and held in trust for the benefit of the owners of the Refunded Bonds by the Escrow Agent, pursuant to a refunding trust agreement to be executed by the District and the Escrow Agent.

SECURITY FOR THE BONDS

Full Faith and Credit Pledge

The Bonds are general obligations of the District and the full faith, credit and resources of the District have been pledged irrevocably for the punctual payment of the principal of and the interest on the Bonds. The Bonds are secured by *ad valorem* taxes to be levied against all taxable property within the District without limitation as to rate or amount. The District will levy on all taxable property located within the District direct annual taxes that, together with all other taxes, will be sufficient in amount to provide for the payment of principal of and interest on the Bonds as the same will become due. The taxes, when collected, are required to be applied solely for the purpose of payment of principal and interest on the Bonds and for no other purpose until the Bonds will have been fully paid, satisfied and discharged.

The District may, subject to applicable laws, apply other funds available to make payments with respect to the Bonds and thereby reduce the amount of future tax levies for such purpose.

The Bonds do not constitute a debt or indebtedness of Cowlitz County (the "County"), the State, or any political subdivision thereof, other than the District.

Debt Payment Record

The District has not been in default in the payment of principal of or interest on any bonds, notes or warrants of the District. Additionally, no refunding bonds have been issued for the purpose of preventing an impending default.

Washington State School District Credit Enhancement Program

Payment of principal of and interest on the Bonds when due is guaranteed by the full faith, credit, and taxing power of the State of Washington under the provisions of the Washington State School District Credit Enhancement Program, as described in Appendix C attached hereto.

DEBT INFORMATION

Limits of Indebtedness

Under State statutes a school district may incur non-voted debt not to exceed 3/8 of one percent of the assessed value of taxable property within a school district, as discussed below. With the approval of the voters, a school district may incur total indebtedness, including non-voted debt, not to exceed five percent (5%) of the assessed value of taxable property within the school district.

Authorization of Non-Voted Debt

The power of the District to contact debt of any kind is controlled and limited by State law. All debt must be set forth in accordance with detailed budget procedures and paid for out of identifiable receipts and revenues. The budget must be balanced for each fiscal year. It is unlawful for an officer or an employee of the District to incur liabilities in excess of budgetary appropriations.

Washington municipal corporations, including the District, are authorized under State law to borrow money and issue short-term obligations, the proceeds of which may be used for any lawful purpose. Short-term obligations may be issued in anticipation of the receipt of revenues, taxes, grants or the sale of bonds. These short-term obligations must be repaid out of money derived from the source or sources in anticipation of which they were issued or from any money legally available for this purpose.

RCW 28A.530.080, as amended, authorizes school districts to incur long-term indebtedness for acquisition of real or personal property and to finance structural changes and additions to buildings without a vote of the people through the issuance of bonds payable out of the District's ordinary revenues.

In an emergency, school districts may, by action of the board of directors, authorize indebtedness outside the current budget. All expenditures for emergency purposes must be paid by warrants from any available money in the fund properly chargeable with such expenditures. If there is insufficient money on hand in the fund, the warrants become registered interest-bearing warrants. In adopting the budget for any fiscal year, the board of directors must appropriate funds to retire any outstanding registered warrants issued since the adoption of the last proceeding budget.

Authorization of Voted General Obligation Bonds

Authorization of a voted general obligation bond issue requires that 40% of the number of those voting in the last general election cast a ballot, and 60% of those voting approve the issue. Refunding bonds, such as the Bonds, are not subject to these authorization requirements.

District's Debt Capacity (as of January 1, 2012)(1)

District's Taxable Assessed Valuation (2011 for taxes collected in calendar year 2012)		$ 1,260,197,124
Non-Voted General Obligation Debt Capacity:		
Legal Limit Without Vote (3/8 of 1% of Assessed Value)		$ 4,725,739
Outstanding Non-Voted Debt		(0)
Remaining Non-Voted Debt Capacity		$ 4,725,739
Voted and Non-Voted General Obligation Debt Capacity:		
Legal Limit With Vote (5% of Assessed Value)		$ 63,009,856
Outstanding Voted Bond Debt	$ 3,250,000	
The Bonds	2,925,000 *	
Outstanding Non-Voted Debt	0*	
Outstanding Debt	$ 5,545,000*	(5,545,000)*
Remaining Debt Capacity		$ 57,464,856*

Source: Woodland School District and Cowlitz and Clark County Assessor's Offices.
* Preliminary, subject to change.
(1) Excludes operating lease obligations and the Refunded Bonds.

Direct and Estimated Overlapping Debt

Bonded General Obligation Debt (including the Bonds)(1)	$ 5,545,000*
Lease Obligations (Operating Leases)(1)	0
Direct Debt	$ 5,545,000*

	G.O. Debt Outstanding(1)	Percentage Overlap	Estimated Overlapping Debt	
City of Woodland	$	100.00%	$	
Cowlitz County(2)	16,166,250			
Clark County(2)	114,826,365	0.10066	115,584	
Port of Woodland	938,054			
Total Estimated Overlapping Debt	$		$	$
Total Direct & Estimated Overlapping Debt				$ *

Source: Cowlitz and Clark County Assessor's Offices, the Cities and certain other issuers listed.

(1) As of January 1, 2012.
(2) Excludes proprietary-type debt, component unit debt, public facilities district debt financed from special taxes and hotel/motel tax financed debt.

Bonded Debt Ratio*

District Taxable Assessed Valuation (2012 collection year)	$ 1,260,197,124
Woodland School District Population(1)	12,000
Direct Debt to Assessed Valuation	0.44%
Direct & Estimated Overlapping Debt to Assessed Valuation	%
Per Capita Assessed Valuation	$ 105,016
Per Capita Direct Debt	$ 462
Per Capita Direct & Estimated Overlapping Debt	$

Source: Woodland School District.
* Preliminary, subject to change.
(1) Estimate.

Schedule of General Obligation Indebtedness

The following table summarizes the District's outstanding limited tax general obligation and unlimited tax general obligation debt, including the Bonds.

Unlimited Tax General Obligation Bonds*(1)	Date of Issue	Date of Final Maturity	Amount Outstanding(2)
UTGO Bonds, 2005	11/15/05	12/01/2024	$ 3,250,000
UTGO Refunding, 2012 (the "Bonds")	03/06/12*	12/01/2016*	2,295,000*
UTGO Bond Total			$ 5,545,000*

Source: Woodland School District.
* Preliminary, subject to change.
(1) The Date of Maturity and Amount Outstanding reflect the redemption of the Refunded Bonds expected to be refunded with proceeds of the Bonds as of the date of this Preliminary Official Statement. See "SOURCES AND USES OF FUNDS—Refunding Plan."
(2) Borrowings do not include short-term internal fund borrowings.

The following table summarizes the debt service requirements for all of the District's outstanding unlimited tax general obligation bonds including the Bonds:

[to be updated by PFM as we move closer to posting]

Debt Service for the District (1)

	Outstanding UTGO Bonds (2)			The Bonds			
Calendar Year	Principal	Interest	Total	Principal	Interest	Total	Total Debt Service
2012	$	$	$ -	—	$ -	$	$
2013							
2014							
2015							
2016							
2014							
2018							
2019							
2020							
2021							
2022							
Total	$	$	$	$	$	$	$

(1) Numbers rounded to the nearest dollar. Numbers may not add due to rounding.
(2) Does not include the Refunded Bonds.

Introduction

The District's primary sources of revenue are local property taxes, state funds and federal funds. Collectively, these sources comprised approximately 89.96% of the District's total general, associated student body, capital projects and transportation fund revenues in the fiscal year ending August 31, 2011. In addition, the District receives income from local non-tax sources, including tuition, sales of goods and supplies, food service, investment earnings, fines and damages, rentals and other miscellaneous sources. These additional revenues comprised approximately 10.04% of total funding, exclusive of voter approved debt service funds, in the fiscal year ending August 31, 2011.

Local Funding

Pursuant to RCW 84.52.053 and Article VII, Section 2(a) of the State Constitution and upon voter approval, school districts in the State are authorized to levy property taxes for various purposes including maintenance and operation, capital projects, and the construction, modernization and remodeling of District facilities. Historically, each of these excess property tax levies were required to be approved by 60% of those voting and the number of yes votes must equal or exceed 40% of those voting in the last general election. Commencing in 2008, the voter approval requirement for levies became a simple majority. School districts may submit special levies for maintenance and operation for up to four years subject further to the limitations described herein. Capital projects levies can range in term from one year up to six years. The District currently levies a maintenance and operation tax. See "Maintenance and Operation Levies" below.

The historical aggregate levy rates imposed by the District for all purposes are shown in the table that follows:

District Tax Levy Rates

Calendar Year	Maintenance & Operations	Bond	Total
2012	$2.33000	$1.15000	$3.4800
2011	2.17405	1.23457	3.4086
2010	2.03005	1.22046	3.2505
2009	1.84195	1.17975	3.0217
2008	1.85367	1.26766	3.1213
2007	1.91038	1.07322	2.9836

Source: Woodland School District.

Assessed Valuation Determination

Cowlitz County Assessor (the "Assessor") determines the value of all real and personal property throughout the County (including the District) which is subject to ad valorem taxation. The Assessor is an elected official whose duties and methods of determining value are prescribed and controlled by statute and by detailed regulations promulgated by the Department of Revenue of the State of Washington. For tax purposes the assessed value of property is 100% of its actual value. The Assessor's determinations are subject to revision by the County Board of Equalization and, for certain property, subject to further revisions by the State Board of Equalization. After all administrative procedures are completed, the District's Board of Directors receives the Assessor's final certificates of assessed value of property within the school district.

Tax Collection Procedure

Property taxes are levied in specific amounts, and the rate for all taxes levied for all taxing districts in each county is determined, calculated, and fixed by the Assessor based upon the assessed valuation of the property within the various taxing districts. The Assessor extends the taxes to be levied within each taxing district upon a property tax roll, which contains the total amount of taxes to be so levied and collected. The property tax roll is delivered by January 15th to the County Treasurer, who bills and collects the taxes as certified. All such taxes are due and payable on the 30th of April of each year; but if the amount due from a taxpayer exceeds fifty dollars, one-half may be paid then and the balance no later than October 31st of that year. Delinquent taxes are subject to interest at the rate of one percent per month until paid. In addition, a penalty of three percent will be assessed on June 1st of the year in which the tax was due; and eight percent on December 1st of the year the tax was due.

The method of giving notice of payment of taxes due, the County Treasurer's accounting for the money collected, the distribution of the taxes among the various taxing districts, notices of delinquency, and collection procedures are all covered by detailed statutes. The lien for property taxes is prior to all other liens or encumbrances of any kind on real or personal property subject to taxation except for federal tax liens. By law, the County Treasurer may commence foreclosure of a tax lien on real property after three years have passed since the first delinquency.

The State's courts have not decided whether the Homestead Law (Chapter 6.13 RCW) may give the occupying homeowner a right to retain the first $125,000 of proceeds of the forced sale of the family residence or other "homestead" property for delinquent general property taxes. (See *Algona v. Sharp*, 30 Wn. App. 837, P.2d 627 (1982), holding the homestead right superior to the improvement district assessment). The United States Bankruptcy Court for the Western District of Washington has held that the Homestead Exemption applies to the lien for property taxes, while the State Attorney General has taken the position that it does not.

The following table details the tax collection record for the District's maintenance and operation levy. The collection record for the maintenance and operation levy is representative of the collection record for all local option taxes levied by the District.

Maintenance and Operations Tax Collections (as of January 1, 2012)
[to be updated]

			Tax Collection (2)	
Year Collected	**Assessed Valuation (1)**	**Amounts Levied**	**Year Due %**	**To Date %**
2012	$ 1,260,197,124	$	(3)	(3)
2011	1,291,410,888		%	%
2010	1,315,456,065			
2009	1,343,710,433			
2008	1,231,172,526			
2007	1,176,247,053			

(1) Assessed value includes timber assessed value.
(2) Tax collections have been adjusted to include supplements and cancellations.
(3) In process of collection.
Source: Woodland School District, Cowlitz County Assessor's Office and Cowlitz County Treasurer's Office.

Maintenance and Operations Levies

The maintenance and operation levy (the "M&O levy") must be approved by the voters of the District. The voter approval requirement for M&O levies is a simple majority. The State Constitution allows school districts to submit M&O levies for up to four years and gives school districts the authority to levy local property taxes provided the voters of the district approve the levy with a simple majority in favor. In 1977 when the State assumed additional responsibility for funding schools, the Washington State Legislature (the "Legislature") limited school district M&O levy authority by passing the levy lid law. This law establishes the maximum amount of a school district's M&O levy for a calendar year. In 1979 the levy lid law took effect, limiting excess general fund revenue to 10 percent of the school district's basic education allocation for the school year. The law allowed districts that historically relied on M&O levies to be grandfathered in and exceed the 10 percent limit. In 1987 the levy lid limit was increased to 20 percent. In 1994, the levy base increased to 24 percent.

The Local Effort Assistance Program ("LEA") was originally implemented in 1989 and seeks to equalize the tax burden by providing matching state funds to districts with low property values and high levy rates. The levy equalization percentage is currently 12 percent.

Beginning in 2001 portions of the state property tax and state lottery revenues were dedicated to the Student Achievement Fund, per Initiative 728 ("I-728"). I-728 directed that, beginning in 2004, school districts receive Student Achievement Fund allocations in the amount of $450 per full-time-equivalent ("FTE") student, with the amount to increase by designated amounts in proceeding years. The 2003 Legislature revised the per-pupil payments to a lower amount, to increase in subsequent years. In 2009-11 payments were again reduced – from planned per-pupil allocations of $458.10 and $463.58 in school years 2009-10 and 2010-11, respectively, to $131.20 and $0.

Passed by voters in November 2000, Initiative 732 ("I-732") required the State to provide annual cost-of-living increases for Washington's public school employees. In 2003 and again in 2009-11, lawmakers suspended the inflation increases in I-732.

The Legislature provides funding for additional staffing in K-4 classrooms beyond basic education. All districts receive this enhanced allocation, except for in the 2009-11 biennium. The Legislature, in 2010, approved Laws of 2010, Chapter 237 (Chapter 237), enhancing the levy authority of school districts. For levy collections through calendar year 2017 a district's levy base will include the amounts the districts would have received from state funding for I-728 and I-732. Districts are allowed to include in their levy bases any cuts to the kindergarten through four class-size funding.

The District does not expect to seek an additional increase of its levy amounts during the term of collection of its current levy pursuant to the 2010 Supplemental Levy Act.

The requirement that the Office of the Superintendent of Public Instruction ("OSPI") must offset the amount added to a district's levy base is removed. The levy lid is increased by four percent, including districts which are currently grandfathered above 24 percent. For non-grandfathered districts, such as the District, the maximum levy percentage is increased from 24 percent to 28 percent in 2011 through 2017 and returns to 24 percent every year thereafter. The levy-equalization percentage is increased to 14 percent for calendar years 2011 through 2017 and returns to 12 percent in calendar year 2018.

Additional levies to provide for subsequently-enacted increases affecting the districts' levy base or maximum levy percentages may be authorized by voters during the term of the levy collection period.

In the fiscal year ended August 31, 2011, local maintenance and operation taxes comprised 13.38% of total general fund, associated student body fund, capital projects fund and transportation vehicle fund revenues.

In February of 2010, a two-year maintenance and operations levy was approved by 58.94% of the electors voting in the election. The maintenance and operations levy amount scheduled for collection this year is as follows:

Maintenance and Operations Levy

Collection Year	Levy Amount
2012	$ 3,100,000

Source: Woodland School District.

School districts are allowed to submit special levies for maintenance and operation expenses for up to four years. The District has a two year replacement maintenance and operations levy on the ballot for the February 14, 2012 election. The results will be certified on February 29, 2012. The anticipated levy collections if the ballot measure passes, would be as follows:

Replacement Maintenance and Operations Levy

Collection Year	Levy Amount
2014	$ 3,400,000
2013	3,250,000

Multi-Year Capital Projects Levies

The District has not sought and does not plan to seek voter approval for Multi-Year Capital Projects Levies.

State Funding

The Washington Basic Education Act of 1977 provides for the full funding of "basic education," or the regular program, and of vocational education, according to statutory formulas, and for operational costs for transportation, the purchase of transportation equipment, and programs for the handicapped by the State. Legislation passed in 1979 recognized the State's responsibility to fund bilingual and remediation programs. The Washington State Legislature, at its discretion, may provide funds for other special programs, including, but not limited to, vocational-technical institutes, gifted education and others. State funding is based primarily on average full-time equivalent student enrollment.

The State's largest General Fund expenditures are for education, social and health services and corrections. Approximately 36% of the State's General Fund budget is for supporting public education. The State's General Fund has experienced revenue shortfalls. Recent State budgets, including the budget adopted by the Legislature for the 2011-2013 biennium, have reduced State funding for public education. The reductions in 2011 reflect a decrease in funding for teacher salaries.

Federal Funding

The District receives federal funding from the following sources: Federal Revenue for Federal Forests, Supplemental Handicapped Assistance, Remedial Education, Free and Reduced Lunch Program, and various other special purpose programs. In the fiscal year ended August 31, 2011, federal funds comprised 8.81% of total general fund, associated student bond fund, capital projects fund and transportation vehicle fund revenues.

Other Sources of Funding

In the fiscal year ended August 31, 2011 local non-tax, other districts and grants and student activities comprised 6.21% of total general fund, associated student body fund, capital projects fund and transportation vehicle fund revenues.

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Comparative General Fund Income/Expense Statement
(Fiscal Year Ending August 31)

	Audited 2007	Audited 2008	Audited 2009	Audited 2010	Unaudited 2011
Revenues					
Local Taxes	$ 2,769,545	$ 2,888,564	$ 2,886,587	$ 3,220,258	$ 3,428,531
State Funds	13,572,830	14,733,520	14,571,532	14,284,202	14,341,045
Federal Funds	1,056,705	1,109,120	1,232,802	1,259,903	1,287,413
Federal Stimulus	0	0	1,002,947	918,586	633,945
Other	684,109	781,433	956,228	976,416	973,850
Total Revenues	$ 18,083,189	$ 19,512,637	$ 20,650,096	$ 20,659,365	$ 20,664,784
Expenditures					
Current:					
Basic Education	$ 9,048,838	$ 9,538,797	$ 9,024,403	$ 9,464,426	$ 9,652,547
Special Education	1,399,987	1,538,611	1,742,124	1,556,202	1,741,165
Vocational Education	481,856	547,368	546,847	565,044	605,518
Compensatory Education	1,411,531	1,611,291	1,585,752	734,745	703,182
Other Instructional Programs	55,669	89,571	78,878	38,540	20,927
Community Services	273,190	264,013	223,227	121,871	147,319
Support Services	5,227,219	5,498,020	5,826,741	6,253,029	6,713,133
Federal Stimulus	0	0	982,066	884,950	637,162
Debt Service:					
Principal	0	0	0	0	0
Interest	0	204	37	0	0
Capital Outlay:					
Equipment	0	0	0	0	0
Other	30,689	45,911	209,129	398,488	14,860
Total Expenditures	$ 17,928,979	$ 19,133,786	$ 20,219,204	$ 20,017,295	$ 20,235,813
Excess of Revenues Over (Under) Expenditures	$ 154,211	$ 378,852	$ 430,893	$ 642,071	$ 428,971
Other Financing Sources (Uses):					
Transfers In	0	0	90,000	0	235,000
Long Term Financing	0	0	0	0	0
Transfers Out	(154,060)	(194,163)	(193,904)	(186,559)	0
Total Other Financing Sources (Uses)	$ (154,060)	$ (194,163)	$ (103,904)	$ (186,559)	$ 235,000
Excess of Revenues Over (Under) Expenditures and Other Sources	$ 9,151	$ 184,689	$ 326,989	$ 455,512	$ 663,971
Fund Balance at Beginning of Year (As Restated)	(796,138)	(805,289)	989,977	1,316,966	1,772,478
ENDING FUND BALANCE	$ 805,289	$ 989,977	$ 1,316,966	$ 1,772,478	$ 2,436,449

Source: Woodland School District Audited Financial Statements.

DISTRICT PROFILE

General Information

The District is located in Cowlitz and Clark Counties. The District has a current estimated population of 12,000 residents, and encompasses approximately 200 square miles. The District serves approximately 2,120 students in kindergarten through 12th grade. The District operates 5 school buildings including 1 high school, 1 middle school, and 3 elementary schools. The District also operates an alternative high school serving grades 9-12 and an alternative parent partnership program serving grades K-12.

An elected, five-member Board of Directors has oversight for the District. The Board appoints management, sets the budget and holds other financial responsibilities. The District is currently operating on a $21 million annual budget, with a staff of approximately 300 employees.

Organization

The District is a municipal corporation governed by a five-member Board and operates under the constitution and laws of the State. Each director represents one of five areas within the District but is elected "at large." Members of the Board are elected to four-year terms. The Board holds regular meetings twice a month and special meetings as needed. All meetings are open to the public as provided by law, and agenda items are prepared in advance.

The Board appoints a chief executive officer of the District, entitled the Superintendent, who serves at the discretion of the Board. The Superintendent is responsible to the Board for the administration of all schools and departments of the District and serves as the Secretary of the Board. The Superintendent recommends department heads, district managers and legal and bond counsel; maintains a permanent journal of Board proceedings; records and certifies appropriate policies and resolutions; and serves as custodian of official District records.

Board of Directors: Please also specify who the Board President/Chair is.

Name	Title	Term Expiration
Jim Bays	President - Director District 1	2016
Janice Watts	Director District 2	2016
Tina Cayton	Director District 3	2016
Bill Woodward	Director District 4	2014
Jeremy Stuart	Director District 5	2014

Key Administrative Officials

Michael Green, Superintendent. Michael Green has been Superintendent of Woodland Public Schools since July 2007. Prior to Woodland he was superintendent of Nine Mile Falls School District (2001-2007), and Assistant Superintendent/CFO for Riverview School District (1998-2001). Michael has a BS in Business Administration and a BAEd in Education from Central Washington University, an MAEd in Educational Leadership from Western Washington University, and a Superintendent's Credential from Seattle Pacific University.

Stacy Brown, Business Manager. Stacy has served as the Director of Business Services for the Woodland School District for the past 11 years. Prior to that Stacy served 10 years with the Office of the State Auditor of Washington performing audits of state governments in Olympia and local governments in Clark, Cowlitz, Wahkiakum and Skamania Counties. She holds a Bachelor of Business Administration, with a major in Accounting from Gonzaga University.

Annual Enrollment

Actual and projected student enrollment for the District for each October 1 is shown below:

	Annual Enrollment (FTE)					Projected FTE			
	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Elementary (K-5)	876	867	840	851	873	894	890	914	941
Middle School (6-8)	525	526	510	494	488	467	494	503	504
High School (9-12)	708	704	682	662	670	685	677	648	635
Total	2,109	2,097	2,032	2,007	2,031	2,046	2,061	2,065	2,080

Source: Woodland School District.

Transportation

The District operates a transportation co-op for four local districts (Woodland, Kalama, Ridgefield and LaCenter) and the operational budget for the 2011-12 school year is $3,585,434. Of this amount, $212,750 is spent on a variety of field trip and athletic team buses, with these costs being charged to Basic Education for Woodland and charged back to the other districts in the co-op. The remainder is required for providing drivers and maintenance for a fleet of 90 buses which provide school transportation for students in all four districts. In addition to the operating budget, the District has a Transportation Vehicle Fund budget of $1,600,000 in 2011-12. The District has not sought and does not plan to seek voter approval for Transportation Levies.

Budgetary Process

Chapter 28A.505 RCW and chapter 392-123 of the Washington Administrative Code ("WAC") mandate school district budget policies and procedures. The budgets for the General, Capital Projects, Debt Service, Associated Student Body and Transportation Vehicle funds are adopted by the Board after a public hearing. An appropriation is a prerequisite to expenditures. Appropriations lapse at the end of the fiscal period. Each fund's total expenditures cannot by law exceed its formal fund appropriation. Appropriations are authorized by budget adoption by the Board at the fund level. These are the legal levels of budgetary control. Management can move budgets by areas, departments, and divisions. Only the Board, subject to the approval of OSPI, may adopt a revised or supplemental budget appropriation after a public hearing at any time during the fiscal year. Management does not have the authority to amend the budget after the Board approves or amends the budgets.

Encumbrances accounting is employed in governmental funds. Purchase orders, contracts and other commitments for the expenditure of moneys are recorded in order to reserve a portion of the applicable appropriation. Encumbrances are closed at the end of the fiscal year and re-established the following year. The Capital Projects Fund was encumbered at the close of the 2010-2011 school year.

For budgetary purposes, revenues and expenditures are recognized on the modified accrual basis of accounting as prescribed by law for all governmental funds. Fund balance is an available resource and, pursuant to law, the budgeted ending fund balance cannot be negative.

Accounting Policies

The modified accrual basis of accounting is used for all governmental funds and expendable trust funds. Under this basis, revenues are recognized when they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period. Reported property taxes receivable are measurable, but not available, and are, therefore, included in deferred revenue, and not recognized as current year revenue. Categorical program claims and inter-district billings are measurable and available, and both are accrued.

Expenditures are recognized under a full accrual basis of accounting when the related fund liability is incurred. The fund liability is incurred when the goods or services have been received. An exception to this rule is recognition of principal and interest on general long-term debt which is recognized when due. All governmental funds and expendable trust funds are accounted for on a financial resources measurement focus. This means that only current liabilities are included on their balance sheets.

Non-expendable trust funds are accounted for on a flow of "economic resources" measurement focus, using the full accrual basis of accounting. Revenue is recognized when it is earned and expenses are recognized when incurred.

In June 1999, the Governmental Accounting Standards Board ("GASB") adopted statement number 34, requiring all governments to prepare district wide financial statements using the economic resources measurement focus and the accrual basis of accounting. Governmental fund financial statements will continue to be reported using the current financial resources measurement focus and the modified accrual basis of accounting. The new GASB standard requires governments with total annual revenues of 100 million or more, to implement the new reporting basis, effective with reporting years beginning after June 15, 2001.

OSPI and the State Auditor's Office have authorized school districts in the State to report financial information using an Other Comprehensive Basis of Accounting ("OCBOA") report. These are special reports permitted under AU Section 623 of the Codification of Statements on Auditing Standards promulgated by the American Institute of Certified Public Accountants ("AICPA"). In particular, AU Section 623.04 states, in part, "For purposes of this section, a comprehensive basis of accounting other than generally accepted accounting principles is … a basis of accounting that the reporting entity uses to comply with the requirements or financial reporting provisions of a governmental regulatory agency to whose jurisdiction the entity is subject." This OCBOA will present financial information using the economic resources measurement focus and the modified accrual basis of accounting.

The District presented its financial information using the OCBOA for the 2010-11 school year in the fall of 2011.

Investment Policies

The County Treasurer is the *ex-officio* treasurer for the District. In this capacity, the County Treasurer receives deposits and makes investments on the District's behalf. All temporary investments are stated at cost plus accrued interest, which approximates market. Investments are shown on the combined balance sheet at cost, net of amortized premium or discount. Reductions in market value are not reflected on the financial statements. Gains or losses on investments sold or exchanged are recognized at the time of sale or exchange.

Chapter 39.59 RCW limits the investment of public funds to the following authorized investments: bonds of the State and any local government in the State, which bonds are rated at the time of investment in one of the three highest credit ratings by a nationally recognized rating agency; general obligation bonds of other states and subdivisions thereof so long as those bonds are rated in one of the three highest categories; registered warrants of a local government within the same county as the entity making the investment; and any investment authorized by law for the treasurer of the State or any local government exclusive of certificates of deposit of banks or bank branches not located in the State. Under chapter 43.84 RCW, the State Treasurer may invest in non-negotiable certificates of deposit in designated qualified public depositories; in obligations of the U.S. government, its agencies and wholly owned corporations; in bankers' acceptances; in commercial paper; in repurchase agreements; in the obligations of the federal home loan bank, federal national mortgage association and other government corporations subject to statutory provisions. Utility revenue bonds and warrants of any city and bonds or warrants of a local improvement district are also eligible investments (RCW 35.39.030).

Any municipal corporation, including the District, may authorize the investment of funds not required for immediate expenditure by the County Treasurer. Such funds of the District, including debt service funds, have been invested by the County Treasurer. As of December 21, 2011 the District's investments for all District funds had a book value of $8,171,334.

The County Treasurer may, upon the request of one or more units of local government that invest their money with the County, combine that money for the purposes of investment (RCW 36.29.022). The Cowlitz County Treasurer currently maintains such an investment pool. See "Cowlitz County Investment Pool" below. The County Treasurer is also authorized to invest local government funds in the Local Government Investment Pool (the "LGIP"), authorized by chapter 43.250 RCW and administered by the State Treasurer. The LGIP is comparable to a Rule 2a-7 money market fund, as recognized by the Securities and Exchange Commission. See "Local Government Investment Pool" below.

Local Government Investment Pool

The Washington State Local Government Investment Pool (the "LGIP") was created by the Legislature in 1986 to provide a mechanism for political subdivisions to invest available funds and take advantage of the economies of scale and expertise of the LGIP to earn a competitive rate of return, security and liquidity of funds. The LGIP is a conservatively managed, highly liquid money market fund that is considered low-risk. The LGIP is restricted to investments with maturities of one year or less, and the average life typically is less than 60 days. Permissible investments include U.S. government and agency securities, bankers' acceptances, high quality commercial paper, repurchase and reverse repurchase agreements, and certificates of deposit issued by qualified Washington State depositories.

The State Treasurer's Office administers the LGIP, reports that as of July 31, 2011, the LGIP had 450 participants and a balance of approximately $8.5 billion. In its management of LGIP, the State Treasurer is required to adhere, at all times, to the principles appropriate for the prudent investment of public funds. These are, in priority order, (i) the safety of principal; (ii) the assurance of sufficient liquidity to meet cash flow demands; and (iii) to attain the highest possible yield within the constraints of the first two goals. Historically, the LGIP has had sufficient liquidity to meet all cash flow demands.

The District did not incur any investment losses during the most recent fiscal year, and there were no known violations of legal or contractual provisions for deposits and investments.

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Insurance Coverage

The District is a member of the Southwest Washington Risk Cooperative administered by Educational Service District 112, a public entity risk pool currently operating as a common risk management and insurance program for unemployment insurance and unemployment compensation. The district pays an annual premium to the pool for general insurance coverage. The agreement for formation of the Southwest Washington Risk Management Insurance Pool provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of $100,000 for each insured event. The District carries a primary coverage of $500 million of general liability/automotive liability coverage as shown below.

Insurance Coverage(1)

Type of Coverage	Coverage
Property	
• Bus Physical Damage Deductible	$1,000 per occurrence
• Automobile Physical Damage Deductible	$1,000 per occurrence
• Property Deductible	$1,000 per occurrence
• Property Coverage Limits	$40,635,532 per occurrence
• Boiler & Machinery Coverage Limits	$40,635,532 per occurrence
Crime	
• Money & Securities Deductible	$1,000 per occurrence
• Money & Securities Limits	$1,000,000 per occurrence
• Employee Dishonesty Deductible	$1,000 per occurrence
• Employee Dishonesty Limits	$1,000,000 per occurrence
Liability	
• General & Automobile Liability Limits	$20,250,000 per occurrence
• Sexual Abuse Liability Limits	$20,250,000 per occurrence
Errors and Omissions Liability	
• Errors & Omissions Liability Limits	$20,250,000 per occurrence
• Employment Practices Liability Limits	$20,250,000 per claim

Source: Woodland School District.
(1) The fiscal year 2011-2012 coverages for the District.

There have been no claim settlements that were in excess of insurance coverage for any of the past 10 fiscal years.

Labor Relations

A majority of employees of the District are represented by labor organizations. There are five bargaining units. Woodland Education Association, Washington Education Association, Woodland Administration Association, Service Employees International Union and KWRL Service Employees International Union. The Woodland Education Association, the largest labor organization, represents the teachers and other certificated support staff. Each bargaining unit has negotiated a collective bargaining agreement with the District. These agreements contain provisions such as salaries, vacation, sick leave, medical and dental insurance, working conditions and grievance procedures.

The District strives to complete agreements with all groups in a timely manner, consistent with applicable state law, and to promote labor relation policies mutually beneficial to management, employees, and the educational program. Employees of the District are represented by the following bargaining units:

Bargaining Units

Bargaining Unit	Number of Employees	Contract Expires
Woodland Education Association (Certificated)	122	08/2013
Washington Education Association (Secretaries)	11	05/2014
Woodland Administration Association	7	08/2013
Service Employees International Union (Classified)	73	08/2012
KWRL Service Employees International Union (Classified)	78	08/2015

Pension System

Pensions for District employees are provided through the Washington State Department of Retirement Systems. Substantially all District full-time and qualifying part-time employees participate in one of the following three contributory, multi-employer, cost-sharing statewide retirement systems that include (i) the State Teacher's Retirement System ("TRS") for certificated employees, (ii) the Public Employee's Retirement System ("PERS") for non-certificated employees and (iii) the School Employee's Retirement System ("SERS") for classified employees (as described by the Washington State Department of Retirement Systems website, www.wa.gov/drs/drs.htm).* TRS includes three plans (Plans I, II and III), PERS includes three plans (Plans I, II and III), and SERS includes two plans (Plans II and III). Participants who joined the retirement system by September 30, 1977 are eligible to be either TRS or PERS Plan I members. Those who joined thereafter are enrolled in TRS Plans II or III or SERS Plans II or III. Employees who do not specify a plan choice will transfer automatically to Plan III. Retirement benefits are financed from both employee and employer contributions and from investment earnings. Retirement benefits under all Plans I and II are vested after completion of five years of eligible service. Plan III members are vested after ten years of eligible service or after five years of eligible service if one service credit year is earned after the age of 44. All Plans I and II are defined benefit plans. The PERS Plan III, the SERS Plan III and the TRS Plan III consist of two separate elements: a defined benefit, and a defined contribution portion. Eligible participants enrolled in TRS, PERS or SERS Plan II may elect to transfer to the respective Plan III, during the specified transfer window period that occurs in January of each year. Once employees transfer to Plan III, they may not return to Plan II membership.

Each biennium the State legislature establishes all Plan I employer contribution rates and all Plan II employer and employee contribution rates. Employee contribution rates for Plan I have been established by statute at six percent. The employer and employee contribution rates for Plan II, and the employer contribution rates for the defined benefit portion of Plan III, are developed by the Office of the State Actuary and established by the Pension Funding council to fully fund those portions. The employee

* This inactive textual reference is not a hyperlink and does not incorporate the Washington State Department of Retirement System's website by reference.

contribution rates to the defined contribution portion are set by statute and range from five to fifteen percent. Methods used to establish employer and employee contribution rates are defined in chapter 45.40 RCW. The methods used to determine the contribution requirements are established under chapters 41.40, 41.35 and 41.32 RCW for PERS, SERS and TRS, respectively. All employers are required to contribute at the level established by the State legislature. The State is responsible for funding basic education; based upon that funding, school districts make payments directly to the pension funds incurred for their employees. Legislation directs that employer contributions will provide for current pension liabilities and for the amortization of each system's unfunded liability by June 30, 2024.

The District contribution represents its full liability under both the TRS and PERS systems, except that future contribution rates may be adjusted to meet the system needs. See Note 3 in the financial statements attached hereto in Appendix E.

INITIATIVES AND REFERENDA

Under the State Constitution, the voters of the State have the ability to initiate legislation and modify existing legislation through the powers of initiative and referendum, respectively. The initiative power in Washington may not be used to amend the State Constitution. Initiatives and referenda are submitted to the voters upon receipt of a petition signed by at least eight percent (initiative) and four percent (referenda) of the number of voters registered and voting for the office of Governor at the preceding regular gubernatorial election. Any law approved in this manner by a majority of the voters may not be amended or repealed by the Legislature within a period of two years following enactment, except by a vote of two-thirds of all members elected to each house of the Legislature. After two years, the law is subject to amendment or repeal by the Legislature in the same manner as other laws. In recent years, the State's voters have approved numerous initiatives and referenda that have limited the District's ability to impose taxes and collect fees. Some, but not all, of these initiatives and referenda have been determined to be unconstitutional.

Other tax and fee initiative measures have been and may be filed, but it cannot be predicted whether any such initiatives might gain sufficient signatures to qualify for submission to the Legislature and/or the voters or, if submitted, whether they ultimately would be approved.

LEGAL MATTERS

Tax Matters

General. In the opinion of Bond Counsel, interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

Federal income tax law contains a number of requirements that apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the use of proceeds of the bonds and the facilities refinanced with proceeds of the Bonds and certain other matters. The District has covenanted to comply with all applicable requirements.

Bond Counsel's opinion is subject to the condition that the District comply with the above-referenced covenants and, in addition, will rely on representations by the District and its advisors with respect to matters solely within the knowledge of the District and its advisors, respectively, which Bond Counsel has not independently verified. If the District fails to comply with such covenants or if the foregoing representations are determined to be inaccurate or incomplete, interest on the Bonds could be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds, regardless of the date on which the event causing taxability occurs. In rendering its opinion, Bond Counsel has relied on the report of Grant Thornton LLP with respect to the accuracy of certain mathematical calculations.

Except as expressly stated above, Bond Counsel expresses no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning or disposing of the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds, which may include original issue discount, original issue premium, purchase at a market discount or at a premium, taxation upon sale, redemption or other disposition, and various withholding requirements.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding any collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors regarding collateral federal income tax consequences.

Payments of interest on tax-exempt obligations such as the Bonds, are in many cases required to be reported to the Internal Revenue Service ("IRS"). Additionally, backup withholding may apply to any such payments made to any owner who is not an "exempt recipient" and who fails to provide certain identifying information. Individuals generally are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients.

Bond Counsel's opinion is not a guarantee of result and is not binding on the IRS; rather, the opinion represents Bond Counsel's legal judgment based on its review of existing law and in reliance on the representations made to Bond Counsel and the District's compliance with its covenants. The IRS has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations is includable in gross income for federal income tax purposes. Bond Counsel cannot predict whether the IRS will commence an audit of the Bonds. Owners of the Bonds are advised that, if the IRS does audit the Bonds, under current IRS procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the owners of the Bonds may have limited rights to participate in the audit. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Qualified Tax-Exempt Obligations. The District has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code.

Proposed Tax Legislation; Miscellaneous. Tax legislation, administrative actions taken by tax authorities, and court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future or enacted) could affect the market price or marketability of the Bonds. For example, on September 12, 2011, President Obama sent to Congress a legislative proposal entitled the American Jobs Act of 2011 (the "Proposed Act"). On September 13, 2011, Senator Harry Reid introduced the Proposed Act in the Senate (S.1549). The Proposed Act includes a provision that, if enacted as proposed, would limit the amount of exclusions (including tax-exempt interest, such as interest on the Bonds) and deductions that certain high income taxpayers could use to reduce their income tax liability for taxable years beginning after 2012, and accordingly the Proposed Act could affect the market price or marketability of the Bonds. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income for federal tax purposes of interest on obligations such as the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and its impact on their individual situations, as to which Bond Counsel expresses no opinion.

Legal Opinion

The Bonds will be issued with the approving legal opinion of Pacifica Law Group LLP, Bond Counsel, Seattle, Washington. See Appendix A for a form of legal opinion from Bond Counsel.

Litigation

There is no controversy or litigation pending, or to the best knowledge of the District threatened, affecting the issuance and delivery of the Bonds, or the power and authority of the District to issue the Bonds.

Enforceability

The provisions of the Bonds and the Bond Resolution, constitute contracts between the District and the owner or owners of the Bonds, and such provisions are enforceable by the registered owner or owners in a court of competent jurisdiction in the State of Washington by mandamus or other appropriate remedy, subject to judicial discretion and the valid exercise of sovereign police power of the State of Washington and may be limited by laws affecting the rights of creditors.

OTHER MATTERS

Continuing Disclosure Undertaking

In accordance with Section (b)(5) of Securities and Exchange Commission (the "Commission") Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule"), the District has agreed in the Bond Resolution for the benefit of the Bond Owners or Beneficial Owners of the Bonds to provide or cause to be provided to the Municipal Securities Rulemaking Board (the "MSRB") in accordance with the Rule, the following annual financial information and operating data for the prior fiscal year (commencing in 2012 for the fiscal year ended August 31, 2011): (i) annual financial statements, which statements may or may not be audited showing ending fund balances, prepared in accordance with regulations prescribed by the Superintendent of Public Instruction and the State Auditor pursuant to RCW 28A.505.020, RCW 28A.505.010, RCW 28A.505.140, and RCW 43.09.200 (or any successor statutes) and generally of the type included in this Official Statement for the Bonds under the heading "Comparative General Fund Income/Expense Statement," (ii) the assessed valuation of taxable property in the District; (iii) ad valorem taxes due and percentage of taxes collected; (iv) property tax levy rate per $1,000 of assessed valuation; and (v) outstanding general obligation debt of the District.

Items ii-iv shall be required only to the extent that such information is not included in the annual financial statements.

The information and data described above will be provided on or before nine months after the end of the District's fiscal year. The District's current fiscal year ends August 31. The District may adjust such fiscal year by providing written notice of the change of fiscal year to the MSRB. In lieu of providing such annual financial information and operating data, the District may cross-reference to other documents available to the public on the MSRB's internet website or filed with the Commission and, if such document is a final official statement within the meaning of the Rule, available from the MSRB.

If not provided as part of the annual financial information discussed above, the District will provide the District's audited annual financial statement prepared in accordance with the Budget Accounting and Reporting System prescribed by the Washington State Auditor pursuant to RCW 43.09.200, 28A.505.140, 28A.505.010, and 28A.505.020 (or any successor statute) when and if available to the MSRB.

The District further agrees to provide or cause to be provided to the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material

notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

- Modifications to the rights of Bondholders, if material;
- Optional, contingent or unscheduled Bond calls other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-23856, if material, and tender offers;
- Defeasances;
- Release, substitution, or sale of property securing repayment of the Bonds, if material;
- Rating changes;
- Bankruptcy, insolvency, receivership or similar event of the District;
- The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The District will promptly determine whether the events described above are material.

The District agrees to provide or cause to be provided, in a timely manner, to the MSRB notice of its failure to provide the annual financial information described above on or prior to the date set forth above.

Until otherwise designated by the MSRB or the Commission, any information or notices submitted to the MSRB in compliance with the Rule are to be submitted through the MSRB's Electronic Municipal Market Access system (“EMMA”), currently located at www.emma.msrb.org (which is not incorporated into this Official Statement by this reference). All notices, financial information and operating data required by the District’s undertaking to be provided to the MSRB must be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB pursuant to the District’s undertaking must be accompanied by identifying information as prescribed by the MSRB.

The District's obligations to provide annual financial information and notices of listed events will terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. Any provision of the District’s undertaking will be null and void if the District (1) obtains an opinion of nationally recognized bond counsel to the effect that the portion of the Rule that requires that provision is invalid, has been repealed retroactively or otherwise does not apply to the Bonds and (2) notifies the MSRB of such opinion and the cancellation of the District’s undertaking.

Notwithstanding any other provision of the District’s undertaking, the District may amend its undertaking with an opinion of nationally recognized bond counsel in accordance with the Rule. In the event of any amendment, the District will describe such amendment in the next annual report, and shall include a narrative explanation of the reason for the amendment and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a listed event described above, and (ii) the annual report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

The right of any bondowner or beneficial owner of Bonds to enforce the provisions of the District’s undertaking described in the Bond Resolution will be limited to a right to obtain specific enforcement of the District's obligations, and any failure by the District to comply with the provisions of the undertaking will not be an event of default with respect to the Bonds. For purposes of this section, “beneficial owner” means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds, including persons holding Bonds through nominees or depositories.

Prior Compliance with Continuing Disclosure Undertakings. The District entered into an undertaking under the Rule with respect to its obligations issued after December 3, 1996 and has not failed to comply with any prior undertaking under the Rule in the past five years.

Ratings

The Bonds have been assigned a rating of "___" based upon the District's participation in the Washington State School District Credit Enhancement Program (see Appendix E attached hereto) by Moody's Investors Service, ("Moody's"). Moody's has also assigned an underlying rating of "___" to the Bonds. Such ratings will reflect only the views of Moody's at the time the ratings will be given, and the District makes no representation as to the appropriateness of such ratings. An explanation of the significance of the ratings may be obtained only from Moody's. There is no assurance that the ratings will continue for any given period of time or that they will not be revised downward, suspended or withdrawn entirely by Moody's, if, in Moody's judgment, circumstances so warrant. Any such downward revision, suspension or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

Financial Advisor

Public Financial Management, Inc., Seattle, Washington, serves as financial advisor to the District in conjunction with the issuance of the Bonds. The financial advisor has not audited, authenticated or otherwise verified the information set forth in this Official Statement or any other related information available to the District with respect to the accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the financial advisor respecting the accuracy and completeness of this Official Statement or any other matter related to this Official Statement.

Underwriting

The Bonds are being purchased by Martin Nelson & Company (the "Purchaser"), at an aggregate price of $__________ (the principal amount of the Bonds, [plus/less] net original issue [premium/discount] less an Underwriter's discount of $____________). After the initial public offering, the public offering prices may be varied from time to time.

The Purchaser has not audited, authenticated or otherwise verified the information set forth in this Official Statement or any other related information available to the District with respect to the accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the Purchaser respecting the accuracy and completeness of this Official Statement or any other matter related to this Official Statement.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds or any error with respect thereto shall constitute cause for a failure or refusal by the purchaser hereof to accept delivery of and pay for said Bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on said Bonds shall be paid by the District; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

Official Statement

At the time of delivery of the Bonds, one or more officials of the District will furnish a certificate stating that to the best of his or her knowledge, this Official Statement, as of its date and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained herein, in light of the circumstances in which they were made, not misleading.

Statements in this Official Statement, including matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the owners of the Bonds. The preparation and distribution of this Official Statement has been authorized by the District.

Pursuant to Securities and Exchange Commission Rule 15c2-12, the District has deemed this Preliminary Official Statement "final" as of its date, expect for the omission of information dependent upon the pricing of the Bonds and completion of the purchase contract, such as, offering prices, interest rates, selling compensation, aggregate principal amount, aggregate principal amount per maturity, and other terms of the Bonds dependent upon the foregoing matters.

WOODLAND SCHOOL DISTRICT NO. 404,
COWLITZ AND CLARK COUNTIES,
WASHINGTON

By ____
Superintendent

APPENDIX A

FORM OF BOND COUNSEL OPINION

APPENDIX A

FORM OF BOND COUNSEL OPINION

March __, 2012

Woodland School District No. 404
Cowlitz and Clark Counties, Washington

Martin Nelson & Company
Seattle, Washington

Re: Woodland School District No. 404, Cowlitz and Clark Counties, Washington
Unlimited Tax General Obligation Refunding Bonds, 2012- $__________

Ladies and Gentlemen:

We have acted as bond counsel to the Woodland School District No. 404, Cowlitz and Clark Counties, Washington(the "District"), and have examined a certified transcript of the proceedings taken in the matter of the issuance by the District of its Unlimited Tax General Obligation Refunding Bonds, 2012 (the "Bonds"), dated as of the date hereof, in the aggregate principal amount of $_______, issued pursuant to an approving vote of the District's voters and Resolution No. 2552 (the "Bond Resolution") of the District, for the purpose of providing funds to refund certain outstanding unlimited tax general obligation bonds of the District and paying costs of issuing the Bonds.

The Bonds are not subject to redemption prior to their stated maturities.

Regarding questions of fact material to our opinion, we have relied on representations of the District in the Bond Resolution and in the certified proceedings and on other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been legally issued and constitute valid and binding general obligations of the District, except to the extent that the enforcement of the rights and remedies of the holders and owners of the Bonds may be limited by laws relating to bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting the rights of creditors, by the application of equitable principles and the exercise of judicial discretion;

2. Both principal of and interest on the Bonds are payable out of annual levies of ad valorem taxes to be made upon all of the taxable property within the District without limitation as to rate or amount and in amounts that, together with other available funds, will be sufficient to pay such principal and interest as the same shall become due; and

3. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The

District has covenanted to comply with all applicable requirements. Failure to comply with certain of such covenants may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

The District has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

Except as expressly stated above, we express no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning or disposing of the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds, which may include original issue discount, original issue premium, purchase at a market discount or at a premium, taxation upon sale, redemption or other disposition, and various withholding requirements.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

PACIFICA LAW GROUP LLP

APPENDIX B

GENERAL AND ECONOMIC INFORMATION

APPENDIX B

GENERAL AND ECONOMIC INFORMATION

Population[1]

Year	City of Woodland	Cowlitz County	Washington State
2011	5,465	102,700	6,767,900
2010	5,426	102,410	6,744,496
2009	5,110	99,600	6,667,426
2008	5,050	99,000	6,562,231
2007	4,885	97,800	6,461,587

(1) Estimated.
Source: Washington State Office of Financial Management.

Per Capita Income

Year	Cowlitz County	State of Washington	United States
2010[1]	N/A	$ 42,570	$ 39,945
2009[1]	$ 30,859	41,795	38,846
2008	30,646	44,098	40,947
2007	29,704	42,192	39,506
2006	27,719	39,570	37,725
2005	26,779	36,766	35,452

(1) Most recent data available.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Personal Income
($ in thousands)

Year	Cowlitz County	State of Washington	United States
2010[1]	N/A	$ 287,111,284	$ 12,357,113,000
2009[1]	$ 3,146,526	278,665,083	11,916,808,000
2008	3,111,672	289,379,487	12,451,599,000
2007	2,986,915	272,624,864	11,900,562,000
2006	2,742,890	252,091,288	11,256,516,000
2005	2,580,423	230,057,261	10,476,669,000

(1) Most recent data available.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Non-Agricultural Wage and Salary Employment in Cowlitz County
(Annual Averages)

NAICS Industry Title	Annual Average 2009	2010	2011[(1)]
Total Nonfarm	35,500	35,400	35,500
Total Private	29,800	29,700	29,600
Goods Producing	9,000	9,000	8,900
Mining, Logging, and Construction	3,000	3,100	2,900
Manufacturing	6,000	5,900	6,000
Non-Durable Goods	3,400	3,300	3,400
Service Providing	26,500	26,400	26,600
Private Service Providing	20,800	20,700	20,700
Trade, Transportation, Warehousing & Utilities	7,400	7,400	7,300
Retail Trade	4,400	4,600	4,500
Educational and Health Services	5,300	5,300	5,400
Leisure and Hospitality	3,100	3,200	3,200
Government	5,700	5,700	5,900
Federal Government	200	200	200
Total State Government	1,200	1,200	1,400
Total Local Government	4,300	4,300	4,300
Workers in Labor/Management Disputes	0	0	0

(1) Average through November, 2011.
Source: Washington State Employment Security Department.

Employment Statistics

	2007	2008	2009	2010	2011[(1)]
State of Washington					
Employed	3,235,740	3,286,970	3,205,640	3,192,120	3,180,580
Unemployed	156,630	191,450	328,750	339,510	286,100
% Unemployed	4.6%	5.5%	9.3%	9.6%	8.3%
Cowlitz County					
Employed	40,650	40,580	38,910	38,990	37,910
Unemployed	2,710	3,590	6,010	5,700	5,120
% Unemployed	6.3%	8.1%	13.4%	12.8%	11.9%

(1) Through November, 2011.
Source: Washington State Department of Employment Security.

Major Employers in Cowlitz County[1]

Employer	Services/Product	Number of Employees
St. Johns Medical Center/Peace Health	Healthcare	1,919
Weyerhaeuser	Wood Products	1,587
JH Kelley	Contractor	1,200
Longview Fiber	Kraft Paper	1,078
Longview School District	Education	800
Foster Farms	Chicken Processing	707
Cowlitz County	Government	539
Lower Columbia College	Higher Education	469
Safeway	Groceries	420
Wal-Mart	Retail	380

(1) Most recent data available; as of October 2010.
Source: Cowlitz-Wahkiakum Council of Governments, October, 2011.

Major Taxpayers
[information requested]

The following table lists the top ten taxpayers within Woodland School District (2011/2012 Tax Roll Year).

Taxpayer	Type of Business	Assessed Value ($000)[1]
		$
Total Assessed Valuation		$

(1) Total value includes real property and personal property.
Source: Cowlitz County Assessor's Office.

Taxable Retail Sales

Year	City of Woodland	Cowlitz County
2011[1]	$ 46,117,155	$ 80,446,558
2010	93,831,440	1,331,067,710
2009	86,752,898	1,231,254,185
2008	98,828,396	1,279,364,307
2007	111,633,825	1,407,593,269
2006	110,379,590	1,337,394,181

(1) Preliminary, through second quarter.
Source: Washington State Department of Revenue.

Cowlitz County
Historical Building Permits and Valuations

	New Single Family Units		New Multi-Family Unites	
Year	No. of Permits	Total Construction Costs	No. of Permits	Total Construction Costs
2011[1]	74	$ 15,187,527	0	$ 0
2010	116	25,748,344	15	2,473,655
2009	147	30,546,862	0	0
2008	268	62,805,215	8	901,830
2007	485	108,852,339	93	5,256,730
2006	620	135,848,466	83	10,180,983

(1) Through July, 2011.
Source: Cowlitz County.

A P P E N D I X C

Washington State School District Credit Enhancement Program

WASHINGTON STATE SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM

The following information has been furnished by the State of Washington for use in this Official Statement. The issuer of the bonds offered pursuant to this Official Statement (the "Offered Bonds") makes no representation as to the accuracy or the completeness of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

Definitions

"Act" means the Washington State School District Credit Enhancement Program Act, chapter 39.98 Revised Code of Washington.

"Program" means the Washington State School District Credit Enhancement Program established by the Act.

"Program Bond" means any voted general obligation bond issued by a school district, holding a certificate issued pursuant to the Act for such a bond.

"State" means the State of Washington.

Program Provisions

Article VIII, section 1(e) of the Constitution of the State and the Act allow the State to guarantee any voted general obligation bonds issued by a school district. Payment of the principal of and interest on Program Bonds when due is guaranteed by the full faith, credit and taxing power of the State under the provisions of the Act. The Act provides as follows:

> The full faith, credit, and taxing power of the State is pledged to guarantee full and timely payment of the principal of and interest on Program Bonds as such payments become due. However, in the event of any acceleration of the due date of the principal by reason of mandatory redemption or acceleration resulting from default, the payments guaranteed shall be made in the amounts and at the times as payments of principal would have been due had there not been any acceleration. The State guarantee does not extend to the payment of any redemption premium.

The Act further provides that the State pledge to and agrees with the owners of any Program Bonds that the State will not alter, impair, or limit the rights vested by the Program with respect to the Program Bonds until the Program Bonds, together with applicable interest, are fully paid and discharged. However, an alteration, impairment, or limitation of such rights is not precluded if full provision is made by law for the payment of the Program Bonds.

Program Procedures

In accordance with applicable law, the County Assessor for each school district with outstanding, unpaid Program Bonds is required to levy property taxes approved by the voters for repayment of the Program Bonds. In accordance with applicable law, the County Treasurer for each school district with outstanding, unpaid Program Bonds is required to collect property taxes approved by the voters for repayment of the Program Bonds. The County Treasurer is required to transfer money sufficient for each scheduled debt service payment to the paying agent on or before any principal or interest payment date for the Program Bonds.

A County Treasurer who is unable to transfer to the paying agent funds required to make any scheduled debt service payments on the Program Bonds on or prior to the payment date, due to the lack of adequate funds, is required to immediately provide notice to the State Treasurer and to the paying agent. If sufficient funds are not transferred to the paying agent at the time required to make a scheduled debt service payment on the Program Bonds, the paying agent is required to immediately notify the State Treasurer.

Pursuant to the Act, the State legislature is required to appropriate, in each and every biennial appropriations act, such amount as may be required to make timely payment on the Program Bonds. If sufficient money to make any scheduled debt service payment on the Program Bonds has not been transferred to the paying agent in a timely manner, the paying agent is required to make such scheduled debt service payment and the State Treasurer is required to transfer sufficient money to the paying agent for such payment.

Each school district is responsible for paying in full the principal of and interest on its Program Bonds. The State

Treasurer is required to recover from the school district any funds paid by the State on behalf of that school district under the Program. The State Treasurer will charge interest in connection with the recovery of funds under the Act. In addition to charging interest, the State Treasurer may impose a penalty on a school district for which the State made a payment under the Program, which penalty may not be more than five percent of the amount paid by the State pursuant to its guarantee for each instance in which a payment by the State is made.

A payment by the State Treasurer discharges the obligation of the school district to its Program Bond owners for the payment, but does not retire any Program Bond that has matured. The terms of that Program Bond remain in effect until the State is repaid. Any such payment by the State transfers the rights represented by the general obligation of the school district from the Program Bond owners to the State.

If the State has made all or part of a debt service payment on behalf of a school district that has issued Program Bonds, the State Treasurer may (a) direct the school district and the County Treasurer to restructure and revise, to the extent permitted by law, the collection of excess levy taxes for the payment of Program Bonds on which the State Treasurer has made payments under the Act to the extent necessary to obtain repayment to the State Treasurer; and (b) require, to the extent permitted by law, that the proceeds of such taxes be applied to the school district's obligations to the State if all outstanding obligations of the school district payable from such taxes are fully paid or their payment is fully provided for.

Outstanding Certificates of Eligibility and Outstanding Program Bonds

As of December 8, 2011, the State has guaranteed the following under the Act (not including the Offered Bonds):

Number of school districts with Certificates of Eligibility	184
Number of Program Bond issues guaranteed	466
Aggregate total principal amount outstanding of Program Bonds guaranteed	$8,178,154,542.69

Program Contact Person

Requests for information regarding the Program may be directed to:

Office of the State Treasurer
Attn: Deputy Treasurer
Debt Management Division
Legislative Office Building 2nd Floor
P.O. Box 40200
Olympia, WA 98504 0200
Phone: (360) 902 9050 Fax: (360) 902 9045

State of Washington - Financial and Operating Information

The State's most recent audited financial statements and the financial and operating information relating to the State included in the most recent official statement for the State's general obligation debt are on file with the Municipal Securities Rulemaking Board (the "MSRB"), in an electronic format as prescribed by the MSRB, and are incorporated by this reference in this official statement.

State of Washington - Continuing Disclosure

The State has undertaken (the "Undertaking") to provide (1) not later than seven months after the end of each fiscal year in each fiscal year that the Offered Bonds are outstanding, either directly or through a designated agent, to the MSRB, in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB, (a) audited financial statements of the State for such fiscal year prepared (except as noted therein) in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board, as such principles may be changed from time to time, except that if the audited financial statements are not available by such date, unaudited financial statements in a format similar to the audited financial statements most recently prepared for the State shall be provided, and the State's audited financial statements shall be provided when and if they become available; and (b) the historical financial and operating information relating to the State included in the most recent official statement for the State's general obligation debt; and (2) to the MSRB, in a timely manner, notice of its failure to provide the foregoing information on or prior to the date set forth in (1).

The Undertaking is subject to amendment or termination under the circumstances and in the manner permitted by SEC Rule 15c2-12.

The right to enforce the provisions of the Undertaking shall be limited to a right to obtain specific performance of the State's obligations thereunder, and any failure by the State to comply with the provisions of the Undertaking shall not be a default with respect to the Offered Bonds. The Undertaking inures to the benefit of the State and the issuer, any underwriter and any holder of the Offered Bonds, and does not inure to the benefit of or create any rights in any other person.

APPENDIX D

BOOK-ENTRY ONLY SYSTEM

APPENDIX D

BOOK-ENTRY ONLY SYSTEM

T H E D E P O S I T O R Y T R U S T C O M P A N Y

SAMPLE OFFERING DOCUMENT LANGUAGE
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE
(Prepared by DTC--bracketed material may apply only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to

whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

(08/10/11)

APPENDIX E

AUDITED FINANCIAL STATEMENTS FOR THE DISTRICT FOR THE FISCAL YEAR ENDING AUGUST 31, 2010