

Financial Summary

Introduction

A budget is a plan that develops and allocates the City's financial resources to meet community needs both in the present and in the future. The development and allocation of these resources is accomplished on the basis of policies, goals and objectives that address the requirements and needs of the City of Longview. While the other sections of this document present the budget in detail, this section provides an economic overview of the City and the challenges it faces. As such, this section focuses on the City's strategies to maintain its financial strength and the basis for the expectation for future revenues. Additional information about the City's financial outlook is detailed in the *Budget Message*.

The **first half** of the *Financial Summary* examines Longview's economy and includes the following information:

- ◆ Longview's Economic Outlook
- ◆ Mint Farm Industrial Park
- ◆ Other Economic Contributors
- ◆ Real Estate and Tax Revenues
- ◆ Environmental Issues
- ◆ Meeting Needs and Improving the Quality of Life in Longview

The **second half** of the *Financial Summary* is the *Budget Summary* portion. It begins with detailed information about the City's budgetary accounting methods and systems as well as fund definitions. The remainder of this section communicates details about and comparisons of various portions of the budget. It documents Revenues and Expenditures for 2005 and 2006, provides comparisons of departments over the past five years, and comparisons of the budget by funds. This section also contains information about the City's Debt Management. This portion of the Financial Summary includes:

- ◆ General Governmental Functions
- ◆ Financial and Budgetary Controls
- ◆ Compliance with State Budgeting, Accounting and Reporting System (BARS)
- ◆ Fund Accounting
 - *Governmental Fund Types*
 - *Proprietary Fund Types*
 - *Fiduciary Fund Types*
- ◆ 2005 and 2006 Revenues
- ◆ City Revenue Sources
- ◆ 2005 and 2006 Expenditures
- ◆ Budget Fund Comparisons
- ◆ Five-Year Comparisons by Department
- ◆ Debt Limitations and Management

Detailed information about revenues and expenditures for each of the City's individual funds is captured in the Baseline Budget on page 46, followed by the various accounting funds and the Capital Improvement Program.

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Longview's Economy

Longview's Economic Outlook

The City continues to face challenges from the effects of a stubborn economy and a wave of initiatives and anti-tax measures that have kept revenues flat for the past four years. The City of Longview and Cowlitz County are heavily dependent on the manufacturing sector, which accounts for 26 percent of the region's total employment.

Manufacturing has been hit hard in recent years, and continues to show signs of decline representing the nation's weakest sector overall. Local job losses in manufacturing exceed 1,000, reinforcing that Longview and Cowlitz County are continuing to undergo fundamental structural changes that have spanned well over a quarter century. We recognize that future opportunities for economic development and industrial recruitment will occur outside the traditional drivers of the local economy and will take advantage of proximity to major markets and transportation infrastructure.

The local economy of any city is reflective of the region of the state in which it is located. Ideally situated along the I-5 corridor between Seattle and Portland, Longview provides business and industry an extensive network of transportation infrastructure. From its strategic location on the Columbia River, the Port of Longview has grown into Washington's third largest port. While forest products have long been the primary cargo at Longview, currently more than one million metric tons of dry bulk pass through the port every year. The Port of Longview is located just 66 miles from the Pacific Ocean on the Columbia River making Longview a principal port of entry for the Pacific Rim.

Knowing that Longview is at the center of a comprehensive network of import/export shipping, warehouse/distribution facilities and overland connections, efforts to support and improve these assets will pave the way to a brighter future. To date, Longview and the surrounding area have made excellent progress towards strengthening its transportation infrastructure. One such example is the effort to deepen the Columbia River shipping channel from its current 40 feet to 43 feet allowing vessels both inbound and outbound to load at ship capacity. Other notable transportation projects currently in the works include the I-5 and SR-432 interchange, the gateway to Longview and its industrial base and the Port of Longview's new rail corridor. The \$21 million industrial rail corridor extends from the main line of the Burlington Northern/Santa Fe and Union Pacific Railroads into the Port's industrial park and marine terminals, and consists of 3.2 miles of rail trackage and an overpass.

The State of Washington has been subjected to a flood of initiatives and anti-tax measures in recent years. The impact of these initiatives upon the City's revenue stream has been significant. The elimination of the motor vehicle excise tax combined with the property tax initiative limiting annual levy increases to one percent have resulted in a loss of revenue in excess of one million dollars annually. Given the current economic climate, the City estimates that it will have to draw down approximately \$1.2 million of General Fund balance over the next two years to provide the same basic level of services provided to the citizens of Longview in the 2003-2004 biennium..

Ongoing challenges for Council and staff continue as we struggle to find a balance between meeting the service demands of our citizens while at the same time acknowledging the plea for lower taxes. Although the current economic climate presents immense uncertainty, the City is well positioned for an economic rebound. A strategic Pacific Rim transportation hub; proximity to Portland, Oregon; and an abundance of available prime industrial property in Phase 1 of the City's Mint Farm Industrial Park. Eighty-eight acres of industrial sites fully serviced by road, rail and utility infrastructure owned by the City, together with the 250 acres of industrial property in Phase 2 of the Mint Farm Industrial Park offered by Weyerhaeuser Real Estate Development leave us with great cause for optimism.

Mint Farm Industrial Park

In 1996 the City initiated development of a new multi-use Mint Farm Industrial Park from 125.6 acres of industrial land purchased from the Weyerhaeuser Company. Phase I of the development plan included the development of 88.2 acres for industrial sites fully serviced by road and utility infrastructure. The City of Longview is an active partner with Weyerhaeuser Real Estate Development Company for master planning future phases of the entire 436-acre Mint Farm Industrial Park.

Marketing efforts for the Mint Farm Industrial Park have been rewarded with the development of several industrial plant locations and site purchases.

Toyocom Devices of America completed construction of its first U.S. manufacturing facility in 2001. Based in Japan, Toyocom produces synthetic quartz crystals utilized in the communications industry. Toyocom's investment in its 8.5-acre facility and equipment is in excess of \$20 million. Toyocom currently operates eight autoclaves for producing crystals at the Mint Farm Industrial Park. The crystals are shipped to Japan for assembly into final products for use in mobile communications equipment, personal computers, cameras, watches and CD/DVD equipment.

Mirant, headquartered in Atlanta, Georgia, broke ground at the Mint Farm Industrial Park with the construction of its \$200 million, 286- megawatt power plant. The plant will produce electrical power from a combined gas-fired steam turbine. The construction was anticipated to last nearly two years, employing approximately 300 laborers and 25 permanent, family-wage jobs once operational. Unfortunately, Mirant announced in mid-2002 that it was temporarily suspending construction due to a declining energy market. It is anticipated that construction will resume through alternate acquisition or when market demand returns.

Most recently, Flexible Foam Products, Inc., a subsidiary of Ohio Décorative Products, manufacturer of a broad range of polyurethane foam products for the flooring, bedding, furniture, automotive and packaging industries, announced its acquisition of the site previously occupied by Prudential Steel. Flexible Foam is currently retrofitting the existing 168,000 square foot Prudential Steel facility for their polyurethane foam manufacturing and distribution operations, further facilitating the company's bedding, furniture and carpet pad customer base, as well as augmenting its reach in the Pacific Northwest. The company anticipates 50 new jobs at startup, and when fully operational will employ over 100.

Additionally, United States Cellular has located its new engineering office at the Port of Longview, and Washington Wire Rope Works has purchased an existing facility at the Port's property to manufacture wire rope. It is anticipated that Washington Wire Rope will provide nearly 50 new jobs.

Other Economic Contributions

Further to the south of Longview, Northwood Cabinets, Creagan Excavating Inc., and Dairy Fresh are all siting facilities in Woodland. Viatech Publishing has recently relocated its facility at the Port of Kalama. All together, these projects represent an estimated 300 jobs for the region.

Equapac has announced plans for construction to begin this winter on a \$20 million chlor-alkali manufacturing facility in Longview. Located adjacent to the Mint Farm Industrial Park, the facility will provide approximately 50 industrial wage jobs. Construction is anticipated to last nearly two years.

Longview offers new and exciting opportunities with which few other areas can compare. Proximity to Portland, Oregon and easy accessibility to a beautiful scenic environment give Longview a unique advantage. A strategic

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Pacific Rim transportation hub, abundant natural resources and a productive labor force all attest to the reason Longview continues to be one of business' and industries' top choice for location or expansion.

Real Estate and Tax Revenues

There continues to be interest in the region's real estate market. In the year 2003, residential building permits were issued for 234 new single family units and 23 multi-family units in Cowlitz County. The combined valuation for these residential building permits totaled \$40,196,312.

In the City of Longview, there were 47 new single family unit permits issued in 2003. The construction value for these single family unit permits amounted to \$6,927,089. The construction of single-family housing on available lots in Longview remains steady.

Retail sales continue to be an important source of revenue for the City of Longview. In 2003 the City of Longview's sales tax revenues decreased slightly. Sales tax revenues for 2003 were down 1.5 percent from the previous year. Based upon actual receipts through October, 2004 year-to-date sale tax revenues are up 0.95% from that of October 2003. Longview's sales tax revenue accruing to the General Fund has remained virtually flat since 1998.

Environmental Issues

The long-term economic impacts of current environmental issues are unclear. Although the timber industry continues to be a mainstay of our economy, the number of employees in this industry is declining. The City is also aware that continuing growth and nearby urbanization will bring new challenges. The possibility of losing a rural status looms.

Meeting Needs and Improving the Quality of Life

During 2003-2004, the City of Longview planned and implemented several major initiatives designed to meet the need for services and improve the overall quality of life in the city.

As energy prices continued to rise in the past biennium, the City dedicated itself to being proactive in efficiently conserving what energy supplies we currently have. The City has taken a leadership role in energy conservation throughout its facilities over the past several years and continues to do so. A City Energy Conservation Committee was established to look at past, present and future conservation efforts. Several energy cost savings measures for the City were identified including simple proposals such as turning off computer monitors in the evening to more complicated conservation efforts such as a "Kill-A-Watt" program. This program, initiated by our Traffic Division, turns off every other streetlight along major thoroughfares located within the city. It is estimated that this innovative approach to conservation will save the City hundreds of thousand dollars in the years to come.

Ask anyone in Longview what the jewel of the community is and they will respond, "Lake Sacajawea." At our beautiful Lake Sacajawea Park, a Community Walking Arboretum has been established thanks to the help of local volunteers. Many new trees and several metal "markers" that identify the trees correspond to a printed arboretum trail map and guide. Visitors to Lake Sacajawea Park are also introduced to a "Solar System Walk" that begins at the 15th Avenue end of the Lake. This model of the sun and the nine planets helps local residents and visitors grasp the vastness of space as they walk a 1.6-mile section of the lake. The planet markers are placed at scaled distances within the area. A "plaza project" also continues at the lake near the Martin's Dock area, where citizens may purchase pre-printed bricks that will eventually line a plaza that stretches from Nichols to Kessler Boulevards. This is a cooperative project done in conjunction with the Go-4th Committee.

A beautiful new addition to Lake Sacajawea in 2003 was the Japanese Garden. Following several years of conceptualization, planning and development the Japanese Garden began to take on a life of its own during the early years of the 21st century. In 1999, a landscape designer was hired to graphically illustrate the planned garden to promote the project. Shortly thereafter, the Weyerhaeuser Foundation expressed their interest in the project and ultimately donated the bridge establishing the span leading the way to the Japanese Island. The bridge was installed in January 2003 prior to the grand opening of the Japanese Garden which occurred in May. Washington Governor Locke presided over the grand opening celebration.

In December 2002, the City's 2003-2004 Capital Improvement Plan was approved by the City Council. Many of the large and complex projects identified in the City's 2001-2002 Capital Improvement Plan continued into 2003 and 2004 and were completed during the biennium. Most notably, residents of Longview witnessed the installation of a beautiful new marquee at the Columbia Theatre for the Performing Arts. This project replacing the old marquee with a vintage new one has restored the image and magic surrounding this architectural wonder located in Longview's historic downtown.

Other capital projects completed in the 2003-2004 biennium included replacing the flooring at Fire Station #81 and siding at Fire Station #82. Also in 2004, in partnership with local industries the Fire Department added a confined space rescue vehicle to their fleet of public safety response vehicles. In addition, the City replaced the aging and worn-out boiler at the Library with a new energy efficient heating system.

Currently underway at the Police Department is the office remodel at the department's Satellite station located in the Highland's neighborhood of Longview. This project when complete will allow the Longview Police Department to accommodate outside public and non-profit agencies. Joining the Police at the Satellite Office will be the Longview Drug Free Communities grant coordinator, Highland Area Renewal Project (HARP) volunteers and the Department of Corrections. Services to be provided by this office include: crime prevention; drug prevention and outreach; block watch; client monitoring; bike registrations and child fingerprinting.

During the biennium, the City continued its extensive sidewalk repair program. Since 1988, the City has spent \$792,500 repairing and replacing damaged sidewalks. Capital projects undertaken to improve the City's neighborhood parks include the installation of the irrigation system and pump station at Lake Sacajawea; picnic table replacements in several of the City's parks; bathroom improvements at 7th Avenue Park; roof replacement at the Woman's Club; irrigation upgrades at the Roy Morse softball complex; playground equipment replacement at Columbia Heights; baseball field lighting upgrades at John Null Park; an addition to the Longview soccer clubhouse and street tree replacements throughout the City's neighborhoods. Expenditures for park improvements in the 2003-2004 biennium total more than \$240,000.

In 2004, the City of Longview's internet presence underwent major renovation to meet the growing demands of our citizens for information and web services. New graphics were acquired and a great deal of thought and effort went into the re-design and navigation of our new *mylongview.com* web site. New material has been added, and the overall design updated to address broad categories of interest in the City of Longview, such as "Our Community", "Doing Business", "Living", "Visiting", "Your Government" and "Services". We now have such items of interest as virtual park tours, the Longview Municipal Code, information on the many features available at Lake Sacajawea, some historic photographs of our public works efforts, budget information, and a staff directory should citizens wish to contact City employees. In late December, following adoption, the 2005-2006 City of Longview Biennial Budget will be available on-line.

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Budget Summary

General Governmental Functions

General Governmental Functions relate to the types of services that are customarily provided by local government in Washington State. These services are administered through the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, and Fiduciary Funds. These funds account for the major portion of the City's operating revenues and expenditures. The General Governmental Functions provide the greatest opportunity for discretionary decision-making by the City Council and thus become the primary focus of the City's budgetary decision-making.

Financial and Budgetary Controls

Financial and budgetary controls are derived from the City's accounting system that is based on a *fund* structure. Funds are independent fiscal and accounting entities containing a self-balancing set of accounts segregated for the purpose of carrying out basic functions in accordance with special regulations, restrictions or limitations. The funds may be further broken down internally into departmental or other purposes for better budgetary control and performance monitoring.

Longview uses the same system of accounts and funds for budgeting, financial control and reporting. These funds and their account groups are summarized into the standard fund types and account groups in accordance with the standards set forth by the *Governmental Accounting Standards Board*.

In addition to being the basis for the accounting system, the funds also provide the legal budgetary control level for all expenditures. The City Council approves appropriations for all budgeted funds. The department heads are responsible to the City Manager for monitoring individual budgets.

Compliance with State Budgeting, Accounting and Reporting System (BARS)

The City of Longview is required by the State of Washington to comply with the *Budgeting, Accounting and Reporting System (BARS)* prescribed by the Washington State Auditor as authorized under the Revised Code of Washington (RCW) 43.09.200 and 43.09.230. The RCW also provides for annual independent audits by representatives of the Office of the State Auditor and requires the submission of annual financial reports to their office for review.

The financial system used incorporates many financial and administrative controls that ensure the safeguarding of City assets and the reliability of financial reports. These controls are carefully designed to provide some reasonable assurance that all transactions are executed in accordance with management authorization and recorded in conformity with *Generally Accepted Accounting Principles (GAAP)*. These controls also provide for the accountability of and control over City assets and obligations. For these reasons, a high priority is placed on internal control systems.

The City of Longview maintains tight budgetary controls. The objective of these budgetary controls is to ensure compliance with the requirements included in the biennial appropriated budget approved by the City Council. Project-length financial plans and programs are approved by the Council for the projects and goals of the various capital improvement funds of the Capital Projects and Enterprise fund types. The level of budgetary control (the level at which expenditures cannot legally exceed appropriations) is established at the fund level and authorized by

the City Council. Therefore, a budget increase or decrease must be authorized by the City Council. The City of Longview continues to meet its responsibility for sound financial management.

Fund Accounting

The accounts of the City of Longview are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. The City of Longview's resources are allocated to and accounted for individual funds depending on what they are to be spent for and how they are controlled. The individual funds are summarized by fund type in the financial statements. The following are the fund types and account groups used by the City of Longview.

Governmental Fund Types

All governmental funds are accounted for on a "flow of current financial resources" measurement focus. This means that only current assets and current liabilities are generally included on balance sheets. Their reported fund balance is considered a measure of "available expendable resources." Governmental fund operating statements focus on measuring changes in financial position, rather than net income; they present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in spendable resources.

- ◆ **General Fund** - The General fund is the general operating fund of the City of Longview. It is used to account for all financial resources and transactions of the City, except those required to be accounted for in another fund.
- ◆ **Special Revenue Funds** - Special Revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes as required by law or administrative regulation.
- ◆ **Debt Service Funds** - Debt Service funds are used to account for the accumulation of resources for, and the payment of long-term debt principal, interest and related costs.
- ◆ **Capital Projects Funds** - Capital Projects funds are used to account for financial resources which are designated for the acquisition or construction of general governmental capital improvements.
- ◆ **Permanent Funds** - Permanent funds are used to report resources that are legally restricted where only earnings, and not principal, may be used to support government programs.

Proprietary Fund Types

Proprietary funds are accounted for on a "flow of economic resources" measurement focus. All activities where net income and capital maintenance are measured are reported in proprietary funds. This means that all assets and all liabilities (whether current or non-current) associated with their activity are reported on their balance sheet. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund operating statements report all increases (revenues) and decreases (expenses) in economic activities toward the determination of net income.

- ◆ **Enterprise Funds** - Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private enterprise where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy management control accountability or other purposes.
- ◆ **Internal Service Funds** - Internal Service funds are used to account for the financing of goods or services provided to other departments or funds of the City of Longview or to other governmental units on a cost-reimbursement basis.

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Fiduciary Fund Types

Fiduciary funds account for assets held by the City of Longview on behalf of individuals, private organizations, other governments and other funds.

- ◆ Pension Trust Funds - Pension Trust funds are used to account for the operations of trusts established for employee retirement benefits. They are accounted for in essentially the same manner as proprietary funds because of the need for determining the periodic income of the trust.

Revenue Sources for the City of Longview

	<u>2002</u> <u>Actual</u>	<u>2003</u> <u>Actual</u>	<u>2004</u> <u>Budget</u>	<u>2005</u> <u>Budget</u>	<u>2006</u> <u>Budget</u>
<u>Taxes</u>	\$19,019,922	\$19,079,914	\$19,501,680	\$19,926,550	\$20,330,120
	Taxes are assessments levied to support a governmental unit. Major tax sources included in general revenue are property taxes, retail sales taxes, business and occupation taxes, and utility taxes. Combined, these resources account for 80% of General Fund revenue. The City's estimates for the upcoming biennium show growth of 2.2% in 2005 and 2.0% in 2006. These estimates assume an increase in property taxes resulting from new construction and modest growth in the retail sales forecast. Estimates are based upon historical trends, statistical analysis, and a general awareness of trends in the local economy.				
<u>Licenses & Permits</u>	\$1,039,210	\$734,040	\$720,130	\$792,310	\$820,170
	Licenses are required for certain trades, occupations or activities for regulatory purposes. Permits are issued to aid regulation of new business activity. Major license and permit revenue sources included in general revenue are business licenses and building-related permits. Together with Engineering plan review fees, license and permit revenue estimates for the ensuing biennium provide for a moderate increase in construction activity.				
<u>Intergovernmental</u>	\$1,509,448	\$1,583,867	\$1,588,560	\$1,622,750	\$1,650,150
	Intergovernmental revenue consists of grants and other payments to the City from another governmental unit, primarily the State or neighboring local jurisdictions. For the year 2005, the City estimates a 2.2% increase in intergovernmental revenue. In 2006 revenue is expected to grow 1.7%. Kelso's decision to stop contracting with the City of Longview for recreation program administration and park maintenance effective December 31, 2004, results in a \$350,000 annual loss in intergovernmental revenue. This decrease in revenue is offset by an expenditure reduction in a like amount.				
<u>Charges for Services</u>	\$1,864,985	\$1,895,633	\$1,954,710	\$2,009,910	\$2,060,280
	Charges for services consist of compensation paid to the City for various services. Examples are recreational programs, engineering fees and library user fees. The 2.8% increase in 2005 Charges for Services accounts for inflationary increases in engineering services and slight adjustments in the contracts with neighboring industries for outside fire protection services. In 2006, a 2.5% revenue increase is assumed. The Charges for Services category also provides for the City's contract with American Medical Response (AMR) and Cowlitz Fire District #2 to provide exclusive ambulance service in the city. The City of Longview Fire Department serves as the "first responder" in medical				

	<u>2002 Actual</u>	<u>2003 Actual</u>	<u>2004 Budget</u>	<u>2005 Budget</u>	<u>2006 Budget</u>
<u>Charges for Services</u> continued					
	emergencies in return for which the City is compensated by AMR and Cowlitz Fire District #2 for performing these basic life support services. This arrangement for providing ambulance and emergency medical services along with management's decision to require all of the City's enterprise funds to cover their administrative costs has resulted in a steady and reliable stream of revenues.				
<u>Fines & Forfeits</u>	\$547,112	\$540,104	\$563,620	\$548,450	\$574,250
	These terms are used to describe a source of general revenue that is more properly described as penalties. Primary sources of revenue received from penalties include municipal court fines and library fines. The City's 2005 estimate provides for 2.7% decrease in this category. The projected 2006 increase in this revenue source is 4.7%. The 2006 data indicates a slight upward trend in municipal court filings and the collection and receipt of municipal court fines.				
<u>Misc. Revenue</u>	\$234,493	\$181,584	\$165,020	\$162,240	\$163,550
	Miscellaneous revenue is received from sources not provided for anywhere else within the BARS revenue account structure. Interest earned on investments and income from rentals and leases of City-owned property are the primary sources of revenue in this category. The miscellaneous revenue estimates for 2005-2006 represent a 2.1% decrease from the 2003-2004 level of \$332,900. Facility rentals have decreased recently due to an overall increase in the number of available facilities.				
<u>Other Financing Sources</u>	\$5,171	\$23,080	\$0	\$0	\$0
	Other Financing Sources represents general revenue received primarily from proceeds derived from the sale of fixed assets and inter-fund transfers received from other funds.				
<u>TOTAL REVENUES</u>	\$24,220,341	\$24,038,222	\$24,493,720	\$25,062,210	\$25,598,520
	When all General Fund revenue estimates are considered, the City projects an increase of 2.3% in 2005 and 2.1% in 2006. The economy of any city is reflective of the region in which it is located. Like many other areas in the Pacific Northwest, Longview's economic climate has been flat over the past few years. However, given some of the recent signs of expansion, there appears to be great cause for optimism as we look into the future.				

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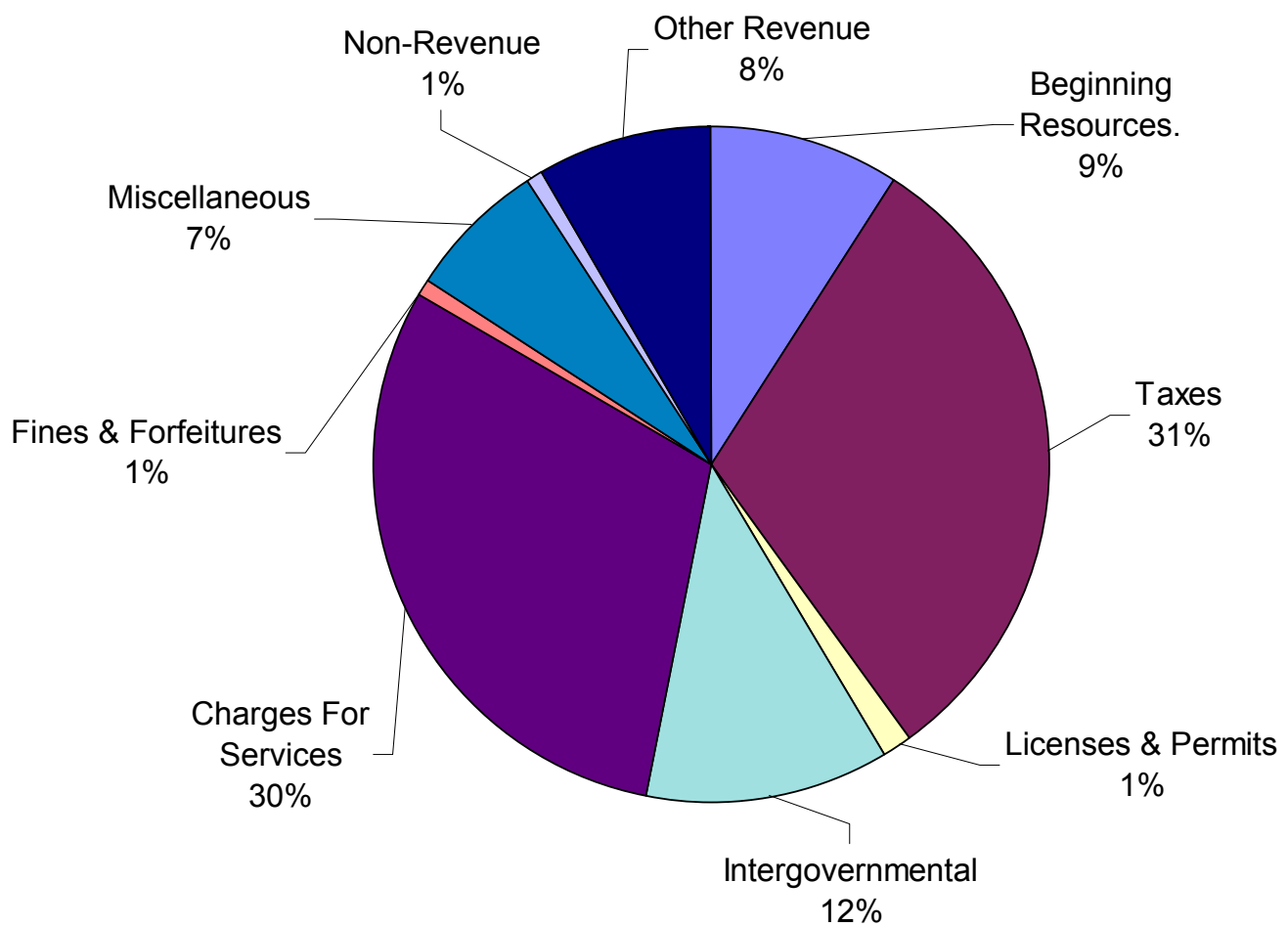
Revenue Summary for 2005

By BARS Revenues

B.A.R.S. I.D.	308 Beginning Resources.	310 Taxes	320 Licenses & Permits	330 Intergov.	340 Charges For Services	350 Fines & Forfeitures	360 Misc.	380 Non-Revenue	390 Other Revenue	Total Total Revenue
<i>GENERAL FUND:</i>										
General Fund	\$392,870	\$19,926,550	\$792,310	\$1,622,750	\$2,009,910	\$548,450	\$162,240	\$0	\$0	\$25,455,080
<i>SPEC. REVENUE FUNDS:</i>										
Arterial Street Fund	\$220,750	\$0	\$0	\$2,406,770	\$0	\$0	\$1,000	\$0	\$0	\$2,628,520
Downtown Parking Fund	\$24,490	\$0	\$0	\$0	\$0	\$68,000	\$44,200	\$0	\$0	\$136,690
H.U.D. Fund	\$327,840	\$169,110	\$0	\$25,000	\$50,000	\$0	\$32,300	\$0	\$1,760,000	\$2,364,250
HOME Fund	\$0	\$0	\$0	\$449,500	\$0	\$0	\$500	\$0	\$0	\$450,000
CDBG Entitlement Fund	\$0	\$0	\$0	\$475,000	\$0	\$0	\$0	\$0	\$0	\$475,000
Crim. Justice Assist. Fund	\$290,020	\$0	\$0	\$432,980	\$0	\$0	\$26,750	\$0	\$0	\$749,750
Office Equipment Res. Fund	\$230,000	\$0	\$0	\$5,000	\$20,200	\$0	\$2,720	\$0	\$684,840	\$942,760
Tourism Spec. Rev. Fund	\$3,000	\$22,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,500
<i>DEBT SERVICE FUNDS:</i>										
Spec. Assess. Bond Red. Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$400,000	\$0	\$0	\$400,000
Spec. Assess. Guaranty Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000	\$0	\$48,000	\$50,000
<i>CAPITAL PROJECT FUNDS:</i>										
Capital Projects Fund	\$182,000	\$187,400	\$0	\$3,600	\$1,000	\$0	\$2,000	\$0	\$0	\$376,000
L.I.D. Construction Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$350,000	\$350,000
Building Replacement Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000	\$0	\$0	\$6,000
<i>ENTERPRISE FUNDS:</i>										
Water Operations Fund	\$0	\$0	\$0	\$0	\$3,807,140	\$0	\$19,400	\$0	\$0	\$3,826,540
Water Construction Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$138,280	\$1,097,970	\$1,236,250
Water Depreciation Res. Fund	\$671,050	\$0	\$0	\$0	\$555,200	\$0	\$10,000	\$0	\$0	\$1,236,250
Sewer Operations Fund	\$369,910	\$0	\$0	\$0	\$6,722,500	\$0	\$68,180	\$0	\$0	\$7,160,590
Sewer Construction Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$12,000	\$142,280	\$1,046,970	\$1,201,250
Sewer Depreciation Res. Fund	\$1,012,500	\$0	\$0	\$0	\$176,750	\$0	\$12,000	\$0	\$0	\$1,201,250
Filter Plant Operations Fund	\$0	\$0	\$0	\$0	\$1,055,200	\$0	\$250	\$0	\$0	\$1,055,450
Filter Plant Const. Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$315,000	\$0	\$315,000
Sanitary/Recycling Fund	\$34,950	\$0	\$0	\$22,870	\$3,917,600	\$0	\$0	\$0	\$0	\$3,975,420
Storm Water Fund	\$585,870	\$0	\$0	\$180,940	\$860,040	\$0	\$7,950	\$0	\$0	\$1,634,800
Transit Operations Fund	\$0	\$0	\$0	\$1,960,450	\$102,500	\$0	\$3,000	\$0	\$0	\$2,065,950
Mint Valley Golf Fund	\$0	\$0	\$0	\$0	\$589,790	\$0	\$28,600	\$0	\$0	\$618,390
Mint Valley Racquet Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,590	\$13,590
<i>INTERNAL SVC. FUNDS:</i>										
Equipment Rental Ops. Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$1,131,020	\$0	\$0	\$1,131,020
Equipment Rental Res. Fund	\$354,330	\$0	\$0	\$0	\$0	\$0	\$656,300	\$0	\$33,800	\$1,044,430
Insurance Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$995,020	\$0	\$4,000	\$999,020
Facility Maintenance Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$499,010	\$0	\$0	\$499,010
<i>TRUST FUNDS:</i>										
Library Trust Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$500	\$0	\$0	\$500
Firemen's Pension Fund	\$268,180	\$0	\$0	\$25,000	\$0	\$0	\$13,000	\$0	\$400,000	\$706,180
Parks & Rec. Mem. Trust Fund	\$600,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$600,000
Unemployment Comp. Fund	\$45,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$45,000
Employee Benefits Res. Fund	\$344,250	\$0	\$0	\$0	\$0	\$0	\$170,250	\$0	\$0	\$514,500
TOTALS	\$5,957,010	\$20,305,560	\$792,310	\$7,609,860	\$19,867,830	\$616,450	\$4,306,190	\$595,560	\$5,439,170	\$65,489,940

Revenue Summary for 2005

Pie Chart Breakdown



Financial Summary

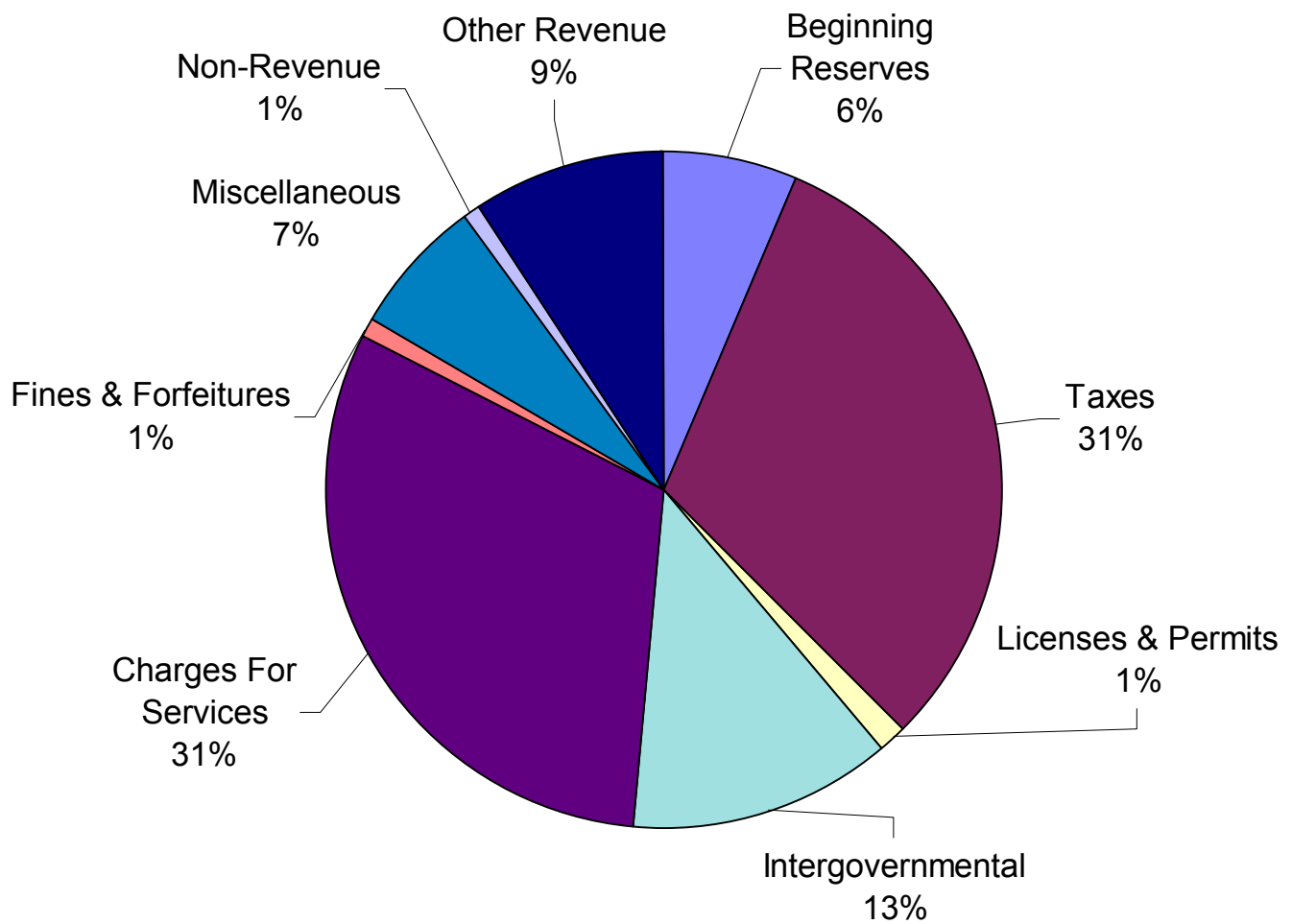
Revenue Summary for 2006

By BARS Revenues

B.A.R.S. I.D.	308	310	320	330	340	350	360	380	390	Total
Revenue Type	Beginning Reserves	Taxes	Licenses & Permits	Intergov.	Charges For Services	Fines & Forfeitures	Misc.	Non-Revenue	Other Revenue	Total Revenue
GENERAL FUND:										
General Fund	\$800,260	\$20,330,120	\$820,170	\$1,650,150	\$2,060,280	\$574,250	\$163,550	\$0	\$0	\$26,398,780
SPEC. REVENUE FUNDS:										
Arterial Street Fund	\$92,270	\$0	\$0	\$3,071,750	\$0	\$0	\$1,000	\$0	\$0	\$3,165,020
Downtown Parking Fund	\$28,440	\$0	\$0	\$0	\$0	\$70,000	\$45,200	\$0	\$0	\$143,640
H.U.D. Fund	\$148,960	\$236,970	\$0	\$25,000	\$50,000	\$0	\$29,800	\$0	\$1,760,000	\$2,250,730
HOME Fund	\$0	\$0	\$0	\$549,500	\$0	\$0	\$500	\$0	\$0	\$550,000
CDBG Entitlement Fund	\$0	\$0	\$0	\$475,000	\$0	\$0	\$0	\$0	\$0	\$475,000
Crim. Justice Assist. Fund	\$311,740	\$0	\$0	\$337,580	\$0	\$0	\$26,250	\$0	\$0	\$675,570
Office Equipment Res. Fund	\$0	\$0	\$0	\$5,000	\$20,200	\$0	\$2,720	\$0	\$783,730	\$811,650
Tourism Spec. Rev. Fund	\$0	\$23,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,000
DEBT SERVICE FUNDS:										
Spec. Assess. Bond Red. Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$400,000	\$0	\$0	\$400,000
Spec. Assess. Guaranty Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000	\$0	\$48,000	\$50,000
CAPITAL PROJ. FUNDS:										
Capital Projects Fund	\$97,500	\$187,400	\$0	\$3,600	\$1,000	\$0	\$57,000	\$0	\$0	\$346,500
L.I.D. Construction Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$350,000	\$350,000
Building Replacement Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$6,750	\$0	\$0	\$6,750
ENTERPRISE FUNDS:										
Water Operations Fund	\$0	\$0	\$0	\$0	\$3,998,790	\$0	\$19,400	\$0	\$0	\$4,018,190
Water Construction Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$87,940	\$932,060	\$1,020,000
Water Depreciation Res. Fund	\$429,300	\$0	\$0	\$0	\$580,700	\$0	\$10,000	\$0	\$0	\$1,020,000
Sewer Operations Fund	\$0	\$0	\$0	\$0	\$7,073,510	\$0	\$68,180	\$0	\$0	\$7,141,690
Sewer Construction Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$12,000	\$142,280	\$1,723,620	\$1,877,900
Sewer Depreciation Res. Fund	\$1,488,910	\$0	\$0	\$0	\$376,990	\$0	\$12,000	\$0	\$0	\$1,877,900
Filter Plant Ops. Fund	\$0	\$0	\$0	\$0	\$1,076,400	\$0	\$500	\$0	\$0	\$1,076,900
Filter Plant Const. Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$245,000	\$0	\$245,000
Sanitary/Recycling Fund	\$78,920	\$0	\$0	\$22,880	\$3,917,600	\$0	\$0	\$0	\$0	\$4,019,400
Storm Water Fund	\$0	\$0	\$0	\$170,940	\$856,140	\$0	\$7,950	\$0	\$0	\$1,035,030
Transit Operations Fund	\$0	\$0	\$0	\$2,037,040	\$102,500	\$0	\$3,000	\$0	\$0	\$2,142,540
Mint Valley Golf Fund	\$0	\$0	\$0	\$0	\$604,340	\$0	\$29,100	\$0	\$0	\$633,440
Mint Valley Racquet Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,620	\$13,620
INTERNAL SVC. FUNDS:										
Equipment Rental Ops. Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$1,156,500	\$0	\$0	\$1,156,500
Equipment Rental Res. Fund	\$134,850	\$0	\$0	\$0	\$0	\$0	\$656,300	\$0	\$68,950	\$860,100
Insurance Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$1,037,260	\$0	\$4,500	\$1,041,760
Facility Maintenance Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$512,120	\$0	\$0	\$512,120
TRUST FUNDS:										
Library Trust Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$500	\$0	\$0	\$500
Firemen's Pension Fund	\$318,960	\$0	\$0	\$25,750	\$0	\$0	\$15,500	\$0	\$425,000	\$785,210
Parks & Rec. Memorial Trust Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unemployment Comp. Fund	\$46,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$46,500
Employee Benefits Res. Fund	\$339,700	\$0	\$0	\$0	\$0	\$0	\$174,800	\$0	\$0	\$514,500
TOTALS	\$4,316,310	\$20,777,490	\$820,170	\$8,374,190	\$20,718,450	\$644,250	\$4,449,880	\$475,220	\$6,109,480	\$66,685,440

Revenue Summary for 2006

Pie Chart Breakdown



Financial Summary

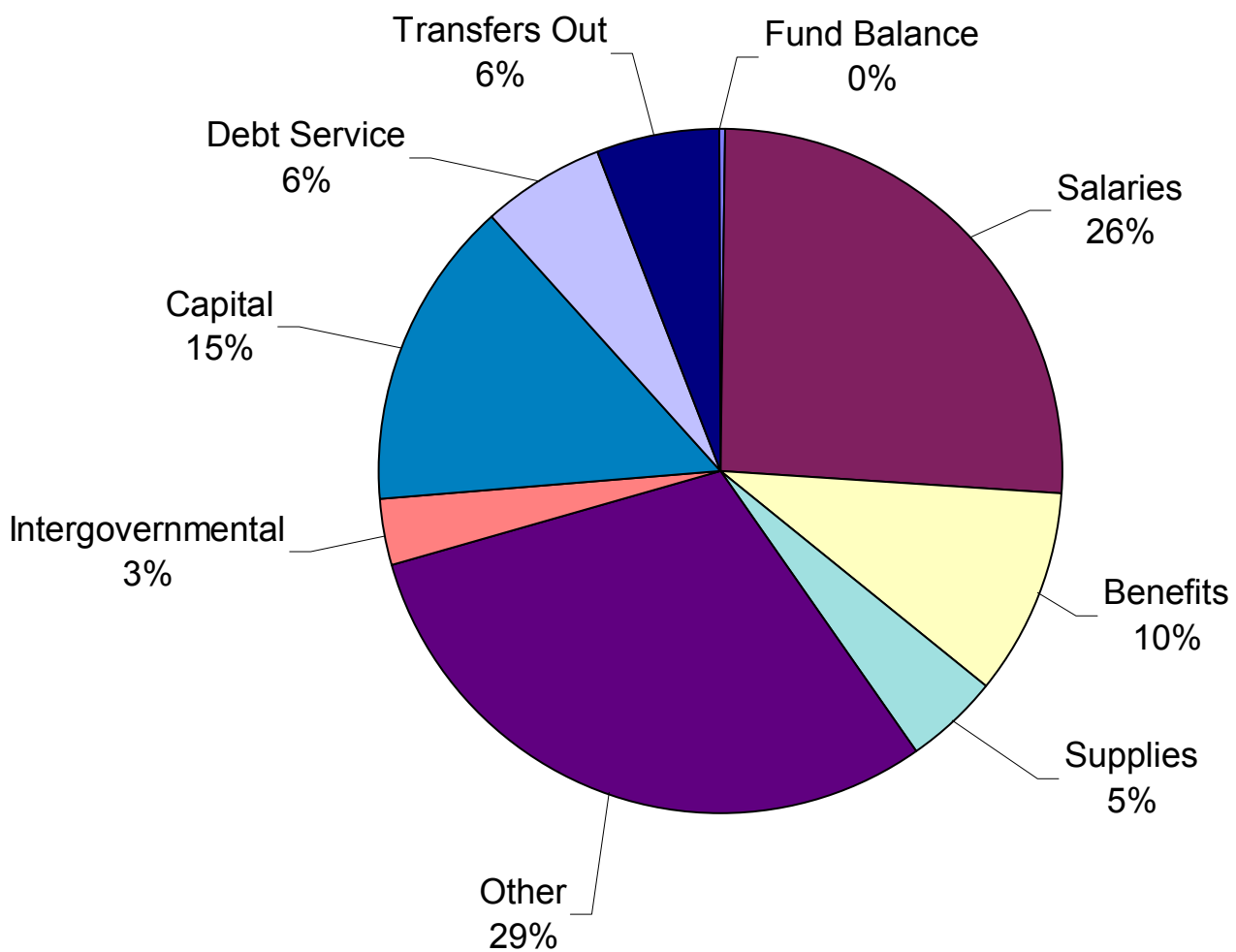
Expenditure Summary for 2005

By BARS Revenue

B.A.R.S. I.D. Type of Expenditure	508 Fund Balance	510 Salaries	520 Benefits	530 Supplies	540 Other	550 Intergov.	560 Capital	570 Debt Service	590 Transfers Out	Total Expenditure
GENERAL FUND:										
General Fund	\$0	\$12,979,700	\$3,819,990	\$876,520	\$4,749,140	\$1,903,480	\$0	\$333,000	\$793,250	\$25,455,080
SPECIAL REVENUE FUNDS:										
Arterial Street Fund	\$0	\$0	\$0	\$0	\$37,170	\$0	\$2,535,000	\$56,350	\$0	\$2,628,520
Downtown Parking Fund	\$0	\$83,750	\$30,150	\$3,080	\$15,630	\$0	\$4,080	\$0	\$0	\$136,690
H.U.D. Fund	\$0	\$58,860	\$23,950	\$9,650	\$177,490	\$0	\$1,000,000	\$1,094,300	\$0	\$2,364,250
HOME Fund	\$0	\$0	\$0	\$0	\$450,000	\$0	\$0	\$0	\$0	\$450,000
CDBG Entitlement Fund	\$0	\$0	\$0	\$0	\$475,000	\$0	\$0	\$0	\$0	\$475,000
Crim. Justice Assist. Fund	\$0	\$441,540	\$129,370	\$9,020	\$156,820	\$0	\$13,000	\$0	\$0	\$749,750
Office Equipment Res. Fund	\$0	\$0	\$0	\$294,750	\$126,000	\$0	\$415,930	\$106,080	\$0	\$942,760
Tourism Spec. Rev. Fund	\$0	\$0	\$0	\$0	\$25,500	\$0	\$0	\$0	\$0	\$25,500
DEBT SERVICE FUNDS:										
Spec. Assess. Bond Red. Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$375,000	\$25,000	\$400,000
Spec. Assess. Guaranty Fund	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0	\$0	\$49,000	\$50,000
CAPITAL PROJECT FUNDS:										
Capital Projects Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$376,000	\$0	\$0	\$376,000
L.I.D. Construction Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$350,000	\$0	\$0	\$350,000
Building Replacement	\$6,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000
ENTERPRISE FUNDS:										
Water Operations Fund	\$0	\$641,220	\$185,410	\$1,060,360	\$1,103,660	\$0	\$58,100	\$730,540	\$47,250	\$3,826,540
Water Construction Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$961,250	\$0	\$275,000	\$1,236,250
Water Depreciation Res. Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,236,250	\$1,236,250
Sewer Operations Fund	\$0	\$623,080	\$183,870	\$97,480	\$5,067,790	\$0	\$60,500	\$1,042,180	\$85,690	\$7,160,590
Sewer Construction Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$1,201,250	\$0	\$0	\$1,201,250
Sewer Depreciation Res. Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,201,250	\$1,201,250
Filter Plant Operations Fund	\$65,930	\$301,460	\$95,300	\$86,970	\$488,880	\$0	\$0	\$0	\$16,910	\$1,055,450
Filter Plant Const. Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$315,000	\$0	\$0	\$315,000
Sanitary/Recycling Fund	\$0	\$117,360	\$30,410	\$1,750	\$3,776,850	\$0	\$0	\$0	\$49,050	\$3,975,420
Storm Water Fund	\$0	\$320,480	\$91,400	\$19,970	\$522,350	\$0	\$668,460	\$0	\$12,140	\$1,634,800
Transit Operations Fund	\$0	\$574,030	\$165,770	\$10,600	\$1,186,720	\$0	\$105,000	\$0	\$23,830	\$2,065,950
Mint Valley Golf Fund	\$0	\$218,060	\$65,370	\$84,490	\$218,500	\$0	\$0	\$19,940	\$12,030	\$618,390
Mint Valley Racquet Fund	\$0	\$0	\$0	\$0	\$13,590	\$0	\$0	\$0	\$0	\$13,590
INTERNAL SVC. FUNDS:										
Equipment Rental Ops. Fund	\$0	\$359,520	\$109,840	\$396,730	\$245,120	\$0	\$0	\$0	\$19,810	\$1,131,020
Equipment Rental Res. Fund	\$0	\$0	\$0	\$0	\$12,580	\$0	\$1,031,850	\$0	\$0	\$1,044,430
Insurance Reserve Fund	\$50,430	\$72,110	\$201,080	\$2,600	\$672,800	\$0	\$0	\$0	\$0	\$999,020
Facility Maintenance Fund	\$0	\$189,340	\$54,050	\$40,270	\$207,330	\$0	\$0	\$0	\$8,020	\$499,010
TRUST FUNDS:										
Library Trust Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500	\$500
Firemen's Pension Fund	\$0	\$20,220	\$601,610	\$100	\$84,250	\$0	\$0	\$0	\$0	\$706,180
Parks & Rec. Memorial Trust Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$600,000	\$0	\$0	\$600,000
Unemployment Comp. Fund	\$0	\$0	\$45,000	\$0	\$0	\$0	\$0	\$0	\$0	\$45,000
Employee Benefits Res. Fund	\$0	\$0	\$437,000	\$0	\$77,500	\$0	\$0	\$0	\$0	\$514,500
TOTALS	\$122,360	\$17,000,730	\$6,269,570	\$2,994,340	\$19,891,670	\$1,903,480	\$9,695,420	\$3,757,390	\$3,854,980	\$65,489,940

Expenditure Summary for 2005

Pie Chart Breakdown



Financial Summary

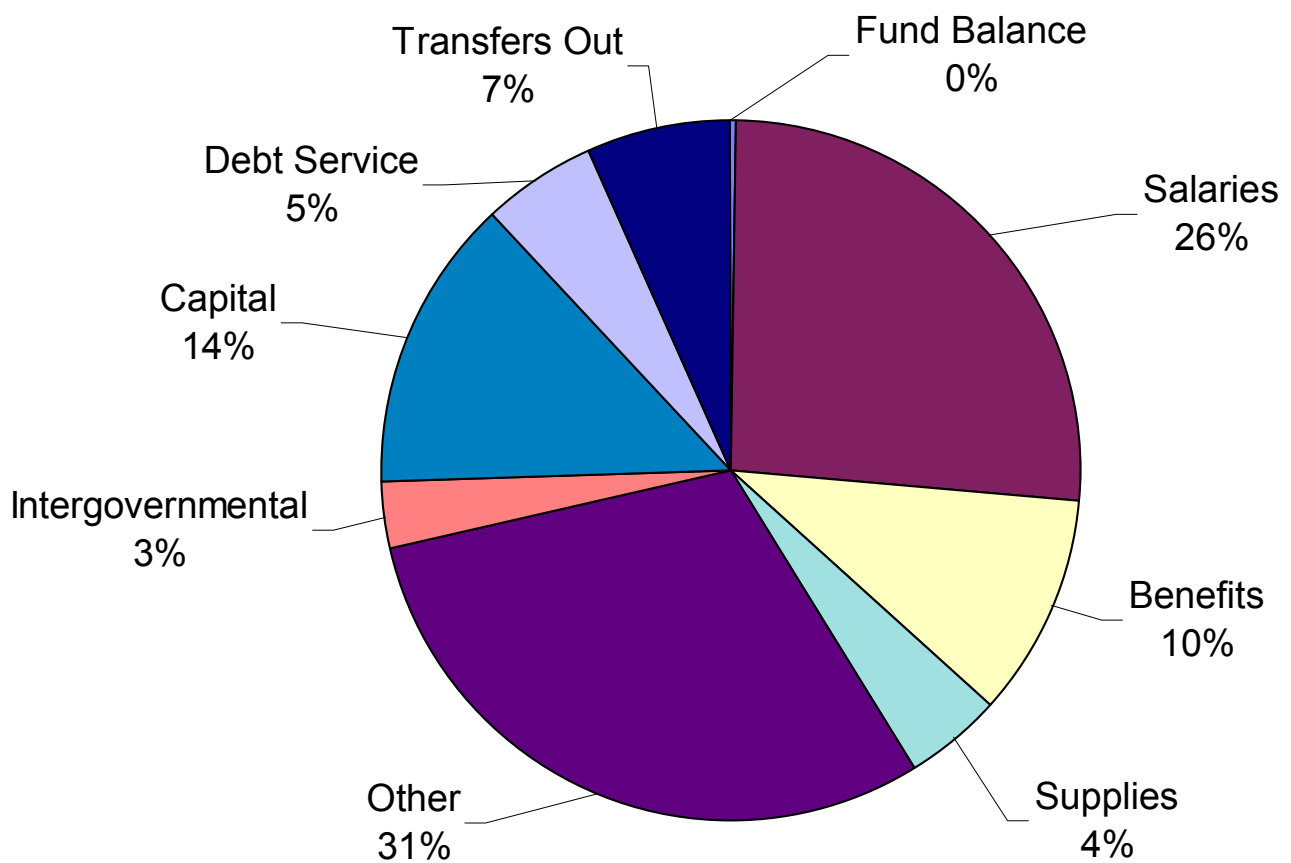
Expenditure Summary for 2006

By BARS Revenues

<i>B.A.R.S. I.D.</i>	<i>508</i>	<i>510</i>	<i>520</i>	<i>530</i>	<i>540</i>	<i>550</i>	<i>560</i>	<i>570</i>	<i>590</i>	<i>Total</i>
Type of Expenditure	Fund Balance	Salaries	Benefits	Supplies	Other	Intergov.	Capital	Debt Service	Transfers Out	Expenditure
GENERAL FUND:										
General Fund	\$0	\$13,315,900	\$4,135,760	\$881,280	\$4,893,030	\$1,958,940	\$0	\$343,490	\$870,380	\$26,398,780
SPEC. REVENUE FUNDS:										
Arterial Street Fund	\$0	\$0	\$0	\$0	\$24,670	\$0	\$3,084,000	\$56,350	\$0	\$3,165,020
Downtown Parking Fund	\$0	\$87,510	\$33,170	\$3,120	\$15,760	\$0	\$4,080	\$0	\$0	\$143,640
H.U.D. Fund	\$0	\$59,980	\$24,880	\$9,750	\$178,580	\$0	\$1,000,000	\$977,540	\$0	\$2,250,730
HOME Fund	\$0	\$0	\$0	\$0	\$550,000	\$0	\$0	\$0	\$0	\$550,000
CDBG Entitlement Fund	\$0	\$0	\$0	\$0	\$475,000	\$0	\$0	\$0	\$0	\$475,000
Crim. Justice Assist. Fund	\$0	\$455,850	\$140,670	\$6,360	\$67,690	\$0	\$5,000	\$0	\$0	\$675,570
Office Equipment Res. Fund	\$100,000	\$0	\$0	\$276,180	\$126,000	\$0	\$203,390	\$106,080	\$0	\$811,650
Tourism Spec. Rev. Fund	\$6,000	\$0	\$0	\$0	\$17,000	\$0	\$0	\$0	\$0	\$23,000
DEBT SERVICE FUNDS:										
Spec. Assess. Bond Red. Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$375,000	\$25,000	\$400,000
Spec. Assess. Guaranty Fund	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0	\$0	\$49,000	\$50,000
CAPITAL PROJ. FUNDS:										
Capital Projects Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$346,500	\$0	\$0	\$346,500
L.I.D. Construction Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$350,000	\$0	\$0	\$350,000
Building Replacement Fund	\$6,750	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,750
ENTERPRISE FUNDS:										
Water Operations Fund	\$0	\$657,230	\$201,270	\$1,078,030	\$1,127,970	\$0	\$51,000	\$844,100	\$58,590	\$4,018,190
Water Construction Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$790,000	\$0	\$230,000	\$1,020,000
Water Depreciation Res. Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,020,000	\$1,020,000
Sewer Operations Fund	\$0	\$643,390	\$198,440	\$96,680	\$5,183,860	\$0	\$55,500	\$859,530	\$104,290	\$7,141,690
Sewer Construction Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$1,877,900	\$0	\$0	\$1,877,900
Sewer Depreciation Res. Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,877,900	\$1,877,900
Filter Plant Operations Fund	\$30,610	\$310,120	\$104,190	\$91,220	\$523,850	\$0	\$0	\$0	\$16,910	\$1,076,900
Filter Plant Const. Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$245,000	\$0	\$0	\$245,000
Sanitary/Recycling Fund	\$0	\$118,270	\$32,570	\$1,750	\$3,806,470	\$0	\$0	\$0	\$60,340	\$4,019,400
Storm Water Fund	\$0	\$332,840	\$98,880	\$19,970	\$521,200	\$0	\$50,000	\$0	\$12,140	\$1,035,030
Transit Operations Fund	\$0	\$587,430	\$179,290	\$10,600	\$1,196,390	\$0	\$145,000	\$0	\$23,830	\$2,142,540
Mint Valley Golf Fund	\$0	\$224,220	\$71,360	\$84,680	\$221,180	\$0	\$0	\$20,370	\$11,630	\$633,440
Mint Valley Racquet Fund	\$0	\$0	\$0	\$0	\$13,620	\$0	\$0	\$0	\$0	\$13,620
INTERNAL SVC. FUNDS:										
Equipment Rental Ops. Fund	\$0	\$369,690	\$119,650	\$397,830	\$249,520	\$0	\$0	\$0	\$19,810	\$1,156,500
Equipment Rental Res. Fund	\$0	\$0	\$0	\$0	\$4,700	\$0	\$855,400	\$0	\$0	\$860,100
Insurance Reserve Fund	\$50,860	\$73,560	\$211,340	\$2,600	\$703,400	\$0	\$0	\$0	\$0	\$1,041,760
Facility Maintenance Fund	\$0	\$197,220	\$58,260	\$40,390	\$208,230	\$0	\$0	\$0	\$8,020	\$512,120
TRUST FUNDS:										
Library Trust Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500	\$500
Firemen's Pension Fund	\$0	\$20,620	\$676,240	\$100	\$88,250	\$0	\$0	\$0	\$0	\$785,210
Parks & Rec. Memorial Trust Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unemployment Comp. Fund	\$0	\$0	\$46,500	\$0	\$0	\$0	\$0	\$0	\$0	\$46,500
Employee Benefits Res. Fund	\$0	\$0	\$437,000	\$0	\$77,500	\$0	\$0	\$0	\$0	\$514,500
TOTALS	\$194,220	\$17,453,830	\$6,769,470	\$3,000,540	\$20,274,870	\$1,958,940	\$9,062,770	\$3,582,460	\$4,388,340	\$66,685,440

Expenditure Summary for 2006

Pie Chart Breakdown



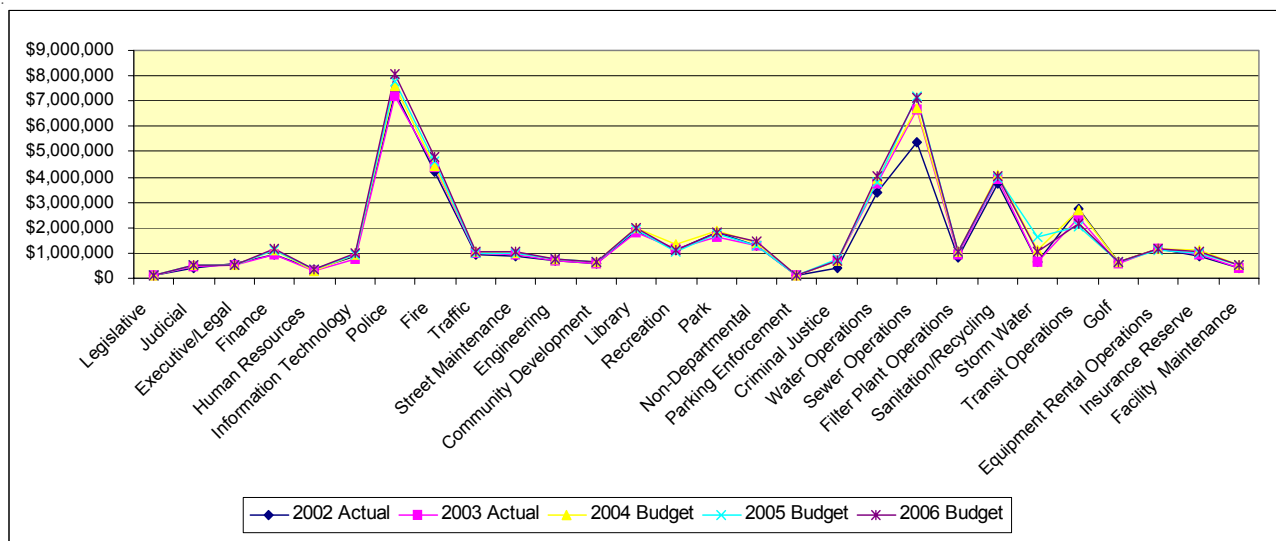
Financial Summary

Comparisons by Funds

Fund	2003 Actual	2004 Budget	2005 Budget	2006 Budget
GENERAL FUND:				
General Fund	\$23,881,345	\$25,571,670	\$25,455,080	\$26,398,780
SPECIAL REVENUE FUNDS:				
Arterial Street Fund	\$1,329,261	\$1,283,350	\$2,628,520	\$3,165,020
Downtown Parking Fund	\$106,724	\$138,700	\$136,690	\$143,640
H.U.D. Fund	\$1,205,582	\$2,382,540	\$2,364,250	\$2,250,730
HOME Fund	\$482,959	\$700,000	\$450,000	\$550,000
CDBG Entitlement Fund	\$0	\$0	\$475,000	\$475,000
Criminal Justice Assistance Fund	\$683,147	\$683,470	\$749,750	\$675,570
Office Equipment Reserve Fund	\$868,366	\$754,200	\$942,760	\$811,650
Tourism Special Revenue Fund	\$32,703	\$21,200	\$25,500	\$23,000
Parks & Recreation Memorial Trust Fund	\$0	\$0	\$600,000	\$0
DEBT SERVICE FUNDS:				
Special Assessment Bond Redemption Fund	\$211,580	\$400,000	\$400,000	\$400,000
Special Assessment Guaranty Fund	\$18,080	\$50,000	\$50,000	\$50,000
CAPITAL PROJECT FUNDS:				
Capital Projects Fund	\$582,526	\$191,600	\$376,000	\$346,500
L.I.D. Construction Fund	\$194,423	\$350,000	\$350,000	\$350,000
Building Replacement Fund	\$70,888	\$165,000	\$6,000	\$6,750
PERMANENT FUNDS:				
Library Trust Fund	\$0	\$500	\$500	\$500
ENTERPRISE FUNDS:				
Water Operations Fund	\$3,726,148	\$3,900,130	\$3,826,540	\$4,018,190
Water Construction Fund	\$1,317,022	\$1,631,000	\$1,236,250	\$1,020,000
Water Depreciation Reserve Fund	\$468,976	\$850,040	\$1,236,250	\$1,020,000
Sewer Operations Fund	\$6,649,238	\$6,745,060	\$7,160,590	\$7,141,690
Sewer Construction Fund	\$1,142,320	\$1,460,000	\$1,201,250	\$1,877,900
Sewer Depreciation Reserve Fund	\$1,723,315	\$1,260,000	\$1,201,250	\$1,877,900
Filter Plant Operations	\$961,401	\$1,023,450	\$1,055,450	\$1,076,900
Filter Plant Construction Fund	\$25,163	\$195,000	\$315,000	\$245,000
Sanitary/Recycling Fund	\$3,923,805	\$4,099,020	\$3,975,420	\$4,019,400
Storm Water Fund	\$668,890	\$1,113,890	\$1,634,800	\$1,035,030
Transit Operations Fund	\$2,416,607	\$2,672,230	\$2,065,950	\$2,142,540
Mint Valley Golf Fund	\$602,996	\$614,800	\$618,390	\$633,440
Mint Valley Racquet Fund	\$7,091	\$16,470	\$13,590	\$13,620
INTERNAL SERVICE FUNDS:				
Equipment Rental Operations Fund	\$1,194,431	\$1,186,320	\$1,131,020	\$1,156,500
Equipment Rental Reserve Fund	\$922,347	\$717,120	\$1,044,430	\$860,100
Insurance Reserve Fund	\$918,082	\$1,088,640	\$999,020	\$1,041,760
Facility Maintenance Fund	\$419,880	\$497,050	\$499,010	\$512,120
Unemployment Compensation Fund	\$31,702	\$43,500	\$45,000	\$46,500
Employee Benefits Reserve Fund	\$300,251	\$514,500	\$514,500	\$514,500
FIDUCIARY FUNDS:				
Firemen's Pension Fund	\$589,661	\$685,080	\$706,180	\$785,210
TOTALS	\$57,676,910	\$63,005,530	\$65,489,940	\$66,685,440

Five-Year Comparisons by City Departments

Department	2002 Actual	2003 Actual	2004 Budget	2005 Budget	2006 Budget
Legislative	\$106,175	\$109,712	\$115,640	\$127,590	\$129,330
Judicial	\$409,841	\$473,199	\$553,750	\$516,050	\$542,250
Executive/Legal	\$576,941	\$512,404	\$531,900	\$516,220	\$535,530
Finance	\$941,047	\$946,691	\$1,137,600	\$1,132,430	\$1,173,630
Human Resources	\$354,575	\$307,013	\$303,580	\$328,610	\$339,520
Information Technology	\$869,392	\$782,276	\$923,610	\$963,680	\$995,440
Police	\$7,347,134	\$7,210,038	\$7,615,670	\$7,784,910	\$8,063,090
Fire	\$4,234,550	\$4,356,940	\$4,424,230	\$4,638,510	\$4,795,110
Traffic	\$939,328	\$984,545	\$1,042,530	\$1,014,830	\$1,042,380
Street Maintenance	\$880,742	\$961,993	\$1,011,000	\$1,016,930	\$1,045,220
Engineering	\$675,605	\$707,571	\$755,780	\$739,280	\$765,170
Community Development	\$578,883	\$607,056	\$615,930	\$628,000	\$648,020
Library	\$1,870,656	\$1,818,084	\$1,966,000	\$1,911,460	\$1,975,440
Recreation	\$1,083,551	\$1,142,066	\$1,315,300	\$1,061,550	\$1,092,220
Park	\$1,806,452	\$1,654,429	\$1,873,400	\$1,764,390	\$1,821,450
Non-Departmental	\$1,263,944	\$1,307,328	\$1,385,750	\$1,310,640	\$1,434,980
Parking Enforcement	\$106,848	\$106,724	\$138,700	\$136,690	\$143,640
Criminal Justice	\$380,835	\$683,147	\$683,470	\$749,750	\$675,570
Water Operations	\$3,384,693	\$3,726,148	\$3,900,130	\$3,826,540	\$4,018,190
Sewer Operations	\$5,348,400	\$6,649,238	\$6,745,060	\$7,160,590	\$7,141,690
Filter Plant Operations	\$832,457	\$961,401	\$1,023,450	\$1,055,450	\$1,076,900
Sanitation/Recycling	\$3,769,071	\$3,923,805	\$4,099,020	\$3,975,420	\$4,019,400
Storm Water	\$620,113	\$668,890	\$1,113,890	\$1,634,800	\$1,035,030
Transit Operations	\$2,760,272	\$2,416,607	\$2,672,230	\$2,065,950	\$2,142,540
Golf	\$621,793	\$602,996	\$614,800	\$618,390	\$633,440
Equipment Rental Operations	\$1,152,701	\$1,194,431	\$1,186,320	\$1,131,020	\$1,156,500
Insurance Reserve	\$865,795	\$918,082	\$1,088,640	\$999,020	\$1,041,760
Facility Maintenance	\$423,668	\$419,880	\$497,050	\$499,010	\$512,120



Financial Summary

Long-Term Debt

The power of the City of Longview to incur long-term debt of any kind is controlled and limited by the RCW. According to law, our debt must be incurred in accordance with detailed budget procedures and paid for out of identifiable receipts and revenues. We use long-term debt to finance capital improvements.

As prescribed by the RCW, our tax general obligation debt, subject to a 60 percent vote of qualified voters in the city, is limited to 2.5 percent of our assessed valuation for general purposes, 2.5 percent for utilities and 2.5 percent for open space and park facilities. Within our 2.5 percent of assessed valuation for general purposes, we may, without a vote of the people, incur tax general obligation debt in an amount that cannot exceed 1.5 percent of our assessed valuation. Within the 2.5 percent of assessed valuation for general purposes, we may also, without a vote of the people, enter into leases, if the total principal of the lease payments along with any other non-voted tax general obligation debt does not exceed 1.5 percent of our assessed valuation. The combination of voted tax and non-voted tax general obligation debt for general purposes, including leases, cannot exceed 2.5 percent of our assessed valuation. The same combination of tax general obligation debt for all purposes cannot exceed 7.5 percent of our assessed valuation.

General Obligation Bonds are a direct obligation of the City for which its full faith and credit are pledged. The debt service on general obligation bonds issued to fund improvements that directly benefit a specific program or fund are paid from that fund. The debt service on general obligation bond proceeds used to fund general improvements are paid from our Debt Service Funds. Debt Service for voter approved issues is funded by special property tax levies. Debt Service for City Council authorized or councilmatic issues are funded from regular property taxes.

Revenues bonds are created by ordinance, adopted by the City Council, and financed from Enterprise Fund revenues pledged as security for the repayment of the revenue bonds.

Special Assessment bonds are created by ordinance, adopted by the City Council, and financed by assessments on property owners. A separate guaranty fund is available to cover outstanding delinquencies at the end of the assessment period. The City's obligation does not extend beyond the Guaranty Fund assets.

Debt Limitations

The City's debt limit based on 2003 assessed valuation of \$1,963,167,938 is:

Property Valuation (2003 assessment for 2004 collection) **\$1,963,167,938**

INDEBTEDNESS FOR GENERAL PURPOSES

NON-VOTED DEBT LIMITS

Limit without vote (1.5% of assessed value)		29,447,519
General obligation bonds outstanding	\$10,815,000	
Other general obligation debt	<u>2,740,728</u>	
Total general obligation debt		\$13,555,728
Total GO debt reduced by:		
Applicable governmental fund assets available		(11,644,735)
Applicable proprietary fund assets available		<u>(72,217)</u>
Net outstanding non-voted debt		<u>1,838,776</u>
REMAINING NON-VOTED DEBT CAPACITY		<u><u>\$27,608,743</u></u>

VOTED DEBT LIMITS

Limit with vote (2.5% of assessed value)	\$49,079,198
Less: Net outstanding non-voted debt	1,838,776
Voted general obligation bonds outstanding	\$0
Reduced by applicable funds available	<u>0</u>
Net outstanding voted debt	<u>0</u>
REMAINING VOTED DEBT CAPACITY	<u><u>\$47,240,422</u></u>

INDEBTEDNESS FOR UTILITY PURPOSES

Limit with vote (5% of assessed value)	\$98,158,397
Less: Total net general purpose debt	<u>1,838,776</u>
REMAINING VOTED UTILITY DEBT CAPACITY	<u><u>\$96,319,621</u></u>

INDEBTEDNESS FOR PARKS AND OPEN SPACES

Limit with vote (7.5% of assessed value)	\$147,237,595
Less: Total net general and utility purpose debt	<u>1,838,776</u>
REMAINING VOTED PARKS AND OPEN SPACES DEBT CAPACITY	<u><u>\$145,398,819</u></u>

Schedule of Long-Term Debt for the period ending December 31, 2003

This schedule of long-term debt provides a listing of the City of Longview’s outstanding general obligation debt and the annual requirements, including interest to amortize this debt.

General Obligation Debt

Year ending December, 31	Bonds		Other	
	Principal	Interest	Principal	Interest
2004	\$555,000	\$554,585	\$186,696	\$43,976
2005	\$590,000	\$522,673	\$186,696	\$220,382
2006	\$635,000	\$488,785	\$210,488	\$66,788
2007	\$675,000	\$452,190	\$211,916	\$61,766
2008	\$720,000	\$412,890	\$213,429	\$56,659
2009-13	\$4,295,000	\$1,441,183	\$1,005,089	\$204,145
2014-18	\$3,175,000	\$331,098	\$675,665	\$77,290
2019	\$0	\$0	\$50,748	\$3,045
	<u>\$10,645,000</u>	<u>\$4,203,403</u>	<u>\$2,740,726</u>	<u>\$734,052</u>

Financial Summary

General Obligation Bonds & Other General Obligation Debt

In 2003 the City had \$10,645,000 in non-voted LTGO bond liabilities for bonds issued for funding the acquisition and renovation of the Police department; a 100 foot aerial ladder truck for the Fire Department; development of the Mint Farm Industrial Park; Library renovation; Golf Course cart paths and capital improvements at the Columbia Theatre. General obligation bonds outstanding as of December 31, 2003 are as follows:

\$2,005,000 - 1998 Limited Tax General Obligation.

Series "A" serial bonds due in annual installments of \$45,000 to \$190,000 through December 1, 2017, interest at 4.00% to 4.95% \$1,730,000

\$4,495,000 - 1998 Limited Tax General Obligation.

Series "B" refunding serial bonds due in annual installments of \$555,000 to \$740,000, beginning December 1, 2010, through December 1, 2016, interest at 4.60% to 5.00% \$4,495,000

\$3,450,000 - 1998 Limited Tax General Obligation.

Series "C" taxable refunding serial bonds due in annual installments of \$35,000 to \$520,000, through December 1, 2009, interest at 5.70% to 6.25% \$2,670,000

\$1,742,500 – 2000 Longview Public Library serial bonds due in installments of \$80,750 to \$161,500 through December 1, 2015 with interest at 5.00% to 5.40%. \$1,487,500

\$102,500 – 2000 Columbia Theatre serial bonds due in installments of \$4,750 to 9,500 through December 1, 2015 with interest at 5.00% to 5.400% \$87,500

\$205,000 – 2000 Mint Valley Golf Cart-Path serial bonds due in installments of \$9,500 to \$19,000 through December 1, 2015 with interest at 5.00% to 5.40 % \$175,000

***Total General Obligation Bonds Outstanding* \$10,645,000**

Other General Obligation Debt

The City has low-interest long-term loans from the Washington State Department of Community & Economic Development for street and utility improvements. As of December 31, 2003 the amount outstanding on these obligations was \$2,740,728. Outstanding Other General Obligation Debt as of December 31, 2003 was as follows:

\$265,384 - Public Works Trust Fund Loan.

Proceeds were utilized to fund the East Industrial Way Street Improvement Project. Annual interest payments of 1% per annum on outstanding principal balance with final payment due July 1, 2009. Payment for this Public Works Trust Fund Loan is provided by the Arterial Street Fund. \$83,805

\$661,500 - Timber Public Works Trust Fund Loan.

Proceeds were utilized to fund the construction of the Tennant Way Sewer. Annual interest payments of 2% per annum on outstanding principal balance with final payment due July 1, 2012. Payment for this Timber Public Works Trust Fund Loan is provided by the General Fund \$290,336

\$626,398 - Public Works Trust Fund Loan.

Proceeds were utilized to fund traffic signal upgrades at numerous intersections throughout Longview. Annual interest payments of 2% per annum on outstanding principal balance with final payment due July 1, 2015. Payment for this Public Works Trust Fund Loan is provided by the Arterial Street Fund. \$366,587

\$1,500,000 - Public Works Trust Fund Loan.

Proceeds were utilized to finance in part the construction of roadways, utilities and other site improvements for the Mint Farm Industrial Park. Annual interest payments of 2% per annum on the outstanding principal balance with final payment due July 1, 2017. Payment for this Public Works Trust Fund Loan is provided by the HUD Fund. \$1,500,000

\$500,000 – Community Economic Revitalization Board Loan.

Proceeds were used to finance in part the construction of Roadways, utilities and other site improvements for the Mint Farm Industrial Park. Annual interest payments of 6% per annum on the outstanding principal balance with final payment due July 1, 2019. Payment for this loan is provided by the HUD Fund. \$500,000

***Total Other General Obligation Debt Outstanding* \$2,740,728**

Revenue Debt

This schedule provides a listing of the City of Longview’s revenue debt and the annual requirements, including interest to amortize this debt.

Revenue Debt

Year ending December, 31	Bonds		Other	
	Principal	Interest	Principal	Interest
2004	\$1,175,000	\$436,190	\$91,283	\$5,323
2005	\$1,250,000	\$394,115	\$91,283	\$4,410
2006	\$1,220,000	\$348,040	\$91,283	\$3,497
2007	\$750,000	\$288,240	\$91,283	\$2,584
2008	\$780,000	\$249,928	\$91,283	\$1,671
2009-13	\$4,195,000	\$519,073	\$75,841	\$1,138
	\$9,370,000	\$2,235,585	\$532,256	\$18,622

Financial Summary

Revenue Bonds & Other Enterprise Debt

Revenue Bonds: The City of Longview is authorized under the laws of the State of Washington to issue revenue bonds. Revenue bonds are used for the purpose of financing various enterprise activities and are secured by the revenues collected from ratepayers. Total outstanding Revenue bonds as of December 31, 2003 amounted to \$9,370,000. These bonds are payable through 2012. Payment for outstanding revenue bond debt is provided by the Water/Sewer Fund.

\$2,560,000 - 1994 Water-Sewer Revenue Bonds due in annual installments beginning December 1, 1995 of \$50,000 to \$1,175,000 through December 1, 2008, interest at 3.70% to 5.75%	\$1,975,000
\$5,650,000 - 1997 Water-Sewer Revenue Bonds due in annual installments beginning December 1, 2000 of \$75,000 to \$1,010,000 through December 1, 2012, interest at 5.00% to 5.15%	\$5,335,000
\$3,080,000 – 2002 Water-Sewer Revenue Refunding Bonds due in annual installments beginning December 1, 2002 of \$40,000 to \$980,000 through December 1, 2009 with interest at 2.50% to 3.25%	<u>\$2,060,000</u>
Total Revenue Bonds Outstanding	<u>\$9,370,000</u>

Other Enterprise Debt

Payment for outstanding other enterprise debt which consists of Public Works Trust Fund Loans is provided by the Water/Sewer Fund.

\$1,000,000 - 1989 Public Works Trust Fund Loan for the East Longview Sewer Rehabilitation Project. Annual installments due beginning July 1, 1989, through July 1, 2008, interest at 1%	\$266,813
\$955,109 - 1990 Public Works Trust Fund Loan. Proceeds were utilized to fund the East Longview Sewer Rehabilitation Project. Annual installments due beginning July 1, 1991, through July 1, 2010.	<u>\$265,443</u>
Total Other Enterprise Debt	<u>\$532,256</u>

Special Assessment Bonds

Debt service requirements for special assessment bonds will be met by the collection of assessments receivable that have been levied against property owners. The assessments are liens against the property and subject to foreclosure. Payment for outstanding special assessment bond principal and interest is provided by Debt Service Funds. Total outstanding special assessment bonds as of December 31, 2003 totaled \$935,665.

\$70,431 - 1994 Local Improvement District Nos. 327 and 328 term bonds due February 2006, interest at 5.00%	\$2,000
\$76,320 - 1994 Local Improvement District No. 332 term bonds due November 2006, interest at 6.25%	5,000

\$17,253 - 1995 Local Improvement District No. 333 term bonds due March 2007, interest at 7.00%	2,000
\$249,665 - 1995 Local Improvement District No. 334 term bonds due September 2007, interest at 6.25%	39,665
\$58,590 - 1996 Local Improvement District No. 336 term bonds due June 2008, interest at 5.75%	12,000
\$44,819 - 1997 Local Improvement District No. 337 term bonds due March 2009, interest at 6.00%	23,000
\$58,275 - 1997 Local Improvement District No. 338 term bonds due S eptember 2009, interest at 6.25%	9,000
\$47,824 - 1998 Local Improvement District No. 339 term bonds due April 2010, interest at 6.25%	22,000
\$112,576 – 1999 Local Improvement District No. 340 and 341 term bonds due October, 2011, interest at 6.00%	66,000
\$850,441 – 2002 Local Improvement District No. 343 term bonds due September, 2014, interest at 2% - 4.625%	<u>755,000</u>
Total Local Improvement District Bonds Outstanding	<u>\$935,665</u>

The annual requirements for outstanding special assessment debt, including interest, is as follows:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2004	\$145,000	\$38,718
2005	\$166,736	\$39,691
2006	\$253,000	\$32,631
2007	\$119,000	\$23,344
2008	\$113,000	\$18,107
2009-2013	<u>\$277,000</u>	<u>\$23,437</u>
	\$1,073,736	\$175,928

Financial Summary

Baseline Budget Structure

Details of the fund structures for the baseline budget start on page 26. In the sections that follow the financial summary, individual funds are accounted for beginning with the General Fund. All fund sections are indicated by orange tabs, and each City department is represented by a yellow tab.

Revenues

Total All Funds							
Total Revenues	Actual	Budget	Budget	Percent	Budget	Percent	2005-2006
By Source	2003	2004	2005	Variance	2006	Variance	Budget
Taxes	\$20,232,812	\$20,119,880	\$20,305,560	0.9%	\$20,777,490	2.3%	\$41,083,050
Licenses & Permits	\$734,040	\$720,130	\$792,310	10.0%	\$820,170	3.5%	\$1,612,480
Intergovernmental	\$6,865,939	\$6,350,940	\$7,609,860	19.8%	\$8,374,190	10.0%	\$15,984,050
Charges for Services	\$18,913,922	\$19,802,770	\$19,867,830	0.3%	\$20,718,450	4.3%	\$40,586,280
Fines & Forfeits	\$641,924	\$633,620	\$616,450	-2.7%	\$644,250	4.5%	\$1,260,700
Miscellaneous	\$4,251,398	\$4,680,180	\$4,306,190	-8.0%	\$4,449,880	3.3%	\$8,756,070
Non-Revenues	\$224,835	\$1,286,450	\$595,560	-53.7%	\$475,220	-20.2%	\$1,070,780
Other Financing Sources	\$3,616,869	\$5,427,280	\$5,439,170	0.2%	\$6,109,480	12.3%	\$11,548,650
Beg Resources Req to Balance	\$0	\$3,984,280	\$5,957,010	49.5%	\$4,316,310	-27.5%	\$10,273,320
TOTAL REVENUES	\$55,481,739	\$63,005,530	\$65,489,940	3.9%	\$66,685,440	1.8%	\$132,175,380

Expenditures

Total All Funds							
Total Expenditures	Actual	Budget	Budget	Percent	Budget	Percent	2005-2006
By Object	2003	2004	2005	Variance	2006	Variance	Budget
Cont to End Fund Balance	\$0	\$736,360	\$122,360	-83.4%	\$194,220	58.7%	\$316,580
Salaries & Wages	\$16,183,742	\$16,769,850	\$17,000,730	1.4%	\$17,453,830	2.7%	\$34,454,560
Personnel Benefits	\$5,385,647	\$6,403,760	\$6,269,570	-2.1%	\$6,769,470	8.0%	\$13,039,040
Supplies	\$2,779,229	\$2,728,320	\$2,994,340	9.8%	\$3,000,540	0.2%	\$5,994,880
Other Services & Charges	\$18,429,640	\$19,573,750	\$19,891,670	1.6%	\$20,274,870	1.9%	\$40,166,540
Intergovernmental	\$1,677,844	\$2,000,060	\$1,903,480	-4.8%	\$1,958,940	2.9%	\$3,862,420
Capital Outlay	\$6,331,633	\$8,008,750	\$9,695,420	21.1%	\$9,062,770	-6.5%	\$18,758,190
Debt Service	\$3,514,464	\$3,500,760	\$3,757,390	7.3%	\$3,582,460	-4.7%	\$7,339,850
Interfund Transfers	\$3,374,711	\$3,283,920	\$3,854,980	17.4%	\$4,388,340	13.8%	\$8,243,320
TOTAL EXPENDITURES	\$57,676,910	\$63,005,530	\$65,489,940	3.9%	\$66,685,440	1.8%	\$132,175,380