

Financial Summary

Introduction

A budget is a plan that develops and allocates the City's financial resources to meet community needs, both immediate and for the longer term. 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 expectations 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 topics:

- ◆ Longview's Economic Outlook
- ◆ Mint Farm Industrial Park
- ◆ Other Economic Contributors
- ◆ 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 includes details about and comparisons of various portions of the budget. It documents Revenues and Expenditures for 2011 and 2012, provides historical information about City departments over the past five years, and breaks down 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*
- ◆ 2011 and 2012 Revenues
- ◆ City Revenue Sources
- ◆ 2011 and 2012 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 Fund Summary on page 50, followed by the various accounting funds and the Capital Improvement Program.

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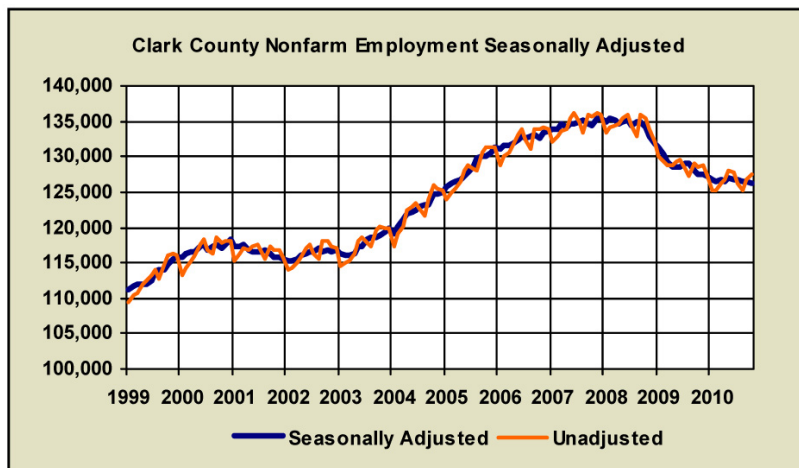
Longview's Economic Outlook

Local Economy

The City continued to work on a variety of programs and projects during the past two years that it believes will be of great benefit to Longview and surrounding communities as the national, state, and regional economies continue to recover. While the "Great Recession" is technically over nationally, the effects will be felt for years. Longview is a key to economic recovery and has strong economic potential.

Employment Trends

Like most communities throughout the nation, Cowlitz County is still suffering from the recent recession. Total non-farm employment of 35,600 jobs in September, 2010 was flat compared to the same month in 2009, but well below the previous county peak of 38,800 jobs in August, 2007. The unemployment rate was estimated at 11.2%, which is 1% less than the same period of 2009. About 5,000 county residents were jobless and seeking work. The number of county residents filing continued unemployment claims was 30% below the previous September.



Infrastructure Investments

Participation in county and statewide economic development organizations, coupled with an ongoing partnership with Weyerhaeuser Real Estate Development Company at the City's Mint Farm Industrial Park, have allowed Longview to position itself as a prime location for industrial/manufacturing, transportation/trade, and warehouse/distribution companies.

Over the past decade, Longview has made significant infrastructure investments in an effort to prepare itself for the future. Together with Cowlitz County, Longview has made strides in the area of industrial site development that have attracted the attention of our governor, various state agencies, and economic development professionals throughout the region:

- ◆ The City of Longview, in partnership with Weyerhaeuser Real Estate Development Company, offers Mint Farm Industrial Park sites with approximately 200 net usable acres.
- ◆ The Port of Longview developed its West and East Park industrial sites consisting of nearly 300 acres of rail-served property. Recently, the Port of Longview purchased an additional 306 acres west of the Chinook Ventures (formerly Longview Aluminum) site for industrial development.
- ◆ The Port of Kalama's Kalama River Industrial Park is comprised of 75 fully serviced industrial acres in addition to its already developed 148 acres.



- ◆ The Port of Woodland Industrial Park and surrounding sites offer nearly 180 acres of industrial land in close proximity to the Portland/Vancouver metro area. A federal Economic Development Administration award of \$2.4 million will enhance transportation infrastructure in the Woodland area at Guild Road for future development.

All of these sites have attracted attention in recent years, as is demonstrated by ongoing economic development recruitment efforts and the location of business and industry.

Transportation & Trade Opportunities

The economy of most cities is reflective of the region 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. 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 recent completion of the work to deepen the Columbia River shipping channel from 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 completion of the Port of Longview's alternate rail corridor.

By virtue of its location and the City's investment in infrastructure, Longview is well positioned for continued economic success as a strategic Pacific Rim transportation hub with proximity to Portland, and available prime industrial property in the City's Mint Farm Industrial Park. Longview's strengths will undoubtedly help our community recover from the recession sooner than many others. This area, with its deep-water ports, rail infrastructure and proximity to I-5, is an attractive location for industries and businesses.

Mint Farm Industrial Park

In 1996, the City initiated development of the Mint Farm Industrial Park on 125.6 acres of industrial land purchased from the Weyerhaeuser Real Estate Development Company (WREDCo). Phase I included the development of 88.2 acres for industrial sites fully serviced by road and utility infrastructure. Based on the City of Longview's success with Phase I, WREDCo began development of Phase II, the remaining 300+ acres of the Mint Farm.

During 2007 and 2008, WREDCo made an additional capital investment of over \$10 million including creation of a 65-acre wetland mitigation area and the extension of Crocker Avenue roadway/utility improvements. In 2009 and 2010, the City sought private and public funding to complete the balance of the Mint Farm public infrastructure. This included construction and funding assistance by the Cowlitz Public Utility District to build a 349- megawatt substation; the extension of over 4,000 lineal feet of water, sewer, storm drainage, street lights, landscaping, and the construction of Weber Avenue. Completion of this infrastructure creates an additional 143 acres of heavy industrial, shovel-ready land for development. Funding for these improvements included private partners, WREDCo and Northwest Renewable LLC, and public partners including the Federal Economic Development Administration, Washington State Community and Economic Revitalization Board, and Governor's Strategic Reserve Account, as well as Cowlitz County Rural Economic Development funds.



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As is typical with industrial development and industrial parks throughout the West, the Mint Farm Industrial Park has experienced the challenges of a cyclical economy at the industrial park. The City continues to partner with WREDCo in jointly marketing the industrial park through these difficult times.

Epson Toyocom continues its operation at the industrial park. The synthetic quartz crystals manufacturing facility began production in 2001. Based in Japan, the company utilizes a unique process that includes operation of eight autoclaves that produce the synthetic crystal. 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.

Flexible Foam Products, Inc., a subsidiary of Ohio Decorative Products, manufacturer of a broad range of polyurethane foam products for the flooring, bedding, furniture, automotive, and packaging industries, has been in operation since 2004. The existing 168,000 square-foot facility for their polyurethane foam manufacturing and distribution operations currently employs 50 workers.

Mint Farm Energy Center, LLC, completed construction and began operation of a \$200 million, 286-megawatt power plant in January, 2008. The plant produces electrical power from a combined gas-fired steam turbine and has a maximum output of 320,000 kilowatts per hour, enough energy to supply electricity to approximately 400,000 homes. The plant employs 16 personnel. In December of 2008, the plant was sold to Puget Sound Energy to meet the long-term energy demands of its customer base.

The City is also encouraged about the future development potential at the Mint Farm with the pending acquisition of Weyerhaeuser rail short lines by **Patriot Rail Corporation** of Boca Raton, Florida. The acquisition is anticipated to be complete by early 2011. Patriot Rail Corporation (“Patriot Rail”) is a railroad holding company that acquires and operates short line and regional freight railroads. It is known for its ability to form strong partnerships with the customers, communities, and employees where its railroads are situated.

Patriot Rail currently owns and operates six short line freight railroads comprising 331 total rail miles in eight states — the Tennessee Southern Railroad in Tennessee and Alabama; the Butte, Anaconda & Pacific Railway in Montana; the Utah Central Railway in Utah; the Sacramento Valley Railroad in California; the Louisiana and North West Railroad in Louisiana and Arkansas; and the Temple & Central Texas Railway in Texas.

The company’s mission to grow shareholder value by selectively investing, along with its private equity partners in freight railroad properties throughout North America, is expected to create additional development opportunities at the Mint Farm with its proximity to the railroad facilities.

Other Economic Successes

The most recent developments in Longview and in the balance of the county are evidence of Cowlitz County’s strength as a leader in job creation and capital investment in the Northwest. Proximity to Portland and easy accessibility to a beautiful scenic environment give Longview a unique advantage. The Columbia River, gateway to the Pacific Ocean, abundant natural resources, and a productive labor force all attest to the reason Longview continues to be one of business and industry’s top choices for location or expansion.

Besides the Mint Farm Industrial Park, the City also continues to support economic development and recruitment elsewhere in Longview. The City partners with the Cowlitz Economic Development Council, local property owners, and developers of residential, commercial, and industrial property throughout Longview to attract economic opportunity for the city.

The Cowlitz Economic Development Council recently completed a strategic plan with the help of a consulting group out of Texas, TIP Strategies. The plan calls for a more diverse approach to economic development. Changes include promoting smaller and light manufacturing firms, enhancing downtown Longview, creating an international recruitment effort, engaging the education system, professional services, tourism, and enhancing our quality of place (putting emphasis on infrastructure over “quality of life”).

Examples of recent successes include:

- ◆ October 2010 completion of a 165,000 square foot WalMart retail superstore. This is the second WalMart store in the City. The existing store has been closed and is undergoing a \$10 million remodel and expansion that will result in a second superstore in Longview by the end of 2011.
- ◆ Completion of the \$5 million Lower Columbia Pathologists Lab.
- ◆ A \$3 million Cowlitz Public Utility District technical services building.
- ◆ Construction of a \$10 million, 3-story, Class A office space and remodel of the Fibre Federal Credit Union headquarters.
- ◆ St. John’s Hospital/PeaceHealth continues to be the City’s number one employer and expansion the hospital infrastructure was a major investment in 2009 and 2010. The hospital continued to renovate and expand the existing hospital tower and more recently commenced construction of a \$6.2 million, 36-room, medical office and patient clinic.

Noteworthy Industrial Projects

Other activity taking place in Longview and Cowlitz County that will provide momentum for an economic recovery includes several successfully recruited and retained companies. Industrial projects worthy of note include:

- ◆ \$200 million capital investment by EGT for a new grain elevator at the Port of Longview
- ◆ \$10 million capital investment and a projected 70 new jobs at Skyline Steel at the Port of Longview
- ◆ Chinook Ventures’ pending sale to Millennium Bulk Logistics for a coal export facility requiring upgrades of over \$100 million
- ◆ The sale of Cameron Family Glass to Bennu Glass at the Port of Kalama and the potential for re-opening the facility, bringing back 100 family wage jobs
- ◆ Kalington Electric signed a lease for an existing building at the Port of Kalama and will bring in close to 40 new jobs
- ◆ Renewed discussions and plans by Energy Northwest to build a 349-megawatt, natural gas-fired plant at the Port of Kalama
- ◆ Kalama Export and Harvest States are in the process of upgrading their grain elevators with over \$45 million in capital investment



Meeting Community and Service Needs

During 2009 and 2010, 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.

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Capital Improvements and Infrastructure

In December 2008, the City's 2009-2010 Capital Improvement Plan was approved by the City Council. Many of the large and complex projects identified in the City's 2005-2006 Capital Improvement Plan continued into 2007 and 2008, and were completed during that biennium. Most notably, residents of Longview witnessed the completion of Crocker Avenue in the City's Mint Farm Industrial Park. The Crocker Avenue project consisted of

Utility Issues

The most significant infrastructure challenges that continue to face the City over the next few years are utility issues. Longview's utility systems are critical parts of the foundation of our community, affecting our quality of life and the ability to grow and provide economic opportunities. The City has made significant progress on two of the most significant infrastructure challenges in the City's history — development of a new water supply and closure of the City's wastewater lagoons in West Longview.

Longview's water treatment plant is aging and constantly compromised by sediment buildup from the Cowlitz River. Long-term water supply and demand is critical to providing a safe and reliable water supply to our existing residents and businesses and to accommodating future growth. In early 2010, the City Council made the decision to build a new treatment facility with deep aquifer wells at the Mint Farm Industrial Park. This solution was determined to provide the highest level of reliability and the lowest long-term cost for providing safe, abundant drinking water to our community. Final design of the project is expected to be complete in early 2011. The new water supply is anticipated to be constructed and online by the end of 2012 at an estimated cost of \$37 million.

The West Longview lagoons no longer have the capacity to treat our sewage, and the operating permit for treatment cannot be renewed due to higher state water quality standards. To solve this problem, the City Council has decided to abandon the West Longview lagoons and divert sewage to the Three Rivers Regional Wastewater Authority treatment plant. This solution was determined to be the least-cost option for providing sewage treatment that will meet state standards and provide capacity for growth in the city. This \$25 million project is currently under construction and is anticipated to be complete in 2012. Following completion of the project, an evaluation for reclaiming the lagoons for a new beneficial use of the property will be undertaken by the City.

SR432 Improvements

State Route 432 is a primary route for the movement of freight and goods through the city, county and region. It connects industrial areas in Longview, unincorporated Cowlitz County, and northwest Oregon to I-5. The intersection of SR 432 and SR 433 (Oregon Way) is one of the five highest truck tonnage intersections in the state. The City, Cowlitz Wahkiakum Council of Governments, Washington State Department of Transportation, Cowlitz County, and Port of Longview are working together to complete preliminary engineering and environmental review for long-term highway and rail improvements along the SR 432 Corridor to increase safety and capacity on the highway and rail networks serving marine terminal import/export and manufacturing activities. Funds will also be used to eventually construct at-grade access-related network improvements on SR 432 from Third Avenue to Prudential Boulevard.

The at-grade access work will accommodate increased traffic flow and improve access to the industries along the corridor and can be completed relatively quickly by the City of Longview and WSDOT. The 2008 WSDOT realignment feasibility analysis projected 30 to 40 percent increases in both truck and rail activity and recommended a series of near-term improvements for the corridor as well as long-term projects to expand rail and highway capacity by constructing a Single Point Urban Interchange at the SR 432/SR 433 intersection that will accommodate expansion of the Port of Longview's Industrial Rail Corridor. The grade-separated interchange and rail expansion projects will take longer at a much greater cost. This project will begin with the environmental, design and engineering aspects of the projects.

Public Safety Efforts

Public safety continued to be a top priority among the Council's strategic initiatives in 2009-2010. In 2009, the City's overall Part I crimes increased by a little over 3% and Part II crimes were down by almost 21% from 2008. In 2010, Part I crimes have been reduced by over 8% and Part II crimes over 4%, year-to-date from 2009 levels. This continued progress is positive, however the Council stays committed to its ultimate goal of reducing crime to or below the crime rates for comparable cities in Washington State.

Code Enforcement

In conjunction with traditional crime reduction efforts, the City has stepped up its nuisance code enforcement to improve the safety and quality of life in our neighborhoods. The Code Compliance Division believes that property that is taken care of is representative of alert and attentive residents, and that those who commit crimes often look for those locations where it appears that no one cares. As part of its strategic plan, Code Compliance has prioritized the Highlands area and is working with owners and residents to bring their properties into compliance. In 2009, a total of 1,055 cases city-wide were received by Code Compliance, of which 81% have been resolved. These cases have been brought into compliance either voluntarily, through the enforcement process, or by court order.

Improving neighborhoods

Improving neighborhoods, especially in the Highlands area, is another of the Council's goals. A key element to improving the quality of life in the Highlands area was to remove the large 300-gallon garbage and recycling tubs that were located in the alleys and to provide tenants and owners with individual 90-gallon carts. This "tubs-to-carts" program was initiated in September 2007 to address the high level of illegal dumping in the Highlands area. This program has been such a tremendous success that the City expanded the program throughout the community in 2009 with recycling containers. The benefits of this new "tubs-to-carts" expansion are that it helps reduce illegal dumping, provides better accountability and control for residents, and provides the City with the ability to identify the source of (recycling) contamination.

With the formation of the Highlands Neighborhood Association, a "revitalization plan" has been developed that focuses on crime prevention, housing, economic development, and public facilities and services.

Internet and City Services

The City of Longview continues to implement online applications in an effort to meet the growing demands of our citizens for information and web services:

- ◆ Citizens are currently able to pay utility bills, apply for various permits, reserve parks buildings and register for recreation classes, review the City budget, check on boards and commissions (including minutes and agendas), and access the Council agenda and minutes at www.mylongview.com.
- ◆ In 2010, the City implemented an online citizen response management system called ASK Longview whereby incidents are reported such as problems with street lights, potholes, nuisance issues, etc. Problems or issues are subsequently resolved with feedback to the citizen. ASK Longview is also available as a mobile application.
- ◆ The City will soon be implementing NEOGOV, an online application that will streamline the job advertisement and application process.
- ◆ CopLogic was also implemented in 2010. This web-based application allows citizens to report minor incidents, both online at the Longview Police Department and through the City's website.
- ◆ Also in 2010, the library's wireless access was enhanced, including improved free Internet access for citizens.
- ◆ In 2010, the City started using social media as a method of interaction with the citizens of Longview. Currently, we are using Facebook, YouTube, Flickr, and Twitter for important notices.

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- ◆ Plans for 2011 include a re-design of the City’s website to take advantage of more innovative technology and meet federal 508 Compliance.
- ◆ In addition, citizens will be able to process utility payments via the telephone through an Interactive Voice Response (IVR) system and the ability to use credit cards for recurring utility charges.

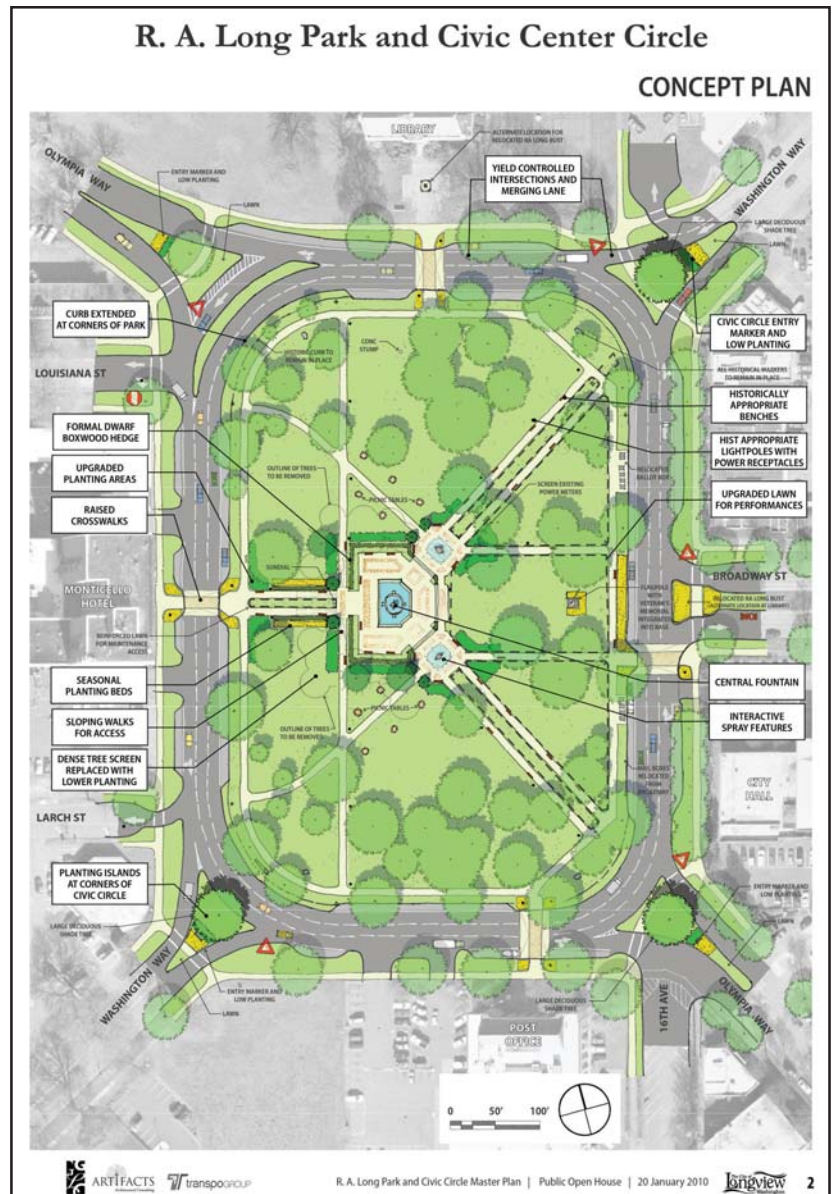
Meeting Needs and Improving the Quality of Life

Parks & Recreation

Ask almost anyone in Longview what the jewel of the community is and they will respond, “Lake Sacajawea.” This beautiful lake and surrounding park and trail system, with its bountiful species of trees and wildlife, make it no wonder that the City has received a Tree City USA designation for over 20 consecutive years. At Lake Sacajawea Park, residents enjoy a multitude of events year-round like the annual Go 4th celebration, Summer Concerts at the Lake, Turkey Trot Run/Walk and other similar events, and Free Fishing Day for youth. Visitors to the Hemlock Bridge area are greeted by a beautiful bronze sculpture of Sacajawea, for whom the park is named. An intersection widening project at Ocean Beach Highway/Kessler Boulevard created the opportunity to make significant trail improvements at the north end of the lake, and installation and upgrades to the park’s irrigation system enable staff to provide more efficient and uniform watering to the extensive grounds and lovely garden areas.

The City also began the process of preserving and enhancing two of our historic parks in the City. A **master plan for renovation of R.A. Long Park**. This master plan identifies major renovation work necessary to rehabilitate some of the major historical features of the park, relocation of the R.A. Long statue, and park enhancements making the park more attractive and alive to increase its use by the citizens of Longview. Implementation of the master plan is estimated to cost approximately \$1 million. The City is investigating ways to fund these improvements.

The City also completed a **preservation plan for Lake Sacajawea** was completed in early 2010. This plan provides a historical summary of the significance of the lake in the City’s history as well as operational and design guidelines to preserve the historical significance of the lake to the community.



Columbia Theatre Renovations

In February 2010, the City and the community celebrated the grand re-opening and renovation of the Columbia Theatre. This 1925 vaudeville theater has been an integral part of the City’s cultural history. Through a community-wide effort and a strong partnership between the City, the non-profit Columbia Theatre for the Performing Arts, the Cowlitz County Public Facilities District, and many private donors throughout the City and the County, the theater underwent a \$12 million renovation that included significant structural, mechanical, and electrical improvements, expansion of the lobby and comfort facilities, and a complete back stage rehabilitation that provided dressing rooms, theatrical and stage improvements, and creation of a new donors room for special meetings.



Improving the Vitality of Downtown

Improving the vitality of Downtown Longview continues to progress. During 2009 and 2010, the Longview Downtowners Association began a “Friday Night Live” event that included promotions and entertainment encouraging residents to visit the downtown and explore the variety of retail and restaurant establishments that exist. These events were successful through the generous support of many community volunteers and sponsors.



Branding our Identity

In 2007, the City sponsored a marketing “bootcamp” workshop that explored the topics of tourism, attracting business to downtown, and branding and imaging. Following the bootcamp, the City had a community assessment analysis performed and a task force was appointed to develop a city-wide action plan to promote economic growth and tourism in Longview. Recent accomplishments of the task force include the completion of the R. A. Long Park Master Plan and creation of a façade improvement program for downtown buildings. The task force is currently working on identifying locations and developing designs for entryway signs at three different entryways into the City.

Volunteer Partnerships

During the late spring of the past few years, thousands of hours have been volunteered by local churches, community service groups, and individuals to accomplish numerous projects within the City that might not have been completed otherwise. A few of the most notable projects included installing entryway signs along the four primary entrances to Historic Downtown; cleaning and rehabilitation of property and homes and a “Lights On” campaign to make sure all front porches in the Highlands neighborhood had workable lighting so residents could display unity and promote safety; and painting the sports stadium used by both Longview public high schools.

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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.

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.

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Revenue Sources for the City of Longview

	2008 Actual	2009 Actual	2010 Budget	2011 Budget	2012 Budget
<u>Taxes</u>	\$22,929,754	\$22,517,583	\$23,125,820	\$24,125,440	\$24,567,750
	<p>Taxes are assessments levied to support a governmental jurisdiction. Major General Fund tax sources for the City of Longview include property taxes, retail sales and use taxes, business and occupation taxes, and utility taxes. Combined, these resources account for 78% of General Fund revenue. Tax revenue estimates for the upcoming biennium show budgetary increases of 4.3% in 2011 and 1.8% in 2012. These estimates assume a slight increase in property taxes and modest growth in the retail sales forecast. The 2011-12 tax revenue estimates also provide for an increase in utility tax revenues resulting from a projected increase in utility customers and utility rate hikes. Estimates are based upon historical trends, statistical analysis, and a general awareness of trends in the local economy.</p>				
<u>Licenses & Permits</u>	\$934,602	\$965,692	\$903,650	\$929,170	\$929,020
	<p>Licenses are required for certain trades, occupations or activities for regulatory purposes. Permits are issued to aid in regulation of new business activity. Major license and permit revenue sources are business licenses and building-related permits. Together with plan review fees, license and permit revenue estimates for 2011-2012 reflect modest improvement in the commercial and industrial construction sectors for the upcoming biennium.</p>				
<u>Intergovernmental</u>	\$1,606,089	\$1,628,949	\$1,666,820	\$1,649,160	\$1,686,550
	<p>Intergovernmental revenue consists of grants and other payments to the City from other governmental units, primarily the State or neighboring local jurisdictions. For the 2011-2012 biennium, projections in intergovernmental revenue show very little change and remain at levels similar to those of the 2009-2010 biennium.</p>				
<u>Charges for Services</u>	\$2,347,317	\$2,923,140	\$2,867,540	\$3,019,120	\$3,071,930
	<p>Charges for Services represent revenues received by the City for various programs/ services provided to the community. Examples are recreational programs, engineering fees and library user fees. The 5.3% increase in 2011 provides for cost reallocations and full-cost recovery on interfund transactions. In addition, inflationary adjustments have been applied to our contracts with industries just outside Longview for outside fire protection services. In 2012, a 1.7% revenue increase is assumed. The Charges for Services category also provides for the City's contract with American Medical Response (AMR) to provide exclusive ambulance service inside the city. The City of Longview Fire Department serves as the "first responder" in medical emergencies, in return for which the City is compensated by AMR for performing these basic life support services. This arrangement for providing ambulance and emergency medical services along with City financial policy to require all of the City's enterprise funds to cover their administrative costs has resulted in a steady and reliable stream of revenues.</p>				

	2008 Actual	2009 Actual	2010 Budget	2011 Budget	2012 Budget
<u>Fines & Forfeits</u>	\$617,760	\$611,322	\$603,210	\$664,920	\$679,690
	<p>Fines and Forfeits are terms used to describe a source of general revenue that is perhaps more properly described as penalties. Primary sources of revenue received from penalties include municipal court fines and library fines. The City's 2011 estimate for Fines and Forfeits provides for a 10.2% increase. This projected increase is the result of an ongoing emphasis on traffic enforcement combined with an upward trend in municipal court case filings and the collection and receipt of municipal court fines. The 2012 projected increase for this revenue source is 2.2%.</p>				
<u>Miscellaneous Revenue</u>	\$374,259	\$178,455	\$180,650	\$131,770	\$133,710
	<p>Miscellaneous revenue is received from sources not provided for elsewhere 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 2011-12 miscellaneous revenue estimate reflects a 26% decrease from the 2009-10 estimates reflected above. Investment income has fallen sharply over the past 24 months due to an overall decline in interest rates.</p>				
<u>Other Financing Sources</u>	\$8,856	\$16,388	\$0	\$0	\$0
	<p>Other Financing Sources represent general revenue received from proceeds derived from the sale of fixed assets and inter-fund transfers received from other funds. This revenue is non-recurring and usually not predictable.</p>				
<u>TOTAL REVENUES</u>	\$28,818,637	\$28,841,529	\$29,347,690	\$30,519,580	\$31,068,650
	<p>When all General Fund revenue estimates are considered, the City projects an increase of 4.0% in 2011 and 1.8% in 2012. For the most part, the economy of any city is reflective of the region in which it is located. A city's economic viability is also largely the result of its investment in itself. Like most communities, Longview's economy has currently stalled. However, historically Longview's economic climate has consisted of modest growth year over year. As a City, we remain optimistic about our future as Longview is strategically located and well positioned for the resumption of economic growth.</p>				

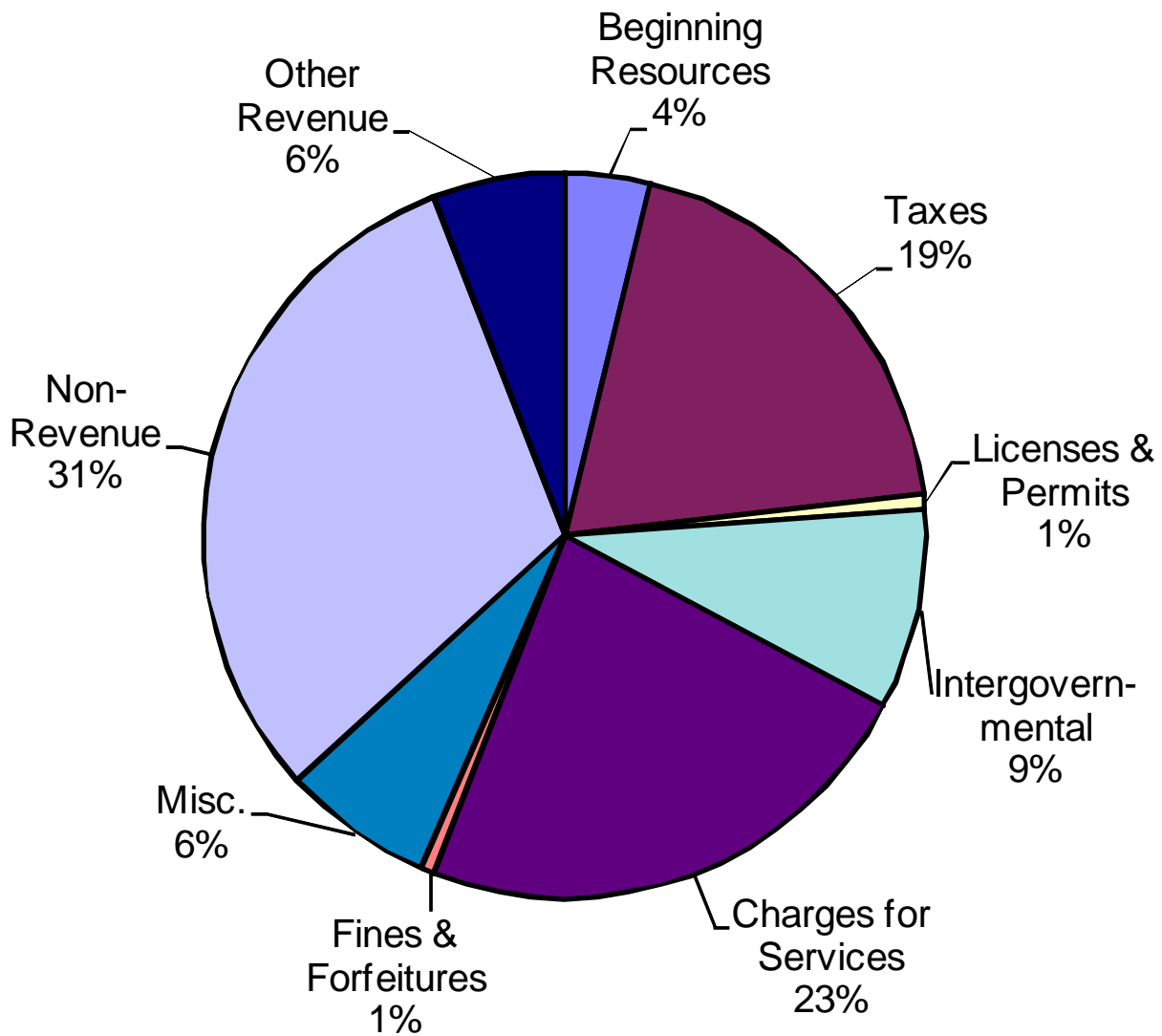
Financial Summary

Revenue Summary for 2011 By BARS Revenue Source

B.A.R.S. ID. Revenue Type	308 Beg. Res.	310 Taxes	320 Lic. & Permits	330 Intergov.	340 Chg. For Ser.	350 Fines & Forf.	360 Misc.	380 Non-Rev.	390 Other Rev.	Total Revenue
GENERAL FUND:										
General Fund	\$304,550	\$24,125,440	\$929,170	\$1,649,160	\$3,019,120	\$664,920	\$131,770	\$0	\$0	\$30,824,130
SPECIAL REVENUE FUNDS:										
Arterial Street Fund	\$1,148,000	\$0	\$0	\$928,000	\$2,500	\$0	\$7,500	\$0	\$160,000	\$2,246,000
Downtown Parking Fund	\$78,360	\$0	\$0	\$0	\$0	\$60,000	\$52,710	\$0	\$0	\$191,070
Economic Development Fund	\$175,160	\$403,890	\$0	\$0	\$7,500	\$0	\$6,550	\$0	\$500,000	\$1,093,100
HOME Fund	\$0	\$0	\$0	\$426,160	\$40,000	\$0	\$450	\$0	\$0	\$466,610
CDBG Entitlement Fund	\$0	\$0	\$0	\$865,310	\$0	\$0	\$0	\$0	\$0	\$865,310
Library Grant Fund	\$0	\$0	\$0	\$14,000	\$0	\$0	\$0	\$0	\$0	\$14,000
Criminal Justice Assistance Fund	\$22,380	\$0	\$0	\$746,820	\$0	\$0	\$25,000	\$0	\$0	\$794,200
Public Safety Fund	\$0	\$0	\$0	\$0	\$0	\$60,000	\$0	\$0	\$0	\$60,000
Tourism Special Revenue Fund	\$0	\$29,900	\$0	\$0	\$0	\$0	\$100	\$0	\$0	\$30,000
Parks & Rec. Memorial Trust Fund	\$9,000	\$0	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0	\$10,000
Northwest Health Foundation	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000	\$0	\$0	\$100,000
DEBT SERVICE FUNDS:										
2007 L.T.G.O. Bond Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$247,830	\$95,000	\$218,930	\$561,760
Special Assessment Bond Red. Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$260,000	\$0	\$0	\$260,000
Special Assessment Guaranty Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$100	\$0	\$34,900	\$35,000
CAPITAL PROJECTS FUNDS:										
Capital Projects Fund	\$320,200	\$170,000	\$0	\$2,800	\$0	\$0	\$37,000	\$0	\$0	\$530,000
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	\$2,500	\$0	\$0	\$2,500
PERMANENT FUNDS:										
Library Memorial Trust Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$1,300	\$0	\$0	\$1,300
ENTERPRISE FUNDS:										
Water Operations Fund	\$0	\$0	\$0	\$0	\$6,326,020	\$0	\$38,250	\$0	\$0	\$6,364,270
Water Construction Fund	\$711,810	\$0	\$0	\$1,179,500	\$0	\$0	\$35,000	\$13,605,900	\$2,451,550	\$17,983,760
Water Depreciation Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sewer Operations Fund	\$0	\$0	\$0	\$0	\$11,775,800	\$0	\$49,250	\$50,000	\$0	\$11,875,050
Sewer Construction Fund	\$865,040	\$0	\$0	\$2,035,000	\$0	\$0	\$38,000	\$9,315,000	\$2,311,960	\$14,565,000
Sewer Depreciation Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Filter Plant Operations Fund	\$37,320	\$0	\$0	\$5,000	\$1,129,510	\$0	\$0	\$0	\$0	\$1,171,830
Filter Plant Construction Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$2,783,070	\$16,476,930	\$0	\$19,260,000
Sanitary/ Recycling Fund	\$118,080	\$0	\$0	\$30,660	\$4,392,110	\$0	\$14,000	\$0	\$0	\$4,554,850
Storm Water Fund	\$411,150	\$0	\$0	\$70,000	\$1,897,700	\$0	\$1,500	\$0	\$0	\$2,380,350
Transit Operations Fund	\$0	\$0	\$0	\$3,349,300	\$118,600	\$0	\$30,000	\$0	\$0	\$3,497,900
Mint Valley Golf Fund	\$0	\$0	\$0	\$0	\$637,730	\$0	\$35,900	\$0	\$0	\$673,630
Mint Valley Racquet Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,130	\$10,130
INTERNAL SERVICE FUNDS:										
Insurance Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$1,486,430	\$0	\$0	\$1,486,430
Office Equipment Reserve Fund	\$0	\$0	\$0	\$9,000	\$31,950	\$0	\$5,000	\$0	\$822,150	\$868,100
Equipment Rental Operations Fund	\$15,150	\$0	\$0	\$0	\$131,280	\$0	\$1,524,190	\$0	\$0	\$1,670,620
Equipment Rental Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$970,130	\$0	\$0	\$970,130
Facility Maintenance Fund	\$54,390	\$0	\$0	\$0	\$0	\$0	\$504,020	\$0	\$0	\$558,410
Unemployment Compensation Fund	\$39,940	\$0	\$0	\$0	\$0	\$0	\$22,560	\$0	\$0	\$62,500
Employee Benefits Reserve Fund	\$288,970	\$0	\$0	\$0	\$0	\$0	\$213,530	\$0	\$0	\$502,500
FIDUCIARY FUNDS:										
Firemen's Pension Fund	\$262,850	\$0	\$0	\$36,750	\$0	\$0	\$5,100	\$0	\$644,900	\$949,600
TOTALS	\$4,862,350	\$24,729,230	\$929,170	\$11,347,460	\$29,509,820	\$784,920	\$8,629,740	\$39,542,830	\$7,504,520	\$127,840,040

Revenue Summary for 2011

Pie Chart Breakdown



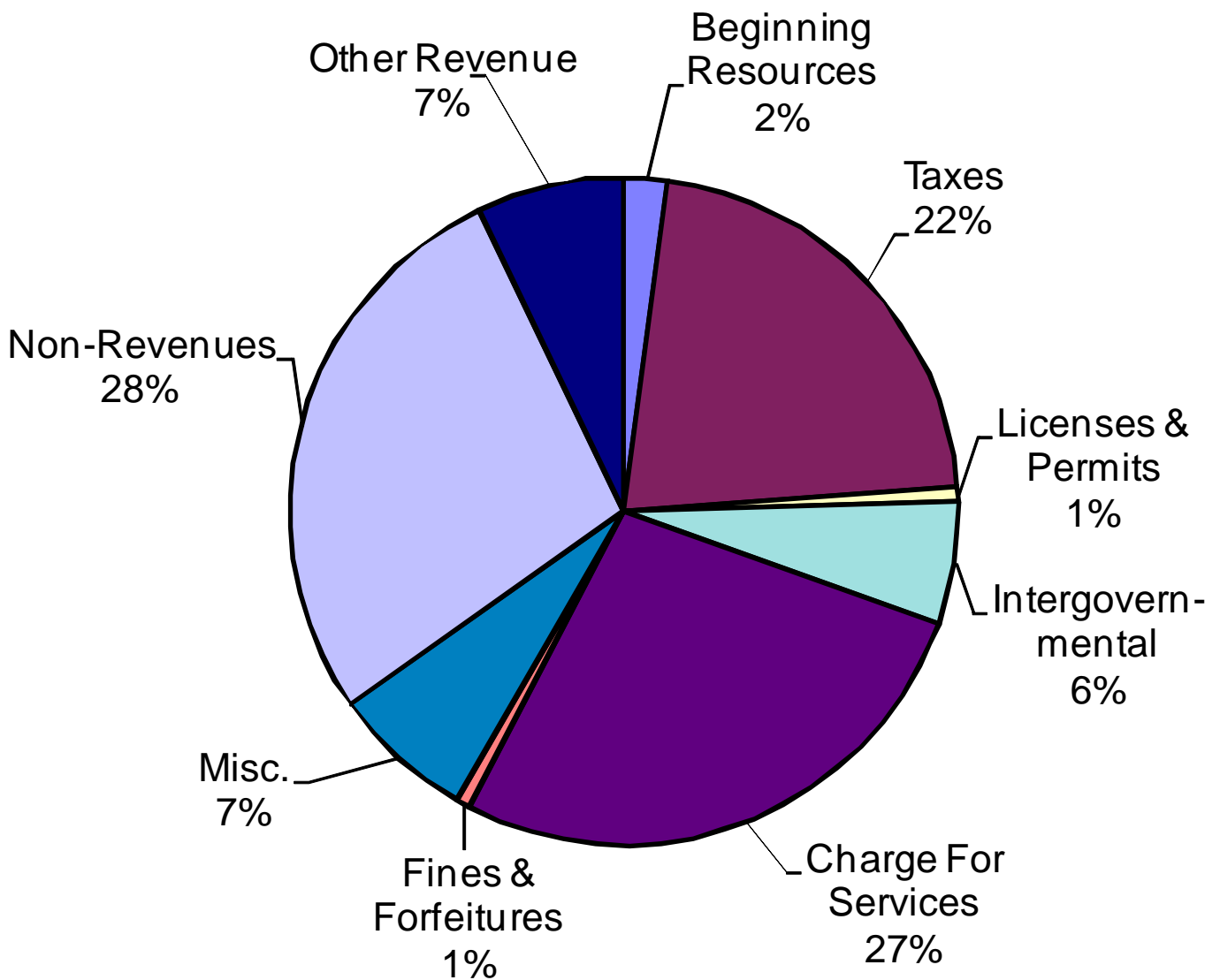
Financial Summary

Revenue Summary for 2012 By BARS Revenue Source

B.A.R.S. I.D. Revenue Type	308 Beg. Res.	310 Taxes	320 Lic. & Permits	330 Intergov.	340 Chg. For Ser.	350 Fines & Forf.	360 Misc.	380 Non-Rev.	390 Other Rev.	Total Revenue
GENERAL FUND:										
General Fund	\$882,810	\$24,567,750	\$929,020	\$1,686,550	\$3,071,930	\$679,690	\$133,710	\$0	\$0	\$31,951,460
SPECIAL REVENUE FUNDS:										
Arterial Street Fund	\$0	\$0	\$0	\$240,000	\$2,500	\$0	\$7,500	\$0	\$0	\$250,000
Downtown Parking Fund	\$19,320	\$0	\$0	\$0	\$0	\$66,000	\$60,450	\$0	\$0	\$145,770
Economic Development Fund	\$155,240	\$407,440	\$0	\$0	\$7,500	\$0	\$6,550	\$0	\$500,000	\$1,076,730
HOME Fund	\$0	\$0	\$0	\$547,070	\$42,500	\$0	\$470	\$0	\$0	\$590,040
CDBG Entitlement Fund	\$0	\$0	\$0	\$181,860	\$0	\$0	\$0	\$0	\$0	\$181,860
Library Grant Fund	\$0	\$0	\$0	\$14,000	\$0	\$0	\$0	\$0	\$0	\$14,000
Criminal Justice Assistance Fund	\$100,730	\$0	\$0	\$525,390	\$0	\$0	\$26,000	\$0	\$0	\$652,120
Public Safety Fund	\$0	\$0	\$0	\$0	\$0	\$62,500	\$0	\$0	\$0	\$62,500
Tourism Special Revenue Fund	\$0	\$29,900	\$0	\$0	\$0	\$0	\$100	\$0	\$0	\$30,000
Parks & Rec. Memorial Trust Fund	\$9,000	\$0	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0	\$10,000
Northwest Health Foundation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DEBT SERVICE FUNDS:										
2007 L.T.G.O. Bond Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$243,830	\$105,000	\$217,830	\$566,660
Special Assessment Bond Red. Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$260,000	\$0	\$0	\$260,000
Special Assessment Guaranty Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$150	\$0	\$37,850	\$38,000
CAPITAL PROJECTS FUNDS:										
Capital Projects Fund	\$0	\$170,000	\$0	\$3,000	\$0	\$0	\$36,000	\$0	\$0	\$209,000
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	\$2,500	\$0	\$0	\$2,500
PERMANENT FUNDS:										
Library Trust Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$1,300	\$0	\$0	\$1,300
ENTERPRISE FUNDS:										
Water Operations Fund	\$0	\$0	\$0	\$0	\$6,710,220	\$0	\$43,250	\$0	\$0	\$6,753,470
Water Construction Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$35,000	\$9,791,130	\$2,799,460	\$12,625,590
Water Depreciation Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sewer Operations Fund	\$0	\$0	\$0	\$0	\$12,901,300	\$0	\$55,250	\$50,000	\$0	\$13,006,550
Sewer Construction Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$38,000	\$9,889,520	\$2,842,480	\$12,770,000
Sewer Depreciation Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Filter Plant Operations Fund	\$115,560	\$0	\$0	\$0	\$1,094,380	\$0	\$0	\$0	\$0	\$1,209,940
Filter Plant Construction Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$1,916,070	\$11,343,930	\$0	\$13,260,000
Sanitary/ Recycling Fund	\$74,470	\$0	\$0	\$30,660	\$4,501,920	\$0	\$14,000	\$0	\$0	\$4,621,050
Storm Water Fund	\$0	\$0	\$0	\$65,000	\$2,220,310	\$0	\$750	\$847,170	\$0	\$3,133,230
Transit Operations Fund	\$0	\$0	\$0	\$3,477,030	\$118,680	\$0	\$30,000	\$0	\$0	\$3,625,710
Mint Valley Golf Fund	\$0	\$0	\$0	\$0	\$653,110	\$0	\$38,900	\$0	\$0	\$692,010
Mint Valley Racquet Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,140	\$10,140
INTERNAL SERVICE FUNDS:										
Insurance Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$1,556,310	\$0	\$0	\$1,556,310
Office Equipment Reserve Fund	\$6,600	\$0	\$0	\$9,000	\$51,250	\$0	\$15,000	\$0	\$822,150	\$904,000
Equipment Rental Operations Fund	\$18,830	\$0	\$0	\$0	\$135,220	\$0	\$1,706,340	\$0	\$0	\$1,860,390
Equipment Rental Reserve Fund	\$321,260	\$0	\$0	\$0	\$0	\$0	\$998,940	\$0	\$0	\$1,320,200
Facility Maintenance Fund	\$70,460	\$0	\$0	\$0	\$0	\$0	\$499,880	\$0	\$0	\$570,340
Unemployment Compensation Fund	\$38,990	\$0	\$0	\$0	\$0	\$0	\$23,510	\$0	\$0	\$62,500
Employee Benefits Reserve Fund	\$296,490	\$0	\$0	\$0	\$0	\$0	\$220,510	\$0	\$0	\$517,000
FIDUCIARY FUNDS:										
Fremen's Pension Fund	\$256,320	\$0	\$0	\$38,000	\$0	\$0	\$5,100	\$0	\$674,650	\$974,070
TOTALS	\$2,366,080	\$25,175,090	\$929,020	\$6,817,560	\$31,510,820	\$808,190	\$7,976,370	\$32,026,750	\$8,254,560	\$115,864,440

Revenue Summary for 2012

Pie Chart Breakdown



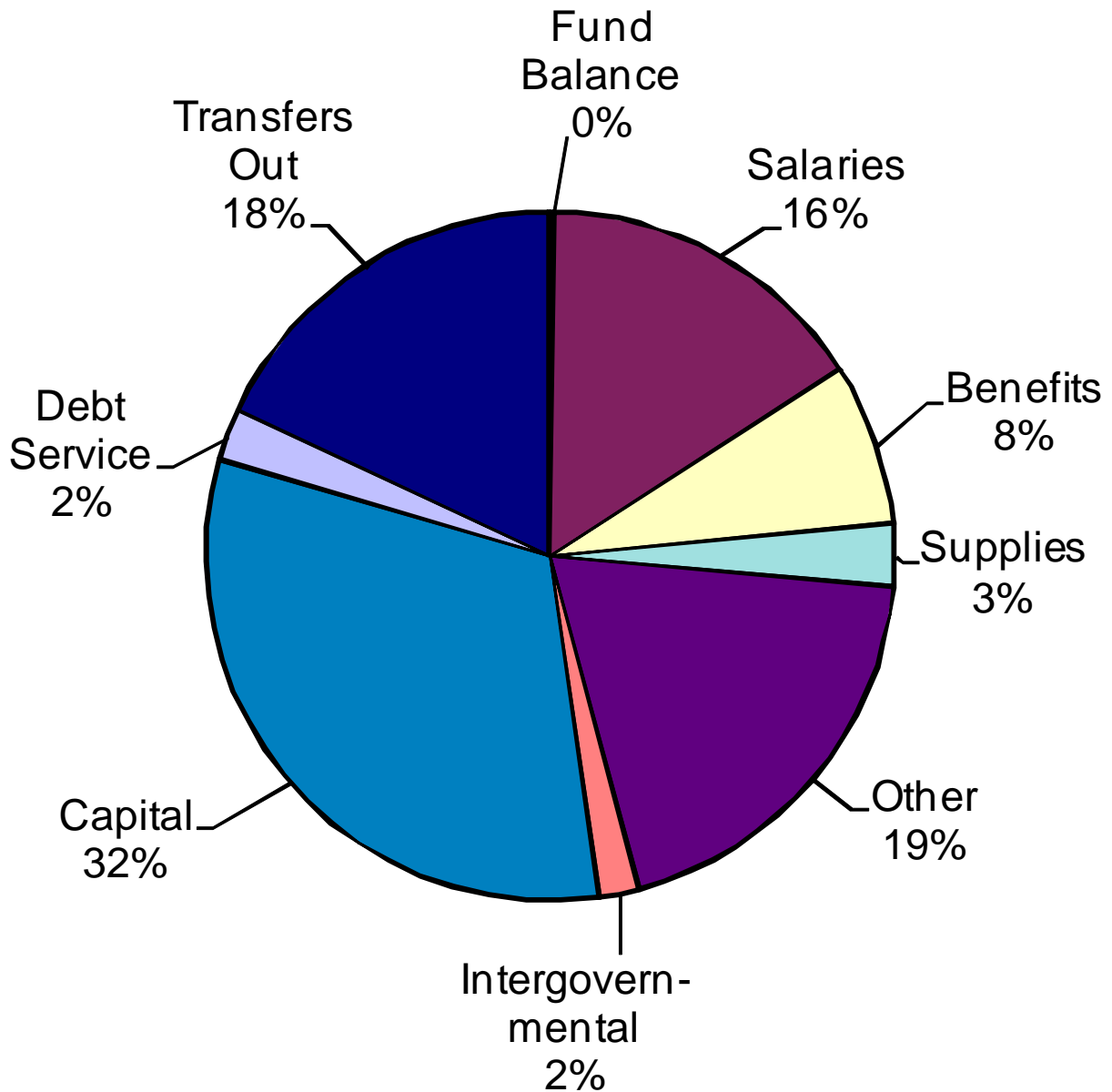
Financial Summary

Expenditure Summary for 2011 By BARS Expenditure Object

B.A.R.S. I.D. Type of Expenditure	508 Fund Bal.	510 Salaries	520 Benefits	530 Supplies	540 Other	550 Intergovt.	560 Capital	570 Debt Service	590 Trans. Out	Total Expenditure
GENERAL FUND:										
General Fund	\$0	\$14,839,470	\$5,921,620	\$789,570	\$5,231,670	\$2,448,510	\$80,950	\$175,550	\$1,336,790	\$30,824,130
SPECIAL REVENUE FUNDS:										
Arterial Street Fund	\$0	\$0	\$0	\$0	\$120,000	\$0	\$2,090,000	\$36,000	\$0	\$2,246,000
Downtown Parking Fund	\$0	\$69,300	\$38,040	\$1,200	\$14,430	\$0	\$68,100	\$0	\$0	\$191,070
Economic Development Fund	\$0	\$48,550	\$10,600	\$8,610	\$233,680	\$20,000	\$0	\$771,660	\$0	\$1,093,100
HOME Fund	\$0	\$0	\$0	\$0	\$466,610	\$0	\$0	\$0	\$0	\$466,610
CDBG Entitlement Fund	\$0	\$0	\$0	\$0	\$865,310	\$0	\$0	\$0	\$0	\$865,310
Library Grant Fund	\$0	\$0	\$0	\$7,750	\$6,250	\$0	\$0	\$0	\$0	\$14,000
Criminal Justice Assistance Fund	\$0	\$413,130	\$146,730	\$109,530	\$124,810	\$0	\$0	\$0	\$0	\$794,200
Public Safety Fund	\$0	\$0	\$0	\$0	\$60,000	\$0	\$0	\$0	\$0	\$60,000
Tourism Special Revenue Fund	\$0	\$0	\$0	\$0	\$30,000	\$0	\$0	\$0	\$0	\$30,000
Parks & Rec. Memorial Trust Fund	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	\$10,000
Northwest Health Foundation	\$0	\$0	\$0	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
DEBT SERVICE FUNDS:										
2007 G.O. Bond Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$561,760	\$0	\$561,760
Special Assessment Bond Red. Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250,000	\$10,000	\$260,000
Special Assessment Guaranty Fund	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0	\$0	\$34,000	\$35,000
CAPITAL PROJECTS FUNDS:										
Capital Projects Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$530,000	\$0	\$0	\$530,000
L.I.D. Construction Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$350,000	\$0	\$0	\$350,000
Building Replacement Fund	\$2,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500
PERMANENT FUNDS:										
Library Memorial Trust Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,300	\$1,300
ENTERPRISE FUNDS:										
Water Operations Fund	\$0	\$791,940	\$310,210	\$1,164,810	\$1,255,060	\$0	\$0	\$295,350	\$2,546,900	\$6,364,270
Water Construction Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$1,470,000	\$36,830	\$16,476,930	\$17,983,760
Water Depreciation Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sewer Operations Fund	\$0	\$981,850	\$417,580	\$119,410	\$6,969,300	\$0	\$0	\$928,900	\$2,458,010	\$11,875,050
Sewer Construction Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$14,565,000	\$0	\$0	\$14,565,000
Sewer Depreciation Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Filter Plant Operations Fund	\$0	\$367,720	\$125,850	\$111,530	\$549,430	\$0	\$0	\$0	\$17,300	\$1,171,830
Filter Plant Construction Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$19,260,000	\$0	\$0	\$19,260,000
Sanitary/ Recycling Fund	\$0	\$209,020	\$103,950	\$5,900	\$4,175,830	\$0	\$0	\$0	\$60,150	\$4,554,850
Storm Water Fund	\$0	\$640,420	\$311,880	\$33,030	\$808,220	\$0	\$560,000	\$0	\$26,800	\$2,380,350
Transit Operations Fund	\$0	\$723,160	\$291,230	\$12,040	\$1,584,050	\$0	\$850,320	\$0	\$37,100	\$3,497,900
Mint Valley Golf Fund	\$0	\$212,160	\$83,070	\$95,070	\$252,470	\$0	\$0	\$19,510	\$11,350	\$673,630
Mint Valley Racquet Fund	\$0	\$0	\$0	\$0	\$10,130	\$0	\$0	\$0	\$0	\$10,130
INTERNAL SERVICE FUNDS:										
Insurance Reserve Fund	\$126,000	\$137,740	\$413,560	\$8,160	\$800,970	\$0	\$0	\$0	\$0	\$1,486,430
Office Equipment Reserve Fund	\$0	\$0	\$0	\$483,100	\$256,900	\$0	\$128,100	\$0	\$0	\$868,100
Equipment Rental Operations Fund	\$0	\$344,080	\$152,570	\$819,130	\$327,340	\$0	\$0	\$0	\$27,500	\$1,670,620
Equipment Rental Reserve Fund	\$171,050	\$0	\$0	\$0	\$95,790	\$0	\$703,290	\$0	\$0	\$970,130
Facility Maintenance Fund	\$0	\$183,320	\$70,860	\$43,220	\$252,660	\$0	\$0	\$0	\$8,350	\$558,410
Unemployment Compensation Fund	\$0	\$0	\$62,500	\$0	\$0	\$0	\$0	\$0	\$0	\$62,500
Employee Benefits Reserve Fund	\$0	\$0	\$400,000	\$0	\$102,500	\$0	\$0	\$0	\$0	\$502,500
FIDUCIARY FUNDS:										
Firemen's Pension Fund	\$0	\$26,830	\$863,170	\$100	\$59,500	\$0	\$0	\$0	\$0	\$949,600
TOTALS	\$299,550	\$19,988,690	\$9,723,420	\$3,822,160	\$24,753,910	\$2,468,510	\$40,655,760	\$3,075,560	\$23,052,480	\$127,840,040

Expenditure Summary for 2011

Pie Chart Breakdown

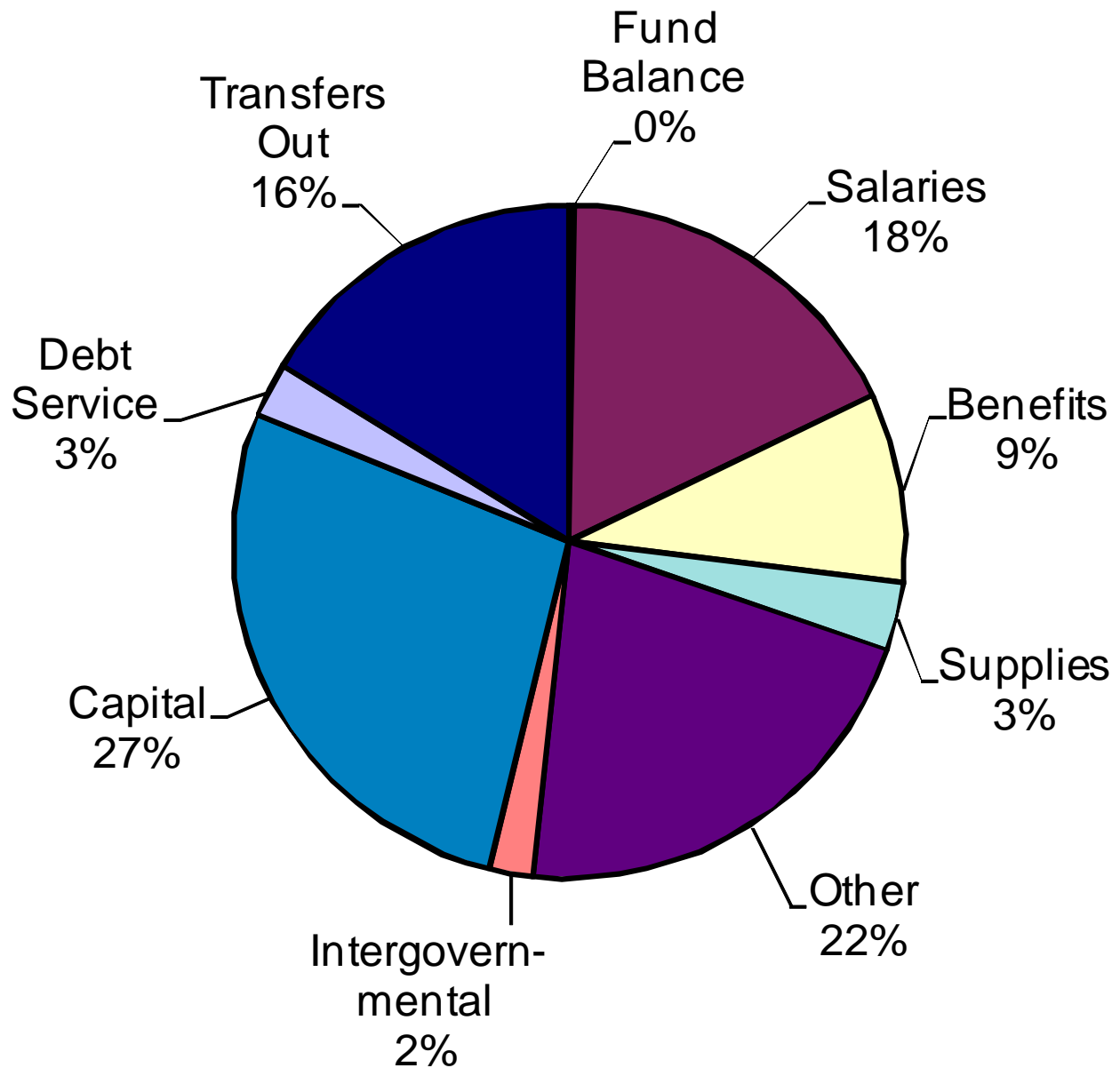


Financial Summary

Expenditure Summary for 2012 By BARS Expenditure Object

B.A.R.S. I.D. Type of Expenditure	508 Fund Bal.	510 Salaries	520 Benefits	530 Supplies	540 Other	550 Intergovt.	560 Capital	570 Debt Service	590 Trans. Out	Total Expenditure
GENERAL FUND:										
General Fund	\$0	\$15,271,650	\$6,368,400	\$789,050	\$5,395,170	\$2,494,680	\$84,920	\$182,160	\$1,365,430	\$31,951,460
SPECIAL REVENUE FUNDS:										
Arterial Street Fund	\$139,670	\$0	\$0	\$0	\$50,000	\$0	\$25,000	\$35,330	\$0	\$250,000
Downtown Parking Fund	\$0	\$71,260	\$41,770	\$1,200	\$15,440	\$0	\$16,100	\$0	\$0	\$145,770
Economic Development Fund	\$0	\$37,900	\$8,370	\$8,610	\$233,680	\$20,000	\$0	\$768,170	\$0	\$1,076,730
HOME Fund	\$0	\$0	\$0	\$0	\$590,040	\$0	\$0	\$0	\$0	\$590,040
CDBG Entitlement Fund	\$0	\$0	\$0	\$0	\$181,860	\$0	\$0	\$0	\$0	\$181,860
Library Grant Fund	\$0	\$0	\$0	\$7,750	\$6,250	\$0	\$0	\$0	\$0	\$14,000
Criminal Justice Assistance Fund	\$0	\$415,620	\$153,690	\$17,950	\$64,860	\$0	\$0	\$0	\$0	\$652,120
Public Safety Fund	\$0	\$0	\$0	\$0	\$62,500	\$0	\$0	\$0	\$0	\$62,500
Tourism Special Revenue Fund	\$0	\$0	\$0	\$0	\$30,000	\$0	\$0	\$0	\$0	\$30,000
Parks & Rec. Memorial Trust Fund	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	\$10,000
Northwest Health Foundation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DEBT SERVICE FUNDS:										
2007 G.O. Bond Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$566,660	\$0	\$566,660
Special Assessment Bond Red. Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250,000	\$10,000	\$260,000
Special Assessment Guaranty Fund	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0	\$0	\$37,000	\$38,000
CAPITAL PROJECTS FUNDS:										
Capital Projects Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$209,000	\$0	\$0	\$209,000
L.I.D. Construction Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$350,000	\$0	\$0	\$350,000
Building Replacement Fund	\$2,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500
PERMANENT FUNDS:										
Library Memorial Trust Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,300	\$1,300
ENTERPRISE FUNDS:										
Water Operations Fund	\$0	\$809,080	\$343,540	\$1,126,810	\$1,283,880	\$0	\$0	\$295,350	\$2,894,810	\$6,753,470
Water Construction Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$1,245,000	\$36,660	\$11,343,930	\$12,625,590
Water Depreciation Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sewer Operations Fund	\$0	\$1,009,570	\$461,070	\$119,410	\$7,532,360	\$0	\$0	\$895,610	\$2,988,530	\$13,006,550
Sewer Construction Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$12,770,000	\$0	\$0	\$12,770,000
Sewer Depreciation Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Filter Plant Operations Fund	\$0	\$384,950	\$141,230	\$111,530	\$554,930	\$0	\$0	\$0	\$17,300	\$1,209,940
Filter Plant Construction Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$13,260,000	\$0	\$0	\$13,260,000
Sanitary/ Recycling Fund	\$0	\$221,040	\$115,950	\$5,900	\$4,218,010	\$0	\$0	\$0	\$60,150	\$4,621,050
Storm Water Fund	\$0	\$655,960	\$344,280	\$33,030	\$843,160	\$0	\$1,230,000	\$0	\$26,800	\$3,133,230
Transit Operations Fund	\$0	\$749,410	\$322,890	\$12,040	\$1,683,950	\$0	\$820,320	\$0	\$37,100	\$3,625,710
Mint Valley Golf Fund	\$0	\$217,570	\$91,620	\$95,070	\$256,160	\$0	\$0	\$20,240	\$11,350	\$692,010
Mint Valley Racquet Fund	\$0	\$0	\$0	\$0	\$10,140	\$0	\$0	\$0	\$0	\$10,140
INTERNAL SERVICE FUNDS:										
Insurance Reserve Fund	\$68,720	\$140,480	\$468,650	\$8,160	\$870,300	\$0	\$0	\$0	\$0	\$1,556,310
Office Equipment Reserve Fund	\$10,000	\$0	\$0	\$395,500	\$251,900	\$0	\$246,600	\$0	\$0	\$904,000
Equipment Rental Operations Fund	\$0	\$353,980	\$169,740	\$973,270	\$335,900	\$0	\$0	\$0	\$27,500	\$1,860,390
Equipment Rental Reserve Fund	\$0	\$0	\$0	\$0	\$4,660	\$0	\$1,315,540	\$0	\$0	\$1,320,200
Facility Maintenance Fund	\$0	\$185,720	\$77,430	\$43,220	\$255,620	\$0	\$0	\$0	\$8,350	\$570,340
Unemployment Compensation Fund	\$0	\$0	\$62,500	\$0	\$0	\$0	\$0	\$0	\$0	\$62,500
Employee Benefits Reserve Fund	\$0	\$0	\$412,000	\$0	\$105,000	\$0	\$0	\$0	\$0	\$517,000
FIDUCIARY FUNDS:										
Firemen's Pension Fund	\$0	\$27,360	\$887,110	\$100	\$59,500	\$0	\$0	\$0	\$0	\$974,070
TOTALS	\$220,890	\$20,551,550	\$10,470,240	\$3,758,600	\$24,896,270	\$2,514,680	\$31,572,480	\$3,050,180	\$18,829,550	\$115,864,440

Expenditure Summary for 2012 Pie Chart Breakdown



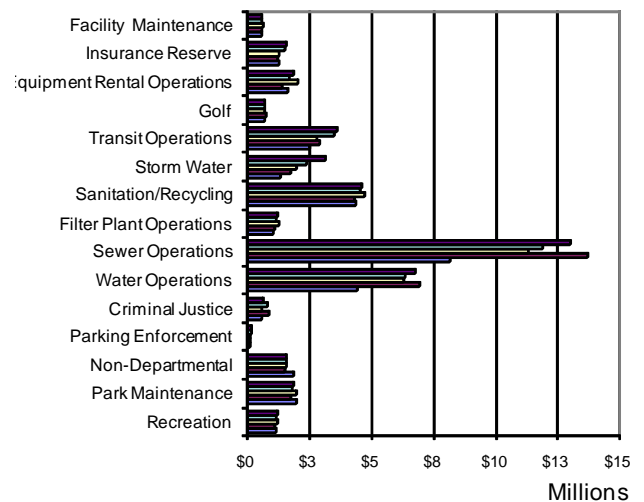
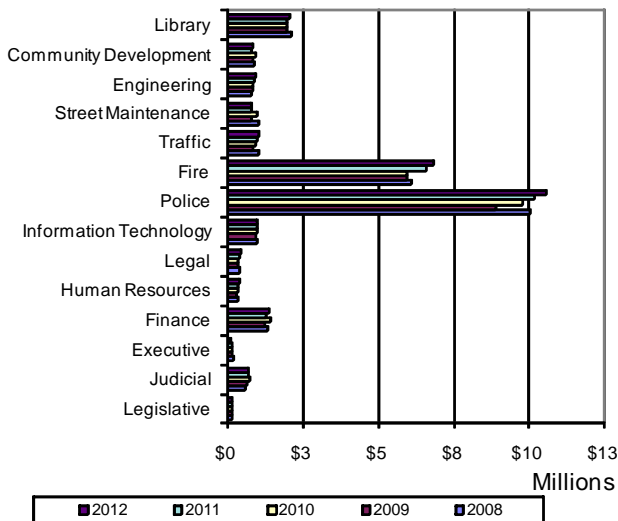
Financial Summary

Comparisons by Funds

Fund	2009 Actual	2010 Budget	2011 Budget	2012 Budget
GENERAL FUND:				
General Fund	\$28,378,470	\$30,361,460	\$30,824,130	\$31,951,460
SPECIAL REVENUE FUNDS:				
Arterial Street Fund	\$2,111,580	\$848,580	\$2,246,000	\$250,000
Downtown Parking Fund	\$89,160	\$123,600	\$191,070	\$145,770
Economic Development Fund	\$1,473,420	\$2,320,180	\$1,093,100	\$1,076,730
HOME Fund	\$358,980	\$591,990	\$466,610	\$590,040
CDBG Entitlement Fund	\$438,740	\$505,500	\$865,310	\$181,860
Library Grant Fund	\$5,260	\$13,500	\$14,000	\$14,000
Criminal Justice Assistance Fund	\$888,640	\$567,340	\$794,200	\$652,120
Public Safety Fund	\$0	\$0	\$60,000	\$62,500
Tourism Special Revenue Fund	\$7,700	\$28,000	\$30,000	\$30,000
Parks & Rec. Memorial Trust Fund	\$2,510	\$17,500	\$10,000	\$10,000
Northwest Health Foundation	\$33,770	\$0	\$100,000	\$0
DEBT SERVICE FUNDS:				
2007 L.T.G.O. Bond Fund	\$529,860	\$551,150	\$561,760	\$566,660
Spec. Assess. Bond Red. Fund	\$114,390	\$389,500	\$260,000	\$260,000
Spec. Assess. Guaranty Fund	\$10,310	\$57,500	\$35,000	\$38,000
CAPITAL PROJECTS FUNDS:				
Capital Projects Fund	\$863,990	\$1,117,000	\$530,000	\$209,000
L.I.D. Construction Fund	\$0	\$350,000	\$350,000	\$350,000
Building Replacement Fund	\$0	\$10,000	\$2,500	\$2,500
PERMANENT FUNDS:				
Library Trust Fund	\$30	\$1,300	\$1,300	\$1,300
ENTERPRISE FUNDS:				
Water Operations Fund	\$6,909,280	\$6,291,550	\$6,364,270	\$6,753,470
Water Construction Fund	\$3,360,770	\$13,878,750	\$17,983,760	\$12,625,590
Water Depreciation Reserve Fund	\$1,339,470	\$0	\$0	\$0
Sewer Operations Fund	\$13,699,960	\$11,323,880	\$11,875,050	\$13,006,550
Sewer Construction Fund	\$2,822,350	\$11,455,000	\$14,565,000	\$12,770,000
Sewer Depreciation Reserve Fund	\$2,389,540	\$0	\$0	\$0
Filter Plant Operations Fund	\$1,114,360	\$1,298,550	\$1,171,830	\$1,209,940
Filter Plant Construction Fund	\$2,554,640	\$15,660,000	\$19,260,000	\$13,260,000
Sanitary/Recycling Fund	\$4,330,950	\$4,714,400	\$4,554,850	\$4,621,050
Storm Water Fund	\$1,734,590	\$1,963,760	\$2,380,350	\$3,133,230
Transit Operations Fund	\$2,927,460	\$2,814,580	\$3,497,900	\$3,625,710
Mint Valley Golf Fund	\$730,880	\$696,890	\$673,630	\$692,010
Mint Valley Racquet Fund	\$25,240	\$14,750	\$10,130	\$10,140
INTERNAL SERVICE FUNDS:				
Insurance Reserve Fund	\$1,242,970	\$1,297,730	\$1,486,430	\$1,556,310
Office Equipment Reserve Fund	\$599,970	\$1,100,400	\$868,100	\$904,000
Equipment Rental Operations Fund	\$1,370,880	\$2,012,420	\$1,670,620	\$1,860,390
Equipment Rental Reserve Fund	\$1,543,720	\$1,031,820	\$970,130	\$1,320,200
Facility Maintenance Fund	\$566,410	\$631,110	\$558,410	\$570,340
Unemployment Compensation Fund	\$39,490	\$62,500	\$62,500	\$62,500
Employee Benefits Reserve Fund	\$256,350	\$586,600	\$502,500	\$517,000
FIDUCIARY FUNDS:				
Firemen's Pension Fund	\$732,140	\$951,070	\$949,600	\$974,070
TOTALS	\$85,598,230	\$115,639,860	\$127,840,040	\$115,864,440

Five-Year Comparisons by City Departments

Department	2008	2009	2010	2011	2012
	Actual	Actual	Budget	Budget	Budget
Legislative	\$168,281	\$156,000	\$169,260	\$166,100	\$168,650
Judicial	\$602,555	\$661,260	\$725,010	\$680,070	\$700,210
Executive	\$211,209	\$149,380	\$144,580	\$148,520	\$103,040
Finance	\$1,342,843	\$1,260,230	\$1,425,030	\$1,304,570	\$1,386,680
Human Resources	\$370,978	\$327,630	\$350,890	\$365,800	\$383,500
Legal	\$390,646	\$369,130	\$379,340	\$421,080	\$439,900
Information Technology	\$970,627	\$935,670	\$978,370	\$977,240	\$1,017,240
Police	\$10,010,537	\$8,872,890	\$9,795,080	\$10,192,440	\$10,562,970
Fire	\$6,078,527	\$5,930,680	\$5,972,770	\$6,566,390	\$6,844,200
Traffic	\$1,029,619	\$839,960	\$937,230	\$1,005,740	\$1,038,540
Street Maintenance	\$1,025,168	\$812,020	\$989,030	\$778,100	\$815,210
Engineering	\$809,394	\$829,290	\$830,400	\$891,390	\$933,670
Community Development	\$878,606	\$867,170	\$922,380	\$804,260	\$840,460
Library	\$2,121,744	\$1,971,550	\$1,986,070	\$1,975,320	\$2,059,360
Recreation	\$1,160,543	\$1,115,080	\$1,220,980	\$1,159,730	\$1,207,460
Park Maintenance	\$1,982,998	\$1,749,160	\$1,975,870	\$1,821,870	\$1,890,740
Non-Departmental	\$1,875,585	\$1,531,370	\$1,559,170	\$1,565,510	\$1,559,630
Parking Enforcement	\$102,693	\$89,160	\$123,600	\$191,070	\$145,770
Criminal Justice	\$593,292	\$888,640	\$567,340	\$794,200	\$652,120
Water Operations	\$4,434,615	\$6,909,280	\$6,291,550	\$6,364,270	\$6,753,470
Sewer Operations	\$8,183,617	\$13,699,960	\$11,323,880	\$11,875,050	\$13,006,550
Filter Plant Operations	\$1,065,195	\$1,114,360	\$1,298,550	\$1,171,830	\$1,209,940
Sanitation/Recycling	\$4,377,954	\$4,330,950	\$4,714,400	\$4,554,850	\$4,621,050
Storm Water	\$1,311,379	\$1,734,590	\$1,963,760	\$2,380,350	\$3,133,230
Transit Operations	\$2,479,784	\$2,927,460	\$2,814,580	\$3,497,900	\$3,625,710
Golf	\$719,668	\$730,880	\$696,890	\$673,630	\$692,010
Equipment Rental Operations	\$1,605,365	\$1,370,880	\$2,012,420	\$1,670,620	\$1,860,390
Insurance Reserve	\$1,305,336	\$1,242,970	\$1,297,730	\$1,486,430	\$1,556,310
Facility Maintenance	\$578,334	\$566,410	\$631,110	\$558,410	\$570,340



Financial Summary

Long-Term Debt

The City of Longview’s authority 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 2009 assessed valuation of \$2,809,338,824 is:

Property Valuation (2009 assessment for 2010 collection) \$2,809,338,824

INDEBTEDNESS FOR GENERAL PURPOSES

NON-VOTED DEBT LIMITS

Limit without vote (1.5% of assessed value)		42,140,082
General obligation bonds outstanding	\$15,585,000	
Other general obligation debt	1,564,396	
Total general obligation debt	\$17,149,396	
Total GO debt reduced by:		
Applicable governmental fund assets available		(14,938,728)
Applicable proprietary fund assets available		(90,667)
Net outstanding non-voted debt		2,120,001
REMAINING NON-VOTED DEBT CAPACITY		\$40,020,081

VOTED DEBT LIMITS

Limit with vote (2.5% of assessed value)	\$70,233,471
Less: Net outstanding non-voted debt	2,120,001
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>\$68,113,470</u></u>

INDEBTEDNESS FOR UTILITY PURPOSES

Limit with vote (2.5% of assessed value)	\$70,233,471
Less: Total net general purpose debt	<u>2,120,001</u>
REMAINING VOTED UTILITY DEBT CAPACITY	<u><u>\$68,113,470</u></u>

INDEBTEDNESS FOR PARKS AND OPEN SPACES

Limit with vote (2.5% of assessed value)	\$70,233,471
Less: Total net general and utility purpose debt	<u>2,120,001</u>
REMAINING VOTED PARKS AND OPEN SPACES DEBT CAPACITY	<u><u>\$68,113,470</u></u>

Schedule of Long-Term Debt for the period ending December 31, 2009

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
2010	\$655,000	\$678,036	\$185,952	\$45,678
2011	\$685,000	\$650,638	\$187,909	\$40,912
2012	\$725,000	\$621,524	\$189,976	\$36,035
2013	\$775,000	\$589,528	\$192,158	\$31,044
2014	\$820,000	\$555,114	\$194,463	\$25,929
2015-19	\$3,620,000	\$2,224,052	\$613,938	\$56,882
2020-24	\$3,810,000	\$1,456,698	\$0	\$0
2025-29	\$3,055,000	\$610,322	\$0	\$0
2030-34	\$1,440,000	\$97,680	\$0	\$0
	<u>\$15,585,000</u>	<u>\$7,483,592</u>	<u>\$1,564,396</u>	<u>\$236,480</u>

Financial Summary

General Obligation Bonds & Other General Obligation Debt

On December 31, 2009, the City had \$15,585,000 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, 2009, are as follows:

\$2,050,000 - 2000 Limited Tax General Obligation

\$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%\$854,250

\$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 5.40%\$50,250

\$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 %.....\$100,500

\$7,535,000 - 2004 Limited Tax General Obligation

2004 Mint Farm Industrial Park serial bonds due in installments of \$140,000 to \$550,000 through December 1, 2026 with interest at 2.59% to 4.265%\$6,785,000

\$8,095,000 - 2007 Limited Tax General Obligation

2007 Public Facilities District/Columbia Theatre serial bonds due in installments of \$105,000 to \$510,000 through June 1, 2032 with interest at 4.00% to 5.00%.....\$7,795,000

Total General Obligation Bonds Outstanding\$15,585,000

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, 2009, the amount outstanding on these obligations was \$1,564,396. Outstanding Other General Obligation Debt as of December 31, 2009, was as follows:

\$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.....\$166,630

\$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 Economic Development Fund.....\$857,142

\$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 Economic Development Fund.\$395,917

\$160,000 – 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 1% per annum on the outstanding principal balance with final payment due January 1, 2018. Payment for this loan is provided by the Economic Development Fund.\$144,707

Total Other General Obligation Debt Outstanding.....\$1,564,396

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
2010	\$1,000,000	\$155,000	\$150,511	\$9,333
2011	\$1,000,000	\$105,000	\$112,590	\$7,907
2012	\$1,000,000	\$55,000	\$112,590	\$6,860
2013	\$0	\$0	\$80,331	\$5,814
2014	\$0	\$0	\$80,331	\$5,412
2015-19	\$0	\$0	\$401,655	\$21,035
2020-24	\$0	\$0	\$401,655	\$10,993
2025-29	\$0	\$0	\$198,751	\$2,178
	\$3,000,000	\$315,000	\$1,538,414	\$69,532

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, 2009, amounted to \$3,000,000. These bonds are payable through 2012. Payment for outstanding revenue bond debt is provided by the Water/Sewer Fund.

\$3,910,000 – 2005 Water-Sewer Revenue Refunding Bonds due in annual installments beginning December 1, 2009 of \$910,000 to \$1,000,000 through December 1, 2012 with interest at 4.00% to 5.50%.....\$3,000,000

Total Revenue Bonds Outstanding..... \$3,000,000

Financial Summary

Other Enterprise Debt

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

\$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.....	\$37,920
\$661,500 - Timber Public Works Trust Fund Loan. Proceeds were utilized to fund the construction of the Tennant Way Sewer main. Annual interest payments of 2% per annum on outstanding principal balance with final payment due July 1, 2012.....	\$96,779
\$750,000 - 2005 Public Works Trust Fund Loan. Proceeds were utilized to fund replacement of specific components at the Cowlitz County Regional Sewage Treatment Facility. Annual installments beginning July 1, 2005, through July 1, 2010, interest at ½%.....	\$653,715
\$750,000 - 2009 Public Works Trust Fund Loan. Proceeds to fund replacement of specific components at the Cowlitz County Regional Sewage Treatment Facility. Annual interest payments of ½% per annum on outstanding principal balance with final payment due July 1, 2028.	<u>\$750,000</u>
Total Other Enterprise Debt.....	<u>\$1,538,414</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, 2009, totaled \$150,000.

\$850,441 – 2002 Local Improvement District No. 343 term bonds due September, 2014, interest at 2% - 4.625%	\$105,000
\$49,300 – 2004 Local Improvement District No. 344 term bonds due September, 2016, interest at 3.75%.....	\$17,000
\$61,710 – 2004 Local Improvement District No. 345 term bonds due September, 2016, interest at 3.75%.....	\$19,000
\$30,361 – 2004 Local Improvement District No. 346 term bonds due September, 2016, interest at 3.75%.....	<u>\$9,000</u>
Total Local Improvement District Bonds Outstanding	<u>\$150,000</u>

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

SPECIAL ASSESSMENT DEBT

Year ending December, 31	Bonds	
	Principal	Interest
2010	\$61,000	\$6,519
2011	\$35,000	\$3,819
2012	\$37,000	\$2,288
2013	\$6,000	\$638
2014	\$6,000	\$413
2015-18	\$5,000	\$188
	<u>\$150,000</u>	<u>\$13,865</u>

Financial Summary

Fund Budget Structure

Details of the fund structures for the budget start on page 32. 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 By Source	Actual 2009	Budget 2010	Budget 2011	Percent Variance	Budget 2012	Percent Variance	2011-2012 Budget
Taxes	\$24,027,340	\$24,468,030	\$24,729,230	1.1%	\$25,175,090	1.8%	\$49,904,320
Licenses & Permits	\$965,700	\$903,650	\$929,170	2.8%	\$929,020	0.0%	\$1,858,190
Intergovernmental	\$8,812,900	\$10,754,220	\$11,347,460	5.5%	\$6,817,560	-39.9%	\$18,165,020
Charges for Services	\$26,967,950	\$28,596,380	\$29,509,820	3.2%	\$31,510,820	6.8%	\$61,020,640
Fines & Forfeits	\$667,990	\$658,210	\$784,920	19.3%	\$808,190	3.0%	\$1,593,110
Miscellaneous	\$5,335,180	\$8,768,680	\$8,629,740	-1.6%	\$7,976,370	-7.6%	\$16,606,110
Non-Revenues	\$289,730	\$34,582,500	\$39,542,830	14.3%	\$32,026,750	-19.0%	\$71,569,580
Other Financing Sources	\$13,913,460	\$3,587,650	\$7,504,520	109.2%	\$8,254,560	10.0%	\$15,759,080
Beg Resources Req to Balance	\$0	\$3,320,540	\$4,862,350	46.4%	\$2,366,080	-51.3%	\$7,228,430
TOTAL REVENUES	\$80,980,250	\$115,639,860	\$127,840,040	10.6%	\$115,864,440	-9.4%	\$243,704,480

Expenditures

Total All Funds							
Total Expenditures By Object	Actual 2009	Budget 2010	Budget 2011	Percent Variance	Budget 2012	Percent Variance	2011-2012 Budget
Cont to End Fund Balance	\$0	\$4,421,920	\$299,550	-93.2%	\$220,890	-26.3%	\$520,440
Salaries & Wages	\$19,049,460	\$19,800,170	\$19,988,690	1.0%	\$20,551,550	2.8%	\$40,540,240
Personnel Benefits	\$8,534,720	\$9,693,990	\$9,723,420	0.3%	\$10,470,240	7.7%	\$20,193,660
Supplies	\$3,321,340	\$4,218,660	\$3,822,160	-9.4%	\$3,758,600	-1.7%	\$7,580,760
Other Services & Charges	\$26,913,520	\$25,057,490	\$24,753,910	-1.2%	\$24,896,270	0.6%	\$49,550,180
Intergovernmental	\$2,362,510	\$2,424,430	\$2,468,510	1.8%	\$2,514,680	1.9%	\$5,083,190
Capital Outlay	\$10,098,670	\$32,545,220	\$40,655,760	24.9%	\$31,572,480	-22.3%	\$72,228,240
Debt Service	\$1,674,390	\$2,451,910	\$3,075,560	25.4%	\$3,050,180	-0.8%	\$6,125,740
Interfund Transfers	\$13,643,620	\$15,026,070	\$23,052,480	53.4%	\$18,829,550	-18.3%	\$41,882,030
TOTAL EXPENDITURES	\$85,598,230	\$115,639,860	\$127,840,040	10.6%	\$115,864,440	-9.4%	\$243,704,480