



CITY OF ROYAL CITY 2010 BUDGET NARRATIVE

MESSAGE FROM THE MAYOR

"After living more than ten years in Royal City, I can't think of a better place to live and raise my family. I'm convinced some of the finest people in America live in our community. Royal City is an agriculturally minded community, built on the principles of hard work and determination.

Royal City has a strong school district that excels in all aspects of education and student development. Royal School District has one of the finest campuses in the Columbia Basin.

If the outdoors is what you enjoy, the Potholes Reservoir is just 20 minutes away to the East and the Columbia River is 20 minutes away to the West. Both are excellent for hunting, fishing, boating and family water sports.

Royal City will continue to use the same principles of hard work and determination as we look to the future to provide a community that we can all be proud of. Stop in and meet some of the finest people in America!"

*Justin Jenks
Mayor
City of Royal City*

MISSION STATEMENT

We are dedicated to serving the needs and desires of our citizens by:

- Offering excellent professional services to all customers.
- Establishing, improving and maintaining City infrastructure.
- Providing a safe, healthy environment.
- Creating a sense of community.
- Maintaining the small-town, rural character of Royal City.

BASIS OF ACCOUNTING

The State of Washington and the State’s Auditor’s Office set the accounting standards that we use here in Royal City. As such, Royal City records revenue and expenses on a cash-basis, similar to most small businesses, and is required to have an audit every two years. We prepare a budget every year and by law, ***we are not allowed to operate in a deficit.***

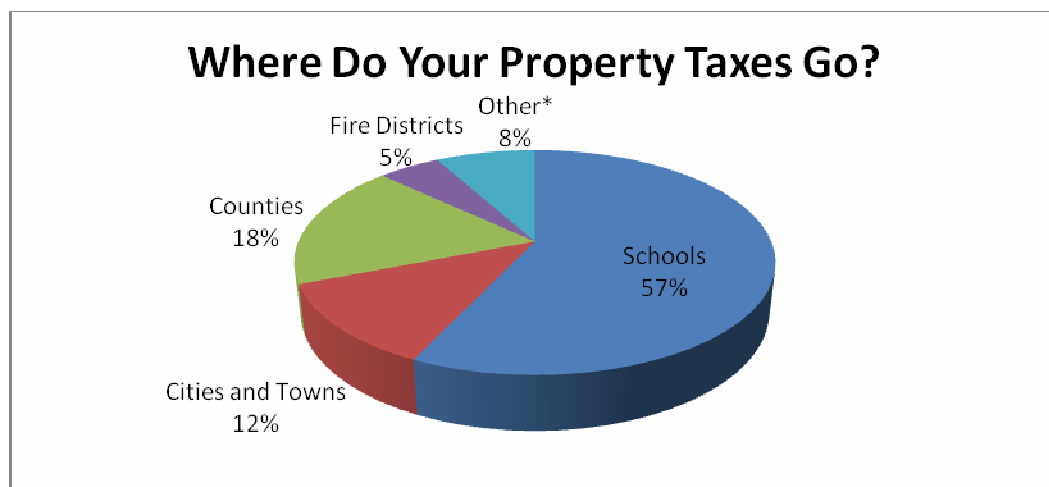
The City uses fund accounting which is a way to separate activities by type. In broad terms the City has three major types of activities– governmental, proprietary and capital projects. Governmental activity, often called the Operating Budget, includes police, planning & building, streets and park services and is what most people think of when they think of government (at least when they’re being kind). Property taxes are the main source of revenue funding the Operating Budget.

Proprietary activity includes utility services – water, sewer, and garbage and it is funded through user fees. ***By law we cannot use your water and sewer fees to support general government and the operating budget.***

Capital Projects are the last major type of activity. As the name implies these are construction projects which can be governmental or proprietary in nature depending on the project. These are usually funded by major grants.

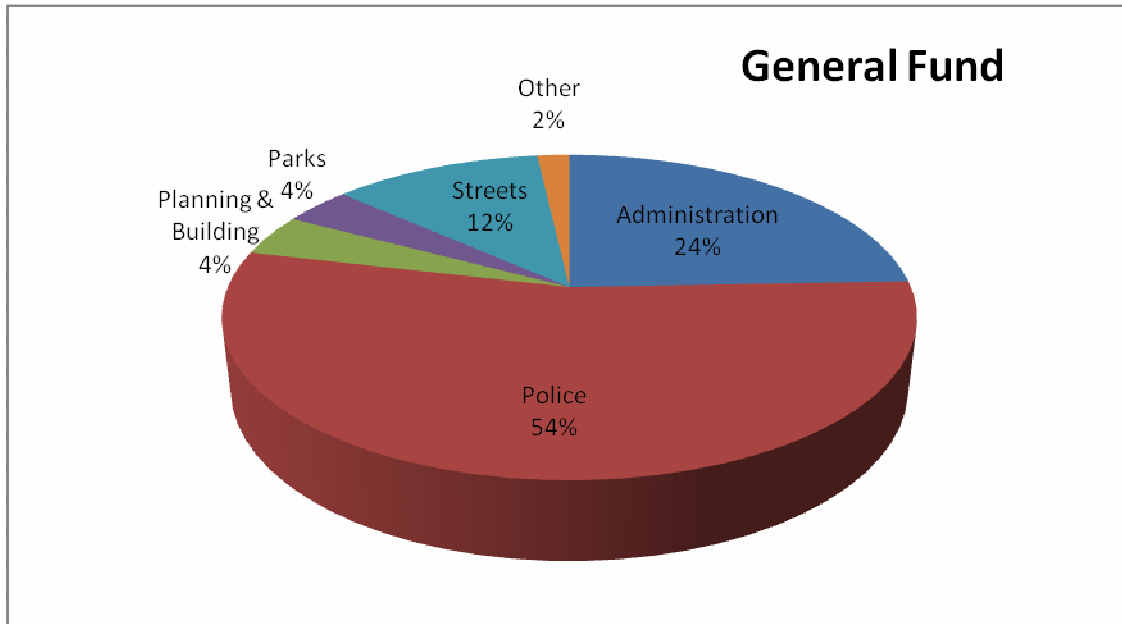
THE OPERATING BUDGET

As mentioned above the operating budget includes the primary services that local government provides, and your property taxes make that possible. Did you know though, that the City only receives 12% of your property taxes? The bulk of it goes to schools:



*Includes regional districts such as libraries, parks and recreation, emergency medical and hospitals.

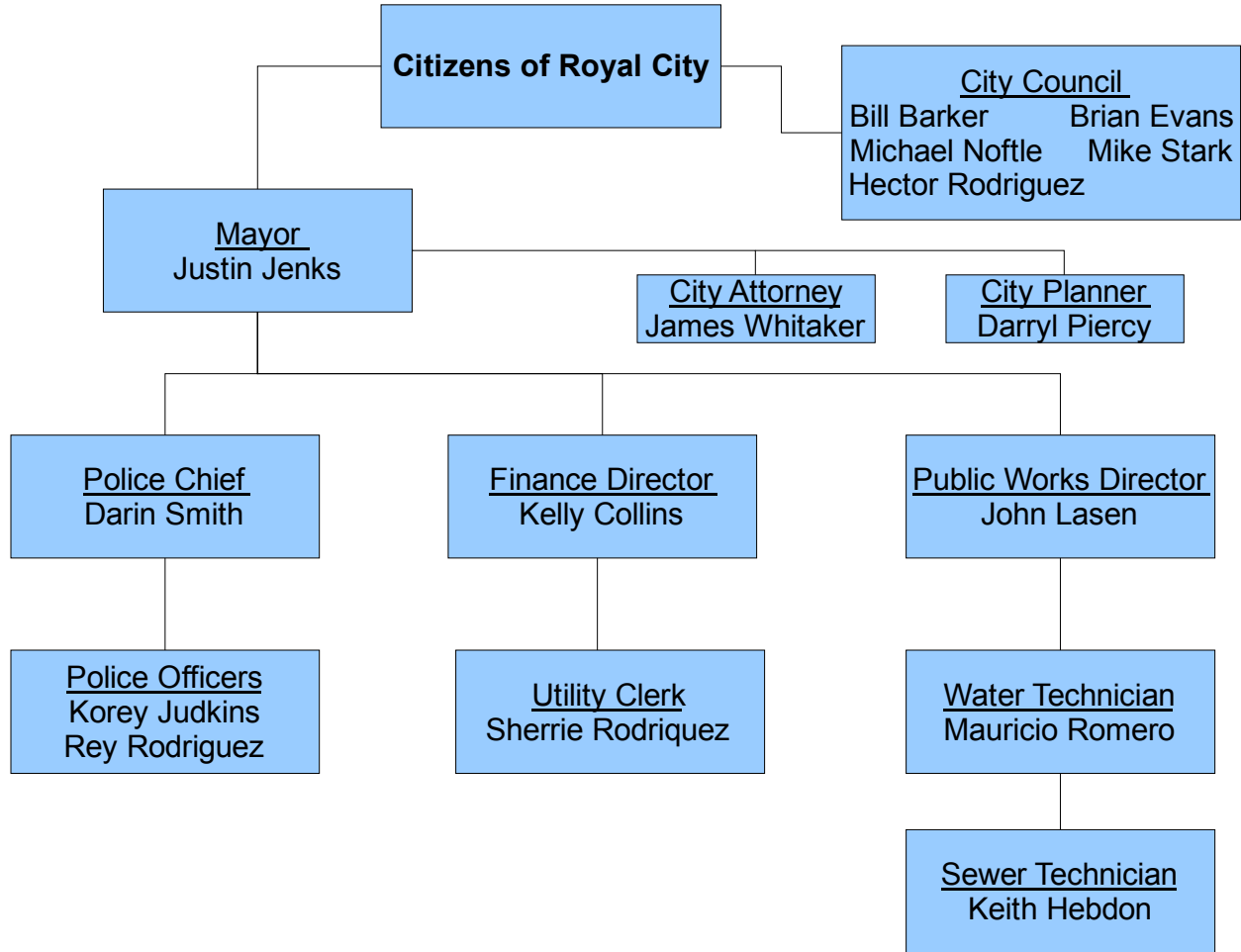
That means we have to do a lot with a fairly small amount of money. We need to provide police protection, and maintain our street and parks. Below is an illustration showing how the money in the general fund is distributed.



2010 BUDGET

<u>Fund</u>	<u>Appropriated Revenues</u>	<u>Appropriated Expenditures</u>
001 Current Expense	823,191.00	823,191.00
101 Streets	104,200.00	104,200.00
102 Street Construction	29,368.00	29,368.00
105 Park Purchase Fund	16,292.00	16,292.00
107 C/E Reserve Fund	92,130.00	92,130.00
401 Water/Sewer	982,268.00	982,268.00
405 W/S Construction	1,516,541.00	1,516,541.00
415 Refuse	259,171.00	259,171.00
420 Consumer Deposit Fund	23,527.00	23,527.00
435 81/99 Bond Reserve Fund	51,785.00	51,785.00
436 81/99 Bond Redemption Fund	75,485.00	75,485.00
437 Water Capital Improvement Fund	365,450.00	365,450.00
439 Sewer Capital Improvement Fund	167,282.00	167,282.00
440 WRF Equipment Replacement Fund	<u>221,400.00</u>	<u>221,400.00</u>
	\$4,728,090.00	\$4,728,090.00

ORGANIZATIONAL CHART



CONTACT INFORMATION

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