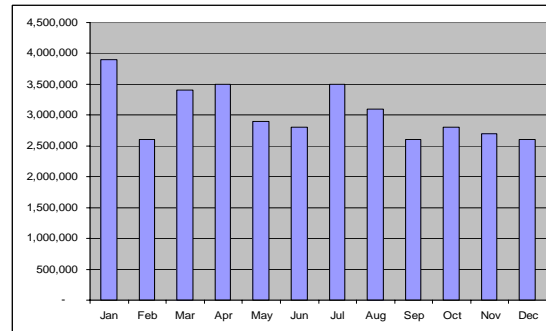
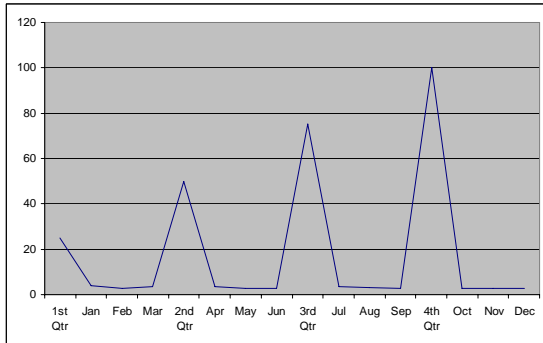




Financial Report of Revenues & Expenses Cowlitz County, Washington

4th Quarter 2008



Cowlitz County Office of Financial Management
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Claire J. Hauge
Director

RISK MANAGEMENT
Clyde Carpenter
Risk Manager

PEOPLESOFT PROJECT
Kathy Sauer
Project Manager

To: Board of County Commissioners
From: Claire J. Hauge, OFM Director
Date: June 15, 2009
Subject: Financial Report 4th Quarter 2008

EXECUTIVE SUMMARY.

The results of the County's General Fund financial activity for the Fourth Quarter 2008 (ending December 31) are summarized in the first section of this report. Actual revenue collections for the year are shown and compared to anticipated (budgeted) receipts. Likewise, actual expenditures for the year are shown in comparison to the final approved budget. The Charts and Tables presented throughout this report provide a comprehensive comparison of actual revenue and expenditures to anticipated and budgeted amounts. The charts also provide historical context.

General Fund revenue collections through December 31, 2008 total \$36.5 million or 94.4% of anticipated amounts (*minus* \$2.2 million of anticipated amounts). Significant revenue shortfalls were noted in sales taxes and interest earnings due to the economic crisis. Other shortfalls were experienced in State grants and State shared revenues fines, other Intergovernmental Revenues and Charges for Service.

Actual General Fund expenditures through the end of the Fourth Quarter were \$39.8 million or 93.6% of the approved appropriations. This compares with expenditures of \$40.9 million in 2007, \$35.0 million in 2006 and \$30.9 million in 2005. Savings (unexpended budget) of \$2.7 million resulted from unexpended labor, benefits, utilities, capital outlays, supplies and contracted services.

Despite significant unexpended budget, it should be noted that cash reserves in the amount of 3.2 million were used to balance the 2008 budget. Net expenditures exceeded revenues in five of the last nine years.

The actual 2008 adjusted beginning cash balance was \$7.4 million, less than the \$8.5 million anticipated. This is due in large part to the fact that \$527,500 revenues anticipated in late 2007 were received in the first quarter 2008.

The actual ending fund cash balance for 2008 was \$5.9 million.

GENERAL FUND.

**General Fund: 2008
Overview of Total Estimated Expenditures & Revenues**

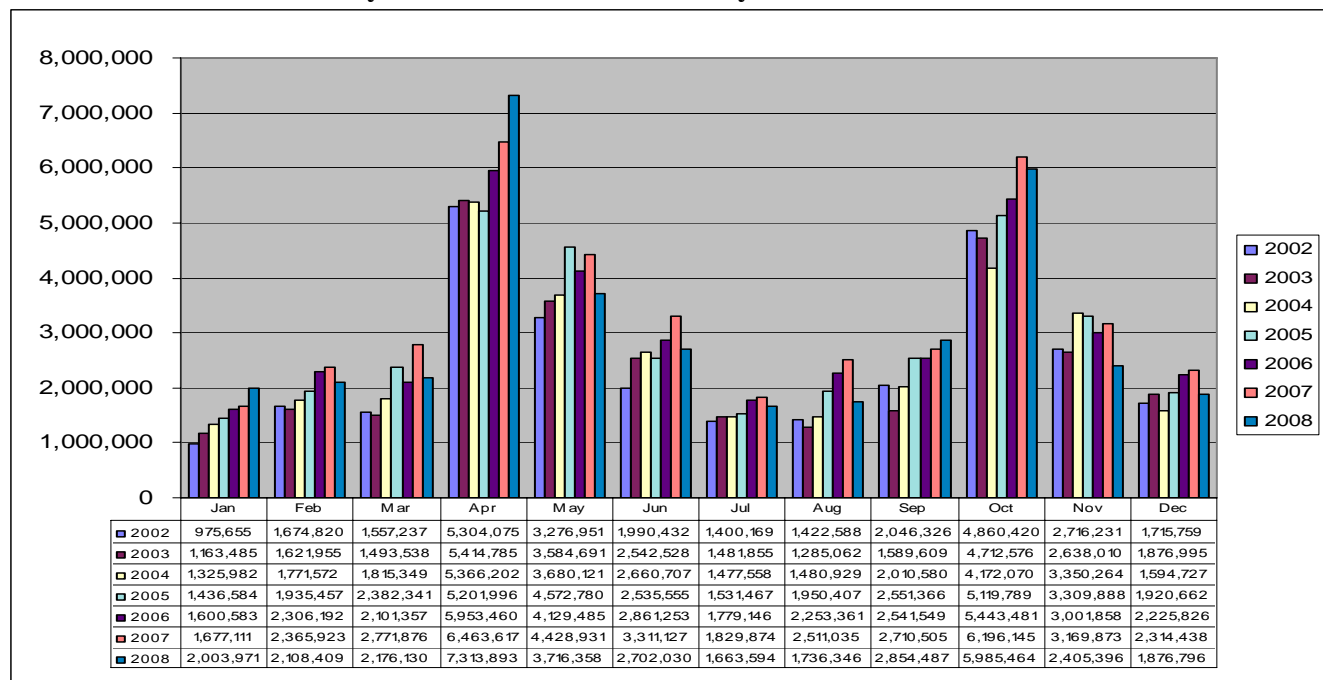
	Fiscal Year 2008	Budget Amended as of 12/31/2008	Budget As Forecast 12/31/2008	4th Qtr Actuals	Var: +/- Budget vs Actual
1	Expenditures	\$42,496,198	\$42,496,198	\$39,790,174	(\$2,706,024)
2	Revenues	38,724,187	38,724,187	36,542,877	(\$2,181,310)
3	Reserves Used	(\$3,772,011)	(\$3,772,011)	(\$3,247,297)	“balance to go”

*Expenditures estimated @ 96% of budget (4% return).
 *Revenues estimated @ -.3% under amended budget.
 *Net result: use of reserves lower than estimated at time budget was adopted.

Summary of General Fund Revenues: YTD

Revenue Source	Anticipated Revenues	4th Qtr Actual Revenues	Percentage Collected
Property Taxes/Fines & Penalties	\$15,789,295	\$15,679,587	99.3%
Sales Taxes	\$5,354,768	\$4,698,035	87.7%
State Grants & Shared Revenues	\$3,970,788	\$3,825,479	96.3%
Security Persons/Property	\$2,826,627	\$2,694,616	95.3%
Charges for Service	\$2,485,586	\$2,247,749	90.4%
Timber Harvest	\$818,260	\$846,993	103.5%
Interest Earnings	\$1,642,790	\$946,667	57.6%
Fines & Forfeits	\$1,549,194	\$1,422,673	91.8%
Licenses & Permits	\$66,524	\$75,371	113.3%
Direct Federal Grants	\$614,053	\$666,314	108.5%
Intergvt'l Service Revenues	\$2,734,551	\$2,449,190	89.6%
All Other	\$871,751	\$990,203	113.6%
Total	\$38,724,187	\$36,542,877	94.4%

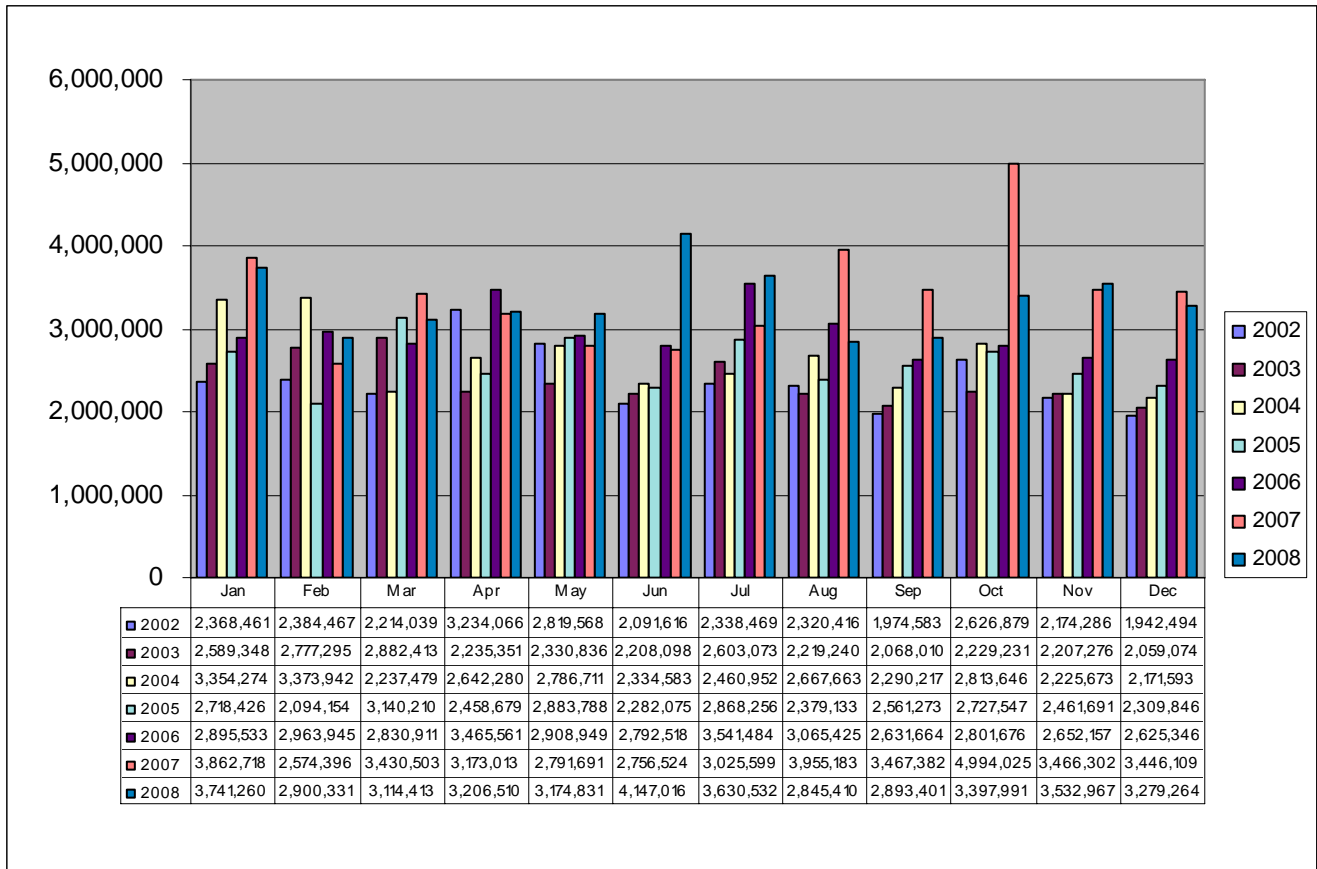
Summary of General Fund Revenue By Month: 2002 – YTD 2008



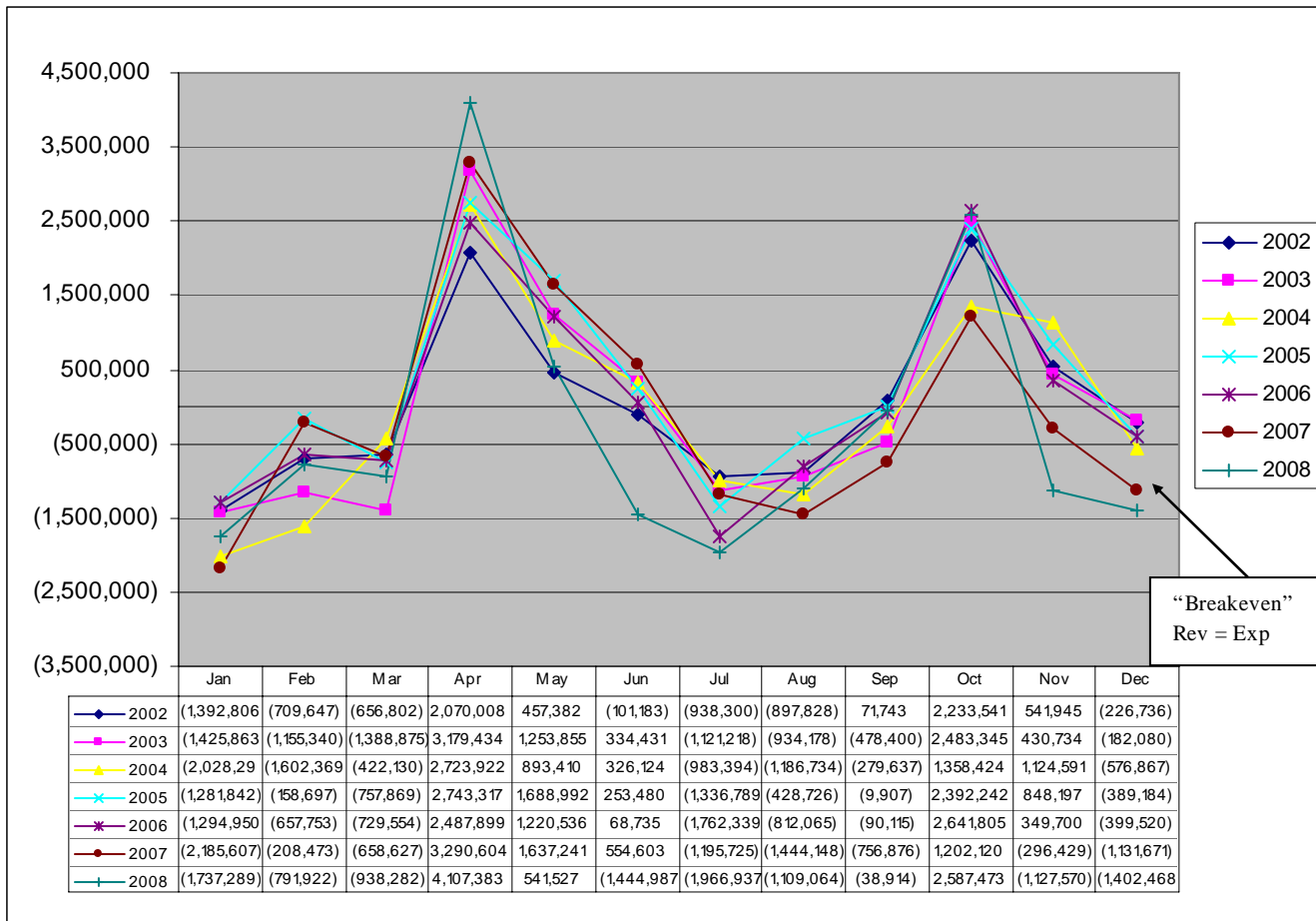
Summary of General Fund Expenditures: YTD

Expense Category	% of Total	Budget As Amended	Expended YTD 12/31/2008	Unexpended
Personnel Services	58.8%	\$27,354,576	\$26,654,775	\$699,801
Supplies	3.7%	1,730,599	1,471,244	259,355
Other Services & Charges	16.3%	7,650,642	6,144,110	1,506,532
Interfund Charges/Misc	5.0%	2,348,145	2,431,637	(83,492)
Transfers	6.8%	3,188,182	3,049,054	139,128
Capital Outlay	0.5%	224,054	39,354	184,700
Total Expenditures		\$42,496,198	\$39,790,174	\$2,706,024
Ending Fund Balance	9.6%	4,537,021		
Total Budget		\$47,033,219	93.6%	6.4%

Summary of Expenditures By Month: 2002 – YTD 2008



Why the Need For Cash Reserves? Cash Flow!
Difference Between Monthly Receipts & Monthly Expenditures
General Fund 2002 – Present



Average monthly income:

2008	\$3.0 million
2007	\$3.3 million
2006	\$3.0 million
2005	\$2.9 million

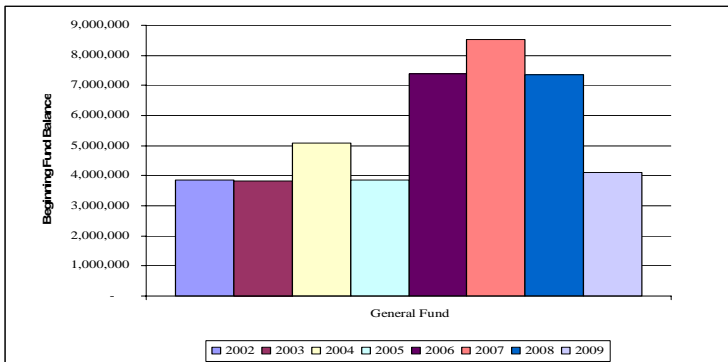
Average monthly expenditures:

2008	\$3.3 million
2007	\$3.6 million
2006	\$2.9 million
2005	\$2.6 million

Shortfall average annual monthly income vs expenditures:

2008	(\$ 276,754) (note impact of tax collections in April & October)
2007	(\$300,000)
2006	+\$100,000
2005	+\$300,000

Summary of General Fund Ending Unreserved Fund Balances



Year	Ending Fund Balance
2002	\$3,840,163
2003	\$3,823,839
2004	\$5,086,502
2005	\$3,842,838
2006	\$7,380,226
2007	\$8,538,470
2008	\$7,360,942
2009	\$4,101,570

The following pages provide comprehensive detail for the General Fund, as well as other County funds.

If we can provide additional information or clarify anything in this report, please let us know.

I. GENERAL FUND.

Activity in the General Fund revenues and expenditures is summarized below.

Table 1
Ten Year Historical Comparison
General Fund: Revenues and Expenditures

General Fund: Revenues				
Year	Anticipated Revenues	Actual Revenues	Variance: +/-	Percentage
2000	\$27,064,895	\$27,273,825	\$208,930	100.8%
2001	\$27,655,310	\$27,880,356	\$225,046	100.8%
2002*	\$28,554,193	\$28,945,642	\$391,449	101.4%
2003	\$28,592,190	\$29,458,268	\$866,078	103.0%
2004**	\$30,764,343	\$30,666,761	(\$97,582)	99.7%
2005	\$31,211,884	\$34,447,783	\$3,235,899	110.4%
2006	\$33,357,160	\$36,193,276	\$2,836,116	108.5%
2007	\$39,633,062	\$39,751,481	\$118,419	100.3%
2008 (2 nd Qtr) Budget/Forecast	\$37,918,354	\$37,790,391	(\$127,963)	99.7%
2008 (3 rd Qtr) Budget/Forecast	\$38,724,187	\$37,556,003	(\$1,168,184)	97.0%
2008	\$38,724,187	\$36,542,877	(\$2,181,310)	94.4%
*2002 four funds added to the General Fund: Parks, Hoffstadt Bluffs, County Line Park, Drug Court Grant. Actual revenues include one-time cash transfer of \$454,568.				
** 2004 a Special Revenue Fund Law & Justice was closed and merged into the General Fund.				

General Fund: Expenditures				
Year	Budgeted Expenditures	Actual Expenditures	Variance: +/-	Percentage Unexpended
2000	\$28,209,509	\$27,347,948	(\$ 861,561)	(3.1%)
2001	\$29,159,410	\$28,373,401	(\$ 786,009)	(2.7%)
2002*	\$29,880,918	\$28,522,118	(\$1,358,800)	(4.5%)
2003	\$30,017,904	\$28,628,714	(\$1,389,190)	(4.6%)
2004**	\$32,980,998	\$31,625,985	(\$1,355,013)	(4.1%)
2005	\$32,372,631	\$30,850,468	(\$1,522,163)	(4.7%)
2006	\$36,272,561	\$35,035,429	(\$1,237,132)	(3.4%)
2007	\$43,708,983	\$40,923,365	(\$2,785,618)	(6.4%)
2008 (2 nd Qtr) Budget/Forecast	\$41,881,031	\$40,205,799	(\$1,675,232)	(4.0%)
2008 (3 rd Qtr) Budget/Forecast	\$42,341,577	\$39,685,546	(\$2,656,031)	(6.3%)
2008	\$42,496,198	\$39,790,174	(\$2,706,024)	(6.4%)
*2002 four funds added to the General Fund: Parks, Hoffstadt Bluffs, County Line Park, Drug Court Grant Fund.				
**2004 Law & Justice Fund added to the General Fund.				

General Fund Shortfall/Surplus Current Revenues vs. Current Expenditures			
Year	Annual Expenditures	Annual Revenues	(Shortfall)/Surplus
2000	\$27,347,948	\$27,273,825	(\$74,123)
2001	\$28,373,401	\$27,880,356	(\$493,045)
2002	\$28,522,118	\$28,945,642	\$423,524
2003	\$28,628,714	\$29,458,268	\$829,554
2004	\$31,625,985	\$30,666,761	(\$959,224)
2005	\$30,850,468	\$34,447,783	\$3,597,315
2006	\$35,035,429	\$36,193,276	\$1,157,847
2007	\$40,923,365	\$39,751,481	(\$1,171,884)
2008	\$39,790,174	\$36,542,877	(\$3,247,297)
9 year Avg 2000-2008	\$32,344,178	\$32,351,141	\$6,963

Note: In anticipation of reduced state revenues, significant budget reductions were made in 2002 and 2003. The anticipated budget savings were \$1.2 million; actual savings achieved were \$1,195,182.

General Fund: Comparison of Quarterly Estimates					
Fiscal Year 2008	Budget As Amended	1st Quarter Forecast	2nd Quarter Forecast	3rd Quarter Forecast	4th Quarter Actuals
Expenditure Estimates	\$42,496,198	\$40,203,428	\$40,205,790	\$39,685,546	\$39,790,174
Revenue Estimates	\$38,724,187	\$38,351,001	\$37,790,391	\$37,556,003	\$36,542,877
Surplus/(Shortfall)	(\$3,772,011)	(\$1,852,427)	(\$2,415,399)	(\$2,129,543)	(\$3,247,297)

1st quarter interest rates averaged 3.8% whereas 2nd Quarter interest rates averaged 2.5%
Forecast for interest earnings was revised downward by \$540,000.
2nd quarter sales tax receipts lagged behind annual projections by \$250,000.
4th quarter sales tax receipts and interest earnings continued to decline.

A. REVENUES.

Following is a brief narrative of major revenue sources in the General Fund.

1) **Sales tax revenues** represent 13% of total General Fund anticipated revenues. Construction activity and retail sales in Cowlitz County was strong in 2007 but slowed in the last half of 2008. At the time the budget was adopted, receipts were estimated at \$5.35 million equal to 2007 actual receipts. This was significantly more than 2006 receipt of \$4.67 million and 2005 receipts of \$4.64 million. Total receipts through the fourth quarter were \$4.0 million; \$656,700 less than estimated.

Notes: It will be important to continue to monitor this revenue source closely given the general economic forecast for the region and the local conditions in particular. Taxable sales in the county fluctuate, almost unpredictably, averaging 6.4% growth over the last 11 years. The table in this section summarizes both county-wide sales tax receipts as well as receipts for the unincorporated area. Note the significant decline in unincorporated sales tax receipts between 2007 and 2008 – down 11.5%.

During the 2007 legislative session, the Washington State Legislature passed Substitute Senate Bill 5089, Chapter 6, Laws of 2007 known as the Streamlined Sales Tax Bill. The effective date of this legislation is July 1, 2008. States that adopt the Streamlined Sales Tax Agreement (SSTA) receive payments from firms that voluntarily collect and remit sales taxes on mail-order and internet sales. Additionally, the bill requires that sales taxes be allocated on the basis of the destination of the sale rather than point-of-sale. Destination-based sales tax will apply only to businesses that ship or deliver goods they sell to locations within Washington State. There is no change for deliveries outside the state or for over-the-counter sales where customers take goods home from the store. There is also no change in sales tax collections for retail services, or on the sale of motor vehicle, trailers semi-trailers, aircraft, watercraft, modular homes, manufactured and mobile homes. (The Courthouse Journal, Issue No. 17, June 26, 2008; <http://www.wacounties.org>) The change in application of sales tax collection is anticipated to result in additional sales tax collections for Cowlitz County. The first distributions of the additional sales tax receipts are expected in late September 2008. However, the overall net increase or decrease in total sales tax collections will depend on the level and location of retail and construction activity taken as a whole.

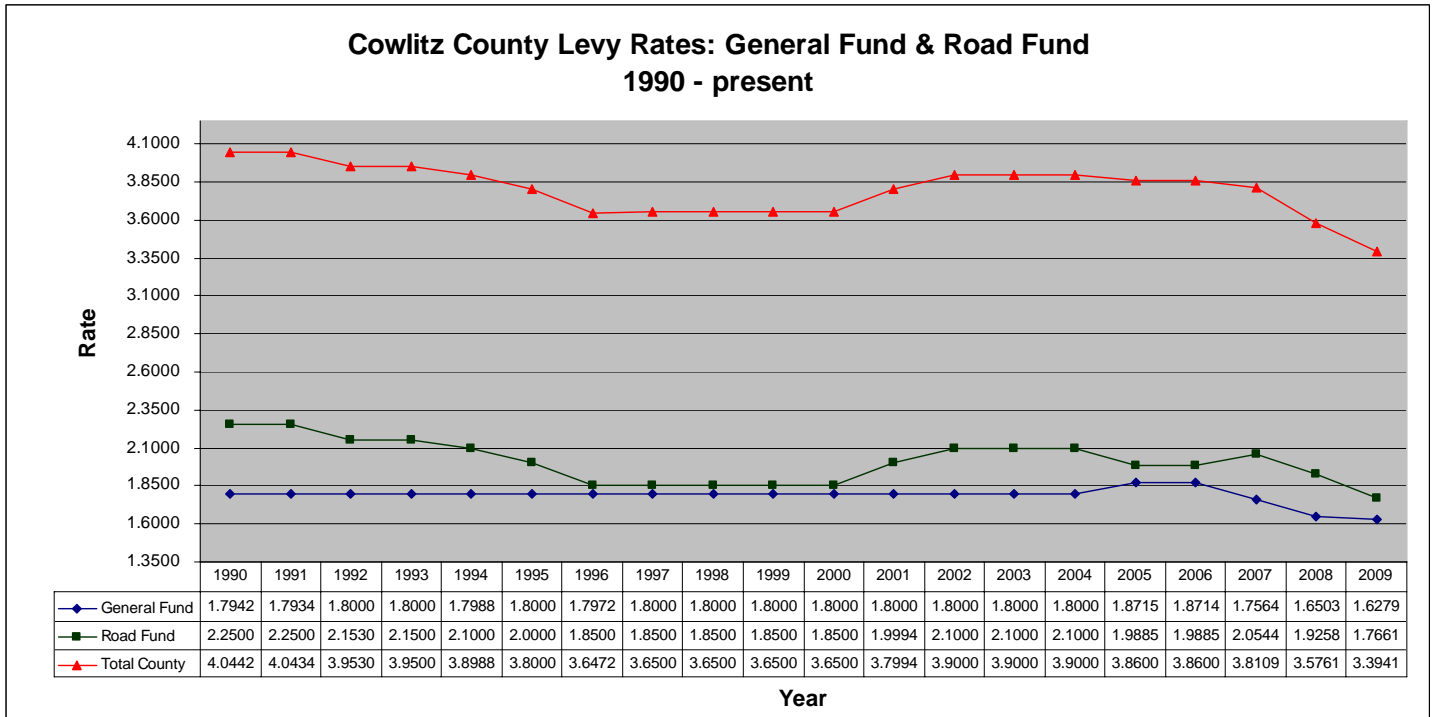
The following table summarizes total taxes collected countywide (all five cities and the rural areas) and for Cowlitz County government specifically for the period 1996 through 2008.

Table 2
Sales Tax Receipts

Year	County & Cities Sales Tax Receipts	Percentage Growth	Unincorporated County Total Sales Tax*	Percentage Growth
1996	\$ 9,776,758		\$1,755,463	
1997	\$10,290,750	5%	*\$2,498,076	42.3%
1998	\$11,138,009	8%	\$3,011,457	20.6%
1999	\$11,133,289	0%	\$2,864,404	-4.9%
2000	\$11,579,589	4%	\$3,197,254	11.6%
2001	\$11,864,353	2%	\$3,502,726	9.6%
2002	\$12,418,266	5%	\$3,433,646	(2.0%)
2003	\$12,898,927	4%	\$3,713,204	8.1%
2004	\$12,331,205	(4%)	\$3,700,902	(0.3%)
2005	\$14,372,504	17%	\$4,638,430	25.3%
2006	\$15,281,273	6%	\$4,667,197	0.6%
2007	\$16,659,039	9%	\$5,309,807	13.8%
2008	\$15,291,873	-8%	\$4,698,006	(11.5%)

**County imposed local option sales tax, effective 4/1/97; distributions began 6/1/97*
Source: Washington State Department of Revenue

2) **General Fund property tax collections, including interest and penalties** for 2008 are anticipated to be \$15.8 million. Actual receipts in 2007 were \$14.9 million; in 2006 \$14.6 million, and in 2005 \$15.2 million. The increase in revenue estimates are a result of several factors including: additional taxes on the value of new construction and a statutorily allowed increase. Cowlitz County experienced a growth in overall assessed valuation of over \$749,000,000 in 2008. It must be noted that although there was an increase in assessed valuation, the maximum statutory rate per \$1,000 of assessed valuation has dropped. Generally, property tax revenues are limited to the lesser of \$1.80 per \$1,000 of assessed value or an overall increase of the Implicit Price Deflator or one-per cent (1%) over the prior year tax collections, plus taxes on the value of new construction. (RCW 84.55.005)



Property tax receipts represent 43% of General Fund anticipated revenues. Property taxes include general levies, amounts diverted from the County Road Fund tax for law enforcement activities, interest and penalties on delinquent taxes. This revenue category also includes amounts raised by “shifting” levy capacity from the Road Fund to the General Fund. (See discussion following.)

Real and personal property taxes and diverted road fund taxes raised \$14.7 million in 2008; \$14.0 million in 2007 and \$13.4 million in 2006. Interest and penalties on real and personal property collected in 2008 were \$1.0 million compare to 2007: \$949,485 and in 2006: \$1,135,873.

On December 11, 2007, the Board of Commissioners approved a “shift” of unused Road Fund levy capacity to the General Fund in an approximate amount of \$.0684/\$1,000 of assessed value. This resulted in the sum \$578,130 in additional general tax revenues available to the General Fund in fiscal year 2008. If the shift had not occurred, the General Fund property tax receipts for 2008 would have increased compared to 2007 by only \$56,035. This would have been insufficient to meet the financial obligations of the County General Fund.

A levy shift is authorized by R.C.W. 84.52.043 provided that:

- ◆ the levy rate for the General Fund does not to exceed \$2.475/\$1,000 of assessed value; and
- ◆ the total levy rate for both the County and the Road District within the County do not exceed \$4.05/\$1,000 of assessed value; and
- ◆ no other district has its levy capacity reduced as the result of the shift; and
- ◆ the aggregate of levy rates for all junior and senior taxing districts, other than the state, does not exceed \$5.90/\$1,000 of assessed value; and
- ◆ the aggregate of all tax levies on real and personal property by the state and all taxing districts, does not exceed the constitutional limit of 1% of the true and fair value of property in money.

The General Fund levy rate as authorized by the Board of Commissioners meets all of these requirements.

According to the Treasurer’s Office, tax collections for the County General Fund were 97% of assessments in 2007. This is typical compared to historical collections during the past 12 years:

Table 3
Property Tax Collection Rates

Year	Collection Rate	Year	Collection Rate	Year	Collection Rate
1995	97.9%	2001	95.9%	2007	96.5%
1996	97.4%	2002	95.9%	2008	96.6%
1997	96.3%	2003	94.0%		
1998	96.8%	2004	95.2%		
1999	96.1%	2005	96.9%		
2000	95.9%	2006	97.0%		
Avg: 96.3%					

Explanatory Note: RCW 84.52.018 provides a procedure for calculation of tax levy rates when the assessment of highly valued property is in dispute. Whenever the value in dispute is greater than one-quarter of one percent of the total county assessed valuation, the disputed value must be removed from the tax rolls pending resolution of the appeal or lawsuit. Only the portion of valuation not in dispute is used for purposes of computing levy rates. In calendar year 2008, there are no such issues pending.

In 2008 the Board of Equalization (BOE) received 145 petitions concerning residential, commercial and light industrial properties with values in dispute of slightly less than \$160 million. Ten petitions were withdrawn; there are no petitions pending with the State Tax Board of Appeals; one petition is pending with Cowlitz County Superior Court; values on 50 petitions were stipulated and the BOE issued decisions for values on 70 parcels resulting in a reduction of value of slightly over \$300,000. The reduced values resulted in minimal property tax loss to the General Fund.

Table 4
Property Tax Receipts

Year	Property Tax	Growth
1996	\$ 9,725,634	
1997	\$10,179,912	4.7%
1998	\$10,916,832	7.2%
1999	\$10,430,343	(4.5%)
2000	\$10,928,019	4.8%
2001	\$11,456,302	4.8%
2002	\$11,565,738	0.095%
2003	\$11,871,153	2.6%
2004	\$11,944,376	.6%
2005	\$12,930,699	8.3%
2006	\$12,729,649	(1.6%)
2007	\$13,226,101	3.9%
2008	\$13,879,599	2.9%

Figures in this table include only real & personal property taxes paid; diverted road tax, interest and penalties on delinquent taxes are discussed elsewhere in this report.

The percentage growth figures include the value of new construction and changes in the value of state-assessed property.

1999 receipts reflect the results of an appeal by Longview Aluminum.

3) Road tax collections diverted to the General Fund and Law and Justice Fund for traffic policing and law enforcement activities were follows:

General Fund:	2008	\$797,437 (\$0.179274/\$1,000 assessed value)
	2007	\$733,044 (\$0.175059/\$1,000 assessed value)
	2006	\$715,157 (\$0.187291/\$1,000 assessed value)
	2005	\$702,112 (\$0.189769/\$1,000 assessed value)
	2004	\$671,070 (\$0.179540/\$1,000 assessed value)
	(2004: includes amounts previously diverted to Law & Justice Fund)	
	2003	\$413,166 (\$0.11200/\$1,000 assessed value)
	2002	\$493,136 (\$0.13973/\$1,000 assessed value)
	2001	\$210,968 (\$0.05812/\$1,000 assessed value)
	2000	\$204,283 (\$0.05743/\$1,000 assessed value)
Law & Justice Fund:	2003	\$213,137 (\$0.05778/\$1,000 assessed value)
	2002	\$213,137 (\$0.06039/\$1,000 assessed value)
	2001	\$208,728 (\$0.05751/\$1,000 assessed value)
	2000	\$207,493 (\$0.05833/\$1,000 assessed value)

4) Motor vehicle license fees. Revenue from motor vehicle licensing is shown in the following table. Activity for the County in this area is generally stable and therefore revenue for 2008 is expected to be at or nearly equivalent to revenue received in the prior year. The number of transactions and fees, including subagent activity, is as follows:

Table 5
Motor Vehicle License Transactions

Year	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Annual
2000 (Transactions)	40,911	40,723	38,001	29,619	149,254
2000 (Fees)	\$152,726	\$158,094	\$148,091	\$111,799	\$570,710
2001 (Transactions)	34,003	42,379	38,556	30,567	145,505
2001 (Fees)	\$128,537	\$157,782	\$148,387	\$115,675	\$550,381
2002 (Transactions)	35,767	44,691	39,401	29,853	149,712
2002 (Fees)	\$133,742	\$163,992	\$145,267	\$111,626	\$554,627
2003 (Transactions)	37,048	43,142	40,588	30,290	151,068
2003 (Fees)	\$133,839	\$157,191	\$151,382	\$112,733	\$555,145
2004 (Transactions)	36,406	44,669	40,182	31,545	152,805
2004 (Fees)	\$134,342	\$156,206	\$148,961	\$110,683	\$550,192
2005 (Transactions)	35,514	46,091	42,861	31,970	156,436
2005 (Fees)	\$128,624	\$162,782	\$156,132	\$111,220	\$558,758
2006 (Transactions)	37,938	45,740	43,652	32,580	159,910
2006 (Fees)	\$136,763	\$166,597	\$159,352	\$116,310	\$579,022
2007 (Transactions)*	22,933	28,574	29,659	31,643	112,809
2007 (Fees)	\$129,609	\$162,250	\$159,124	\$115,973	\$566,956
2008(Transactions)	39,026	49,304	52,330	39,559	180,219
2008(Fees)	\$130,303	\$159,823	\$146,219	\$106,370	\$542,715

Source: Cowlitz County Auditor's Office

*2007: Transition to State Computer Program has caused some data to be lost.

Transaction statistics for March, April and August are not available.

Explanatory Note: In February 2003, the King County Superior Court declared Initiative 776, passed by the voters in November 2002, unconstitutional and unenforceable. The initiative purportedly violated the single subject rule and impaired existing contracts. In October 2003, The Washington State Supreme Court issued its decision that the initiative is not unconstitutional. The law reduced license fees on light trucks to a flat \$30 and repealed surcharges for processing licensing transactions. This resulted in a significant decrease in revenues generated for the State of Washington. Based on the Washington State Supreme Court decision, on July 21, 2004, the King County Superior Court issued an order clearing the way for the Department of Licensing (DOL) to issue refunds to citizens who paid vehicle fees based on gross vehicle weight or the additional \$15 per vehicle fee imposed by certain counties. It is estimated that DOL issued over 2.3 million refund checks totaling approximately \$38 million.

5) Timber harvest revenue from both state and federal forestlands for 2008 was estimated to be \$807,000. Total receipts for the year were \$836,993 – 101.7% of anticipated amounts. Actual receipts in 2007 were \$888,130 and in 2006 \$1.1 million.

The State of Washington imposes an excise tax on timber harvested on privately or publicly-owned lands. The tax is equal to the stumpage value multiplied by five (5) percent. Department of Natural Resources (DNR) revenues from state trust lands (public timber harvest) for 2008 were forecast slightly lower than

2007 harvest levels and well below 2006 and 2005 levels. The primary drivers for harvest plans are market conditions, both domestic and foreign, and contract and regulatory requirements. Revenue estimates for state trust lands are derived from quarterly reports furnished by DNR. Estimates are adjusted each quarter as updated information is received.

Revenue estimated to be received from DNR for 2008 was approximately \$195,000; actual receipts were \$239,221 – 122.7 % of anticipated amounts. Actual 2007 harvest receipts were \$166,674 down significantly from 2006 receipts of \$355,593 and 2005 receipts of \$804,782.

Timber assessed value (TAV) (private timber harvest) for 2008 was forecast somewhat below the prior year actual receipts. Revenue from this source is derived from a county levied excise tax based on the stumpage value of timber harvested on privately owned lands. Timber assessed value is derived from estimates furnished by the Special Programs Division, Forest Tax Section, of the Department of Revenue. TAV revenues for 2008 were estimated to be \$612,000; actual receipts were \$607,772 – 99% of anticipated amounts. Actual 2007 receipts were \$721,456 whereas 2006 receipts were \$729,793.

6) PUD Privilege Tax is an excise tax in lieu of property tax levied against entities operating facilities generating and distributing electrical energy. In Cowlitz County that entity is the Cowlitz Public Utility District (PUD). The basic rate is 2% of gross revenue from the sale or distribution of power, plus .02% per kilowatt-hour of the wholesale value of self-generated energy for resale or distribution. The revenue is distributed to cities and the county according to a formula set out in state law that is based on gross revenues derived by the PUD from the sale of power within each jurisdiction. It has recently come to the attention of the County that gross revenue calculations made by the PUD were incorrectly computed. It is believed that the decrease in revenue between 2003 and 2004 results from a re-evaluation by the PUD of its computation method.

This is a significant source of revenue for the General Fund:

2000	Actual Receipts	\$ 613,704
2001	Actual Receipts	\$ 669,304
2002	Actual Receipts	\$ 754,632
2003	Actual Receipts	\$1,061,056
2004	Actual Receipts	\$ 945,317
2005	Actual Receipts	\$ 933,674
2006	Actual Receipts	\$ 951,726
2007	Actual Receipts	\$1,125,656
2008	Actual Receipts	\$1,132,932

7) Interest earnings from all sources in the General Fund for 2008 was estimated to be \$1,642,790 down slightly from actual receipts in the last two years. Second Quarter projections indicate total collections for 2008 may fall short of budget estimates by approximately \$541,000.

Interest rates began to decline in October 2007 and continued to fall through 2008. Whereas interest rates in the first and second quarters of 2007 were 5.2%, at the end of the fourth quarter 2008, rates were 1.8%. Total interest earnings in 2008 were \$946,667; 2007 were \$1,873,639 compared to actual receipts of \$1,729,121 in 2006, \$815,617 in 2005, \$430,368 in 2004, \$468,997 in 2003, \$632,880 in 2002, \$1.14 million in 2001 and \$1.41 million in 2000.

The average month-end cash and investments through fourth quarter 2008 was \$7.5 million. The average cash and investment balance during 2007 was \$10.2 million, compared to \$9.1 million in 2006, \$6.6 million in 2005, \$4.7 million in 2006, \$3.1 million in 2003, \$3.2 million in 2002 and \$3.5 million in 2001.

Historical rates for the period January 2000 to present are shown in the following table.

Table 6
Six-Year Investment Interest Rate History

Month	2000	2001	2002	2003	2004	2005	2006	2007	2008
January	5.5%	6.2%	2.1%	1.3%	1.1%	2.2%	4.2%	5.2%	4.4%
February	5.6%	5.7%	1.9%	1.3%	1.1%	2.4%	4.4%	5.3%	3.8%
March	5.8%	5.2%	1.7%	1.3%	1.0%	2.6%	4.5%	5.2%	3.1%
April	5.9%	4.9%	1.9%	1.2%	1.0%	2.8%	4.7%	5.2%	2.7%
May	6.1%	4.5%	1.9%	1.2%	1.0%	3.0%	4.9%	5.2%	2.4%
June	5.4%	4.3%	1.9%	1.2%	1.0%	3.0%	5.0%	5.2%	2.3%
July	6.5%	4.0%	1.8%	1.1%	1.2%	3.2%	5.2%	5.2%	2.3%
August	6.4%	3.8%	1.7%	1.1%	1.3%	3.4%	5.2%	5.2%	2.3%
September	6.5%	3.6%	1.7%	1.1%	1.5%	3.6%	5.2%	5.1%	2.4%
October	6.4%	3.2%	1.7%	1.1%	1.7%	3.8%	5.2%	4.9%	2.5%
November	6.5%	2.6%	1.5%	1.1%	1.9%	4.0%	5.5%	4.7%	2.2%
December	6.5%	2.3%	1.5%	1.1%	2.1%	4.2%	5.2%	4.6%	1.8%
Annual Average	6.1%	4.2%	1.8%	1.2%	1.3%	3.2%	4.9%	5.1%	2.7%

Source: Cowlitz County Treasurer's Office

Cautionary Note: As noted above, though interest rates rose in early to mid-2007, they have not yet recovered to match those of 2000 and steadily decline throughout 2008. Initial interest earning estimates for 2008 were projected assuming an average monthly cash balance of \$3.0 million and interest earnings at 4.5%.

8) District Court revenues collected through the fourth quarter total \$1.85 million (92% of anticipated receipts for the year). Expected receipts for each individual revenue account were very nearly on target with anticipated amounts except revenues from traffic infractions. Actual payments were short of estimates by approximately \$150,000.

9) Superior Court Clerk revenues through the fourth quarter total \$803,452 (99% of anticipated receipts for the year). Most individual revenue accounts were forecast correctly.

10) Community Long Range Planning revenues for calendar year 2008 were budgeted to be approximately \$438,000. Year to date revenues and prior years collections are shown in the table below. Department revenues did not meet estimates. A revenue account was inadvertently included in the General Fund receivable that properly belongs to the newly created Special Revenue Fund. Effective January 1, 2008, financial activity for environmental health, permitting, building and code enforcement is shown in a Special Revenue Fund. Historical information on fees and other revenues for the period January 2000 to present are shown in the following table.

Table 7
Building & Planning Department Revenue

Calendar Year	Anticipated Revenues 2009	Actual Revenues YTD 06/30/2009	Percentage Collected
Community Long Range Planning			
2008	\$437,784	\$296,369	67.7%
Building & Planning Department Revenue All Divisions: Permitting, Environmental Heal & Code Enforcement (Effective 1/1/2008: Established as a Special Revenue Fund)			
Calendar Year	Anticipated Revenues	Actual Annual Revenues	Percentage Collected
2000	\$1,443,592	\$1,543,215	106.9%
2001	\$1,417,776	\$1,189,822	83.9%
2002	\$1,770,972	\$1,542,405	87.1%
2003	\$1,461,800	\$1,503,922	102.9%
2004	\$1,486,947	\$1,966,011	132.2%
2005	\$2,108,884	\$2,503,583	118.7%
2006	\$2,452,738	\$3,239,121	132.1%
2007	\$3,108,668	\$3,368,895	108.4%
Average:	\$1,906,422	\$2,107,122	110.5%

11) Corrections (Jail, Probation, Offender Services & Inmate Concessions) revenues for the year were estimated at \$4.2 million. Actual revenues collected through the Second Quarter were \$1.98 million (47.7%). Total revenues collected in prior years were as follows:

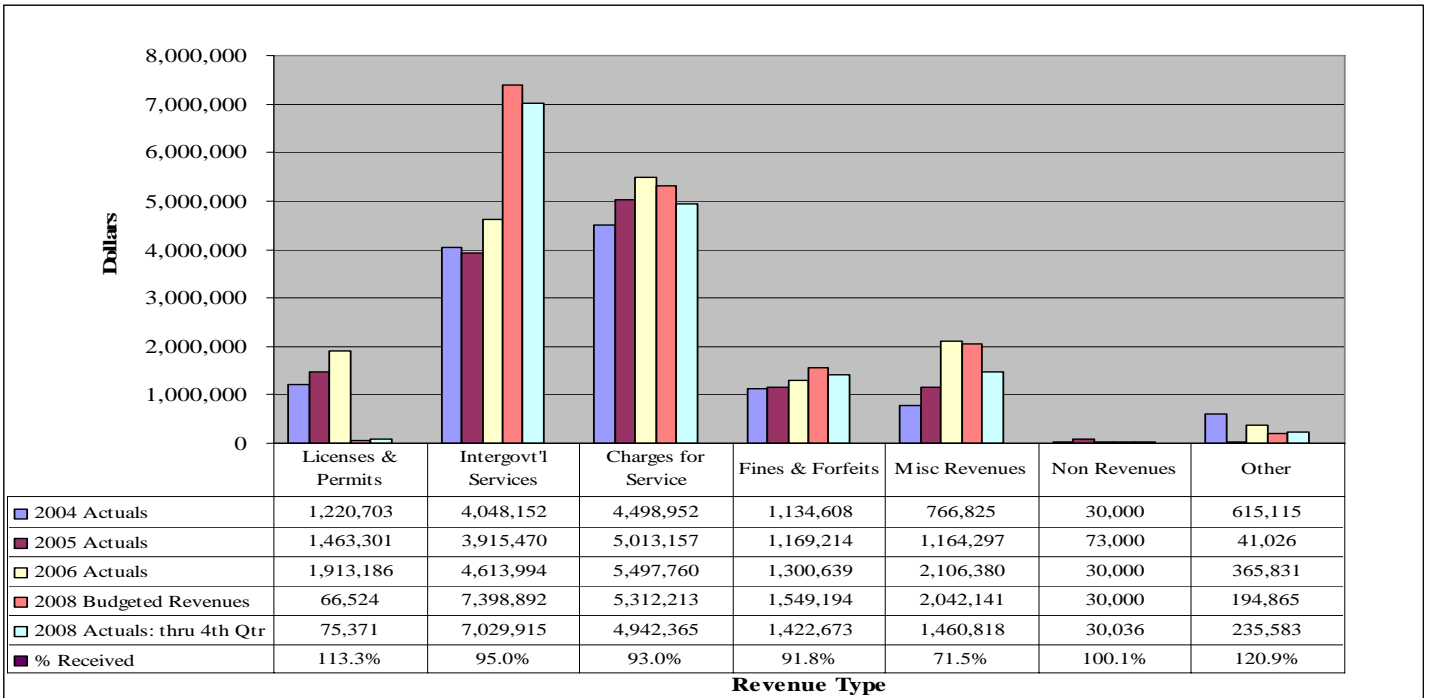
- 2001: \$2.6 million
- 2002: \$2.3 million
- 2003: \$2.3 million
- 2004: \$2.1 million
- 2005: \$2.2 million
- 2006: \$2.4 million
- 2007: \$4.2 million (DOC contract; Annex opened; booking restrictions lifted)
- 2008: \$3.9 million

The following table itemizes anticipated revenues for each division of the Corrections Department as well as total revenues through the same period last year.

Table 8
Cowlitz County Corrections Department Revenue

Division	Anticipated Revenues	Actual Revenues YTD 12/31/2008	Percentage Collected	Actual Revenues Thru 12/31/2007
Probation Services	\$541,700	\$577,891	106.7%	\$556,265
Jail	\$2,919,500	\$2,567,501	87.9%	\$2,833,851
Offender Services	\$539,964	\$608,386	112.7%	\$654,098
Jail Concessions	\$180,000	\$190,124	105.6%	\$159,395
Total	\$4,181,164	\$3,943,902	94.3%	\$4,203,609

Chart 1
Comparison of Revenues: 2004 – YTD 2008
2008 Budget Estimates & Actual Revenues



Note: Revenue categories not included in charts above: sales tax, property tax and fund transfer; see prior discussion above.

Chart 2
General Fund Revenues: 2008
Anticipated Revenues (Budget Estimate – As Amended)

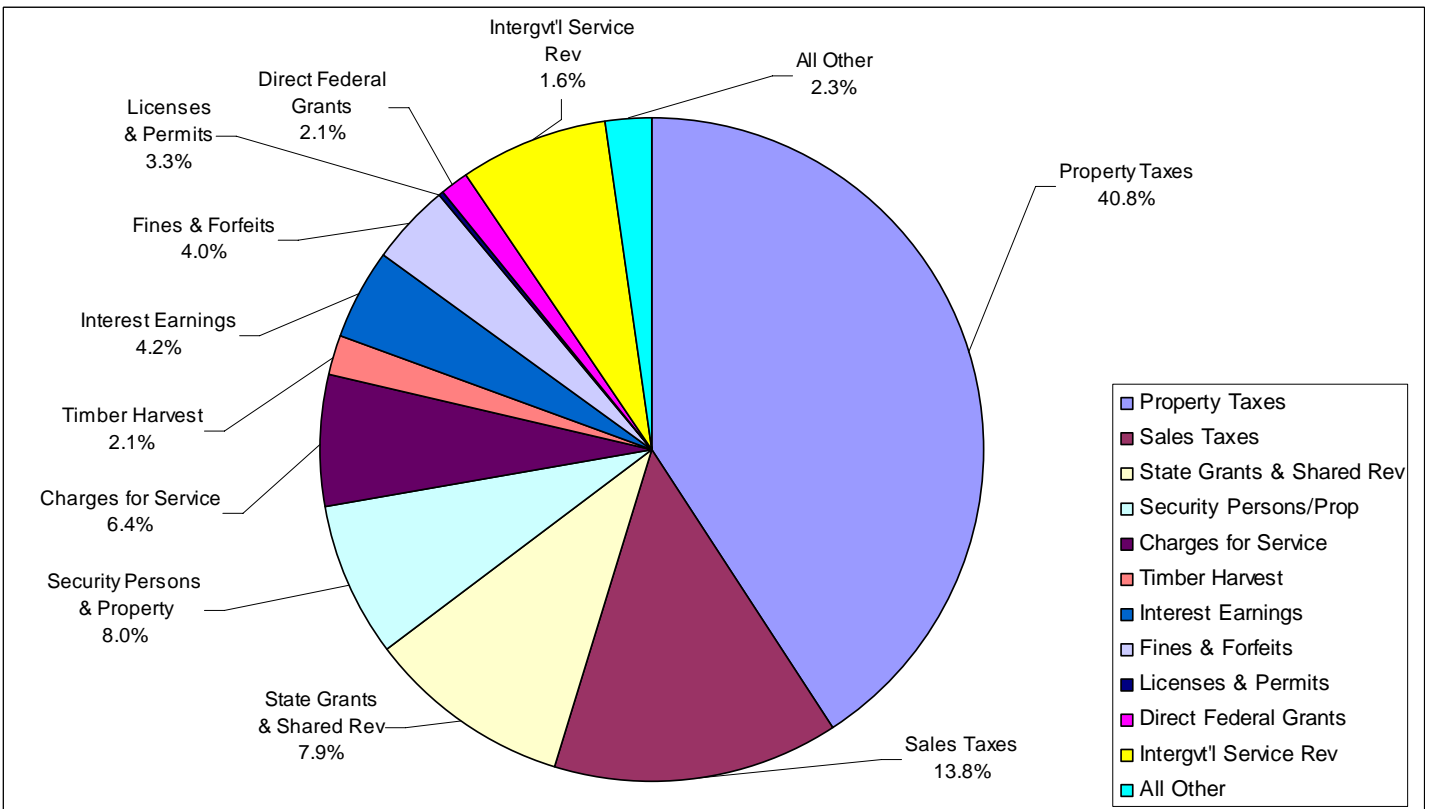


Chart 3
General Fund Revenues: 2008
Actual Receipts Through 4th Quarter

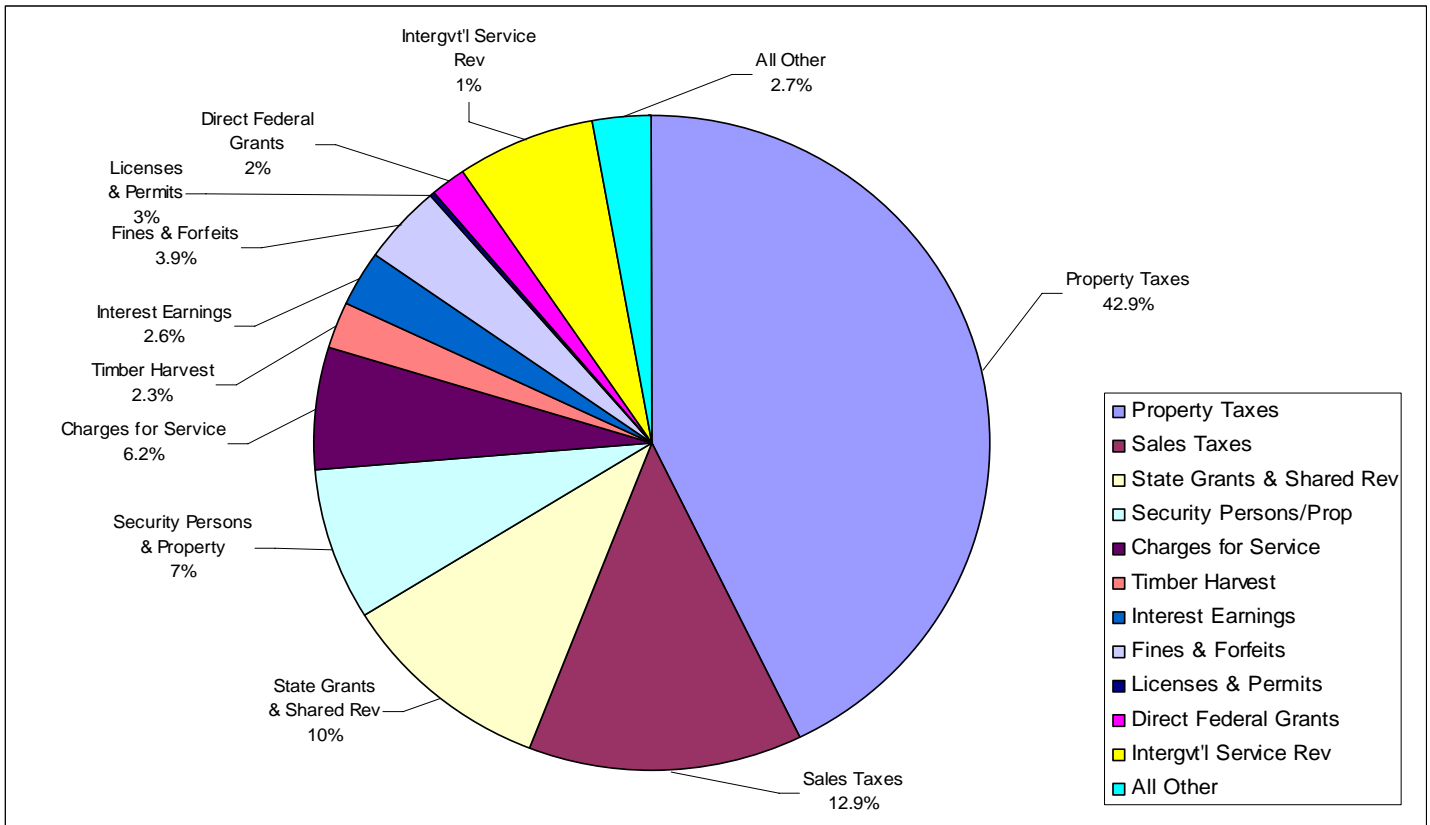


Table 9
General Fund Revenues (By Source): 2008
Anticipated Revenues & Actual Receipts Through 4th Quarter

Revenue Source	Anticipated Revenues	4 th Qtr Actual Revenues	Percentage Collected
Property Taxes/Fines & Penalties	\$15,789,295	\$15,679,587	99.3%
Sales Taxes	\$5,354,768	\$4,698,035	87.7%
State Grants & Shared Revenues	\$3,970,788	\$3,825,479	96.3%
Security Persons/Property	\$2,826,627	\$2,694,616	95.3%
Charges for Service	\$2,485,586	\$2,247,749	90.4%
Timber Harvest	\$818,260	\$846,993	103.5%
Interest Earnings	\$1,642,790	\$946,667	57.6%
Fines & Forfeits	\$1,549,194	\$1,422,673	91.8%
Licenses & Permits	\$66,524	\$75,371	113.3%
Direct Federal Grants	\$614,053	\$666,314	108.5%
Intergvt'l Service Revenues	\$2,734,551	\$2,449,190	89.6%
All Other	\$871,751	\$990,203	113.6%
Total	\$38,724,187	\$36,542,877	94.4%

Table 10
General Fund Revenues (By Department): 2008
Anticipated Revenues & Actual Receipts Through 4th Quarter

Department	Anticipated Revenues	Actual Revenues Collected	\$\$ Over / (Under)	% Collected
Boundary Review Board	\$400	\$250	(\$ 150)	62.5%
Commissioners	\$2,950	\$9,134	\$6,184	309.6%
Board of Equalization	\$0	\$0	\$ 0	
Treasurer	\$17,576,128	\$16,789,950	(\$786,178)	95.5%
Auditor	\$7,772,930	\$6,998,632	(\$774,298)	90.0%
Assessor	\$3,500	\$6,872	\$3,372	196.3%
Administrative Services	\$129,850	\$144,916	\$15,066	111.6%
Civil Service Commission	\$1,000	\$1,350	\$ 350	135.0%
Facilities Maintenance	\$326,980	\$404,402	\$77,422	123.7%
Family Court	\$79,080	\$58,392	(\$20,688)	73.8%
Sheriff	\$1,798,578	\$1,810,002	\$11,424	100.6%
CCCD-Probation Services	\$541,700	\$577,891	\$36,191	106.7%
CCCD-Jail	\$2,919,500	\$2,567,501	(\$351,999)	87.9%
CCCD-Offender Services	\$539,964	\$608,386	\$68,422	112.7%
CCCD-Jail Concessions	\$180,000	\$190,124	\$10,124	105.6%
Juvenile Detention	\$154,000	\$187,286	\$33,286	121.6%
Juvenile Probation	\$982,806	\$915,057	(\$67,749)	93.1%
Prosecuting Attorney	\$193,288	\$189,115	(\$4,173)	97.8%
Child Support Services	\$568,870	\$608,949	\$40,079	107.0%
Superior Court	\$194,722	\$171,480	(\$23,242)	88.1%
District Court	\$2,000,700	\$1,846,176	(\$154,524)	92.3%
Clerk	\$808,957	\$803,452	(\$5,505)	99.3%
P.A. Diversion Program	\$5,000	\$6,800	\$1,800	136.0%
Courthouse Facilitator Prog	\$44,360	\$42,170	(\$2,190)	95.1%
Office of Public Defense	\$173,407	\$187,971	\$14,564	108.4%
Coroner	\$16,350	\$22,762	\$6,412	139.2%
WSU Extension	\$925	\$444	(\$ 481)	48.0%
Museum	\$0	\$0	\$ 0	
Non-Departmental	\$209,400	\$228,024	\$18,623	108.9%
St. Helens Recovery	\$832,500	\$686,778	(\$145,722)	82.5%
Community Long Range Plan	\$437,784	\$296,369	(\$141,415)	67.7%
Park & Recreation	\$109,700	\$90,751	(\$18,949)	82.7%
Drug Court Grant Program	\$118,858	\$91,491	(\$27,367)	77.0%
Grand Total	\$38,724,187	\$36,542,877	(\$2,181,311)	94.4%

Notes:

(a) Not all departments receive income distributed equally throughout the year; therefore the percentage collected through the end of the quarter may not necessarily reflect the amount of revenue that might be expected by year end. In other words, it is not necessarily reasonable to expect that 25% of anticipated revenues would be received at the end of the 1st quarter; 50% of anticipated revenues would be received by the end of the 2nd quarter; 75% of anticipated revenues would be received by the end of the 3rd quarter and 100% of anticipated revenues would be received by the end of the 4th quarter.

(b) The statistic representing “percentage collected” may be more an indication of the accuracy of the initial estimate of anticipated revenue than it is a measure of future revenue expectations.

Table 11
General Fund Revenues
2000 - 2004 Comparison

Revenue Source	2000 Actual	2001 Actual	2002 Actual	2003 Actual	2004 Actual
Property Taxes	\$12,018,188	\$12,681,664	\$13,135,458	\$13,600,190	\$13,822,500
Sales Taxes	3,197,269	3,502,749	3,433,646	3,713,241	3,700,901
St Grants/Shared Rev	2,073,264	1,883,593	2,190,240	2,624,881	3,009,731
Sec of Persons/Prop	2,109,765	2,360,805	2,093,939	2,344,810	2,154,963
Charges for Service	2,018,411	1,920,653	2,125,173	2,131,947	2,343,482
Timber Harvest	930,556	1,034,114	1,266,028	844,423	540,899
Interest Earnings	1,412,843	1,143,096	632,880	468,997	430,368
Fines & Forfeits	1,087,052	1,060,805	1,059,455	1,121,364	1,134,608
Licenses & Permits	986,926	783,439	901,941	937,859	1,220,703
Direct Federal Grants	455,934	542,092	529,937	567,736	545,931
Intergov't Revenue	396,611	327,494	355,725	416,670	416,943
All Other	587,006	639,853	1,221,220	686,151	1,345,732
Total	\$27,273,825	\$27,880,356	\$28,945,642	\$29,458,268	\$30,666,255
Percentage Inc/(Dec)		+2.2%	+3.8%	+1.8%	+4.1%

2002 revenues include four funds previously classified as Special Revenue Funds.

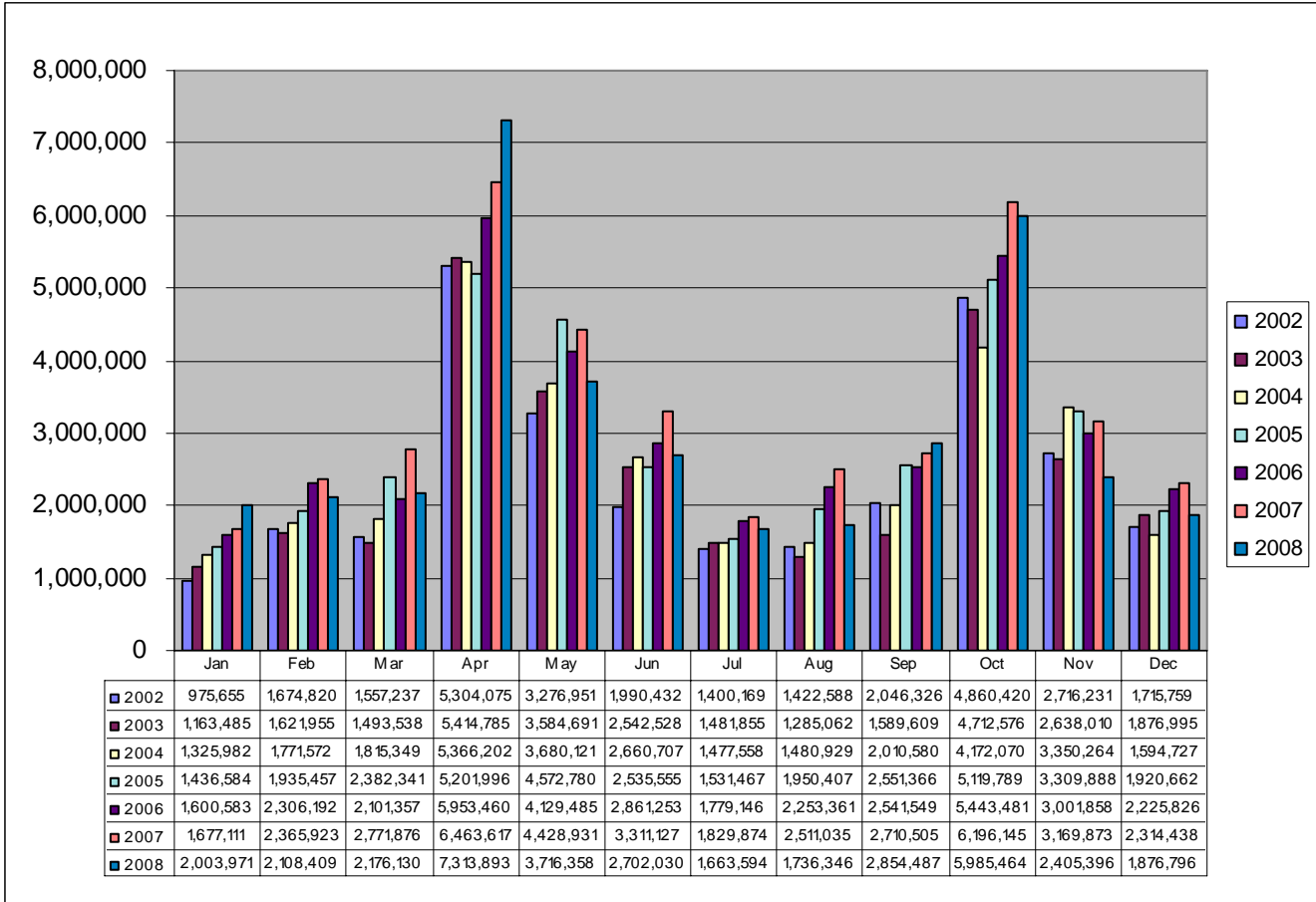
2004 revenues include the Law & Justice Fund previously classified as a Special Revenue Fund.

Table 12
General Fund Revenues
2005 – 2009 Comparison

Revenue Source	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Budget
Property Taxes	\$15,151,245	\$14,580,680	\$14,908,630	\$15,679,587	\$17,167,507
Sales Taxes	4,638,448	4,667,241	5,309,807	4,698,035	4,590,893
St Grants/Shared Rev	2,893,551	3,221,947	3,586,462	3,825,479	4,078,313
Sec of Persons/Prop	2,268,142	2,349,592	3,016,966	2,694,616	2,886,701
Charges for Service	2,745,015	3,148,167	3,421,038	2,247,749	2,456,555
Timber Harvest	1,467,971	1,085,386	888,130	846,993	836,450
Interest Earnings	815,617	1,729,121	1,873,639	946,667	587,483
Fines & Forfeits	1,169,214	1,300,639	1,564,611	1,422,673	1,545,155
Licenses & Permits	1,463,301	1,913,186	1,890,537	75,371	68,427
Direct Federal Grants	589,401	656,186	533,221	666,314	758,809
Intergov't Revenue	379,443	676,780	1,736,500	2,449,190	1,993,917
All Other	866,435	864,351	1,021,940	990,202	1,153,358
Total	\$34,447,783	\$36,193,276	\$39,751,481	\$36,542,876	\$38,123,568
Percentage Inc/(Dec) vs. Prior Year	+12.4%	+13.1%	+9.8%	(4.6%)	4.3%

2008: Special Revenue Fund established for Building & Planning Fund; decrease in licenses & permits & charges for service revenues reflect this change.

Chart 4
Cowlitz County General Fund
Revenue By Month
2002 – YTD 2008



B. GENERAL FUND EXPENDITURES

The General Fund budget, as amended, has been approved in the amount of \$47,033,219, including an estimated ending unreserved and reserved fund balance of \$4,537,021. This compares to a budget in 2007 of \$48,282,112 including an estimated ending fund balance of \$4,573,129. The decrease in 2008 is largely the result of establishing a Special Revenue Fund for the Department of Building and Planning thereby reducing General Fund expenditures as well as a reduction in capital expenditures.

Expenditures, by major expense category, are as follows:

Table 13
General Fund Expenditures: 2008

Expense Category	% of Total	Budget As Amended	Expended YTD 12/31/2008	Unexpended
Personnel Services	58.8%	\$27,354,576	\$26,654,774	\$699,802
Supplies	3.7%	1,730,599	1,471,244	259,355
Other Services & Charges	16.3%	7,650,642	6,144,110	1,506,532
Interfund Charges/Misc	5.0%	2,348,145	2,431,638	(83,493)
Transfers	6.8%	3,188,182	3,049,054	139,128
Capital Outlay	0.5%	224,054	39,354	184,700
Total Expenditures		\$42,496,198	\$39,790,174	\$2,706,026
Ending Fund Balance	9.6%	4,537,021		
Total Budget		\$47,033,219	93.6%	6.4%

Chart 5
Cowlitz County General Fund (As Amended)
Budgeted Expenditures: 2008

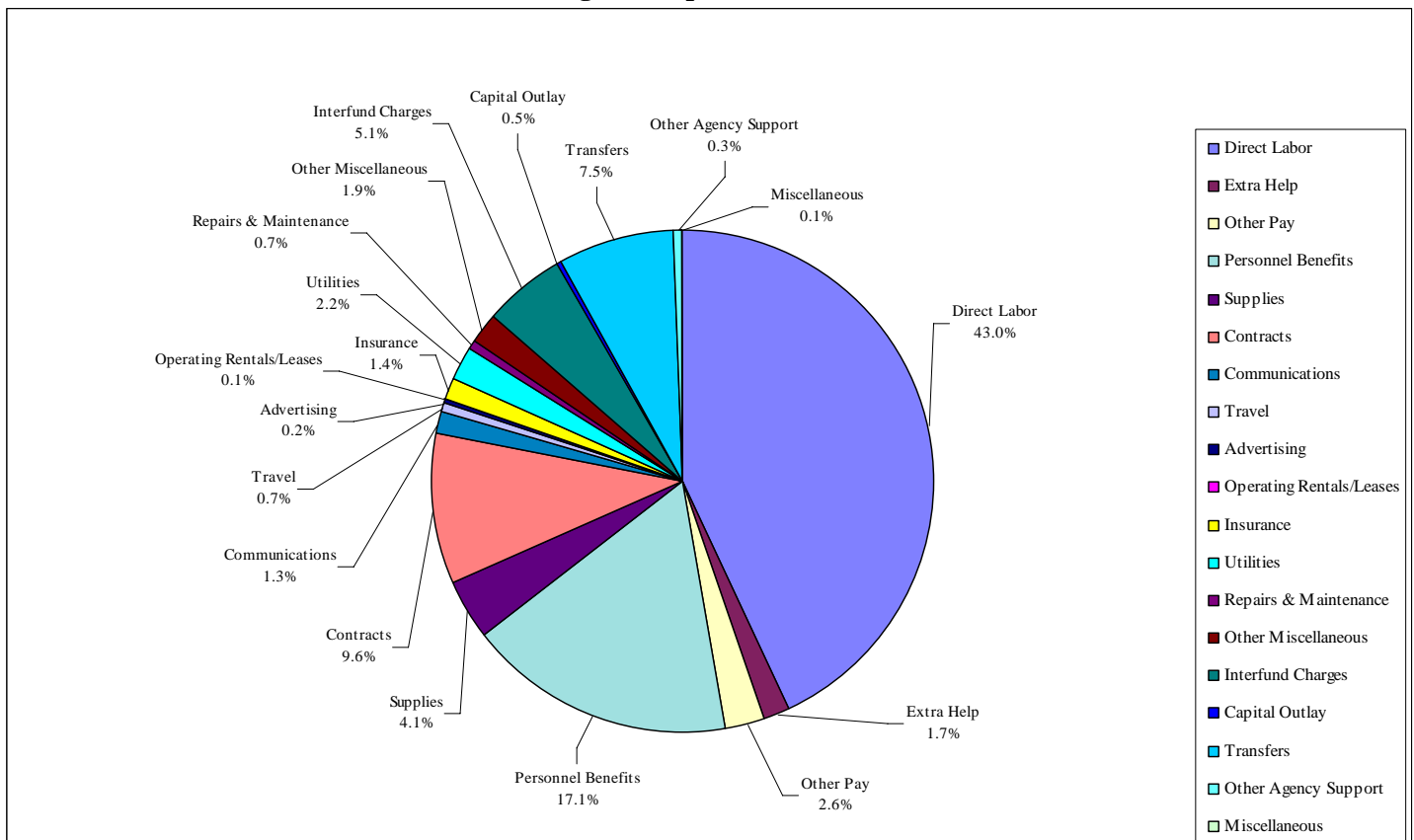


Chart 6
Cowlitz County General Fund (As Amended)
Actual Expenditures: Through 4th Quarter 2008

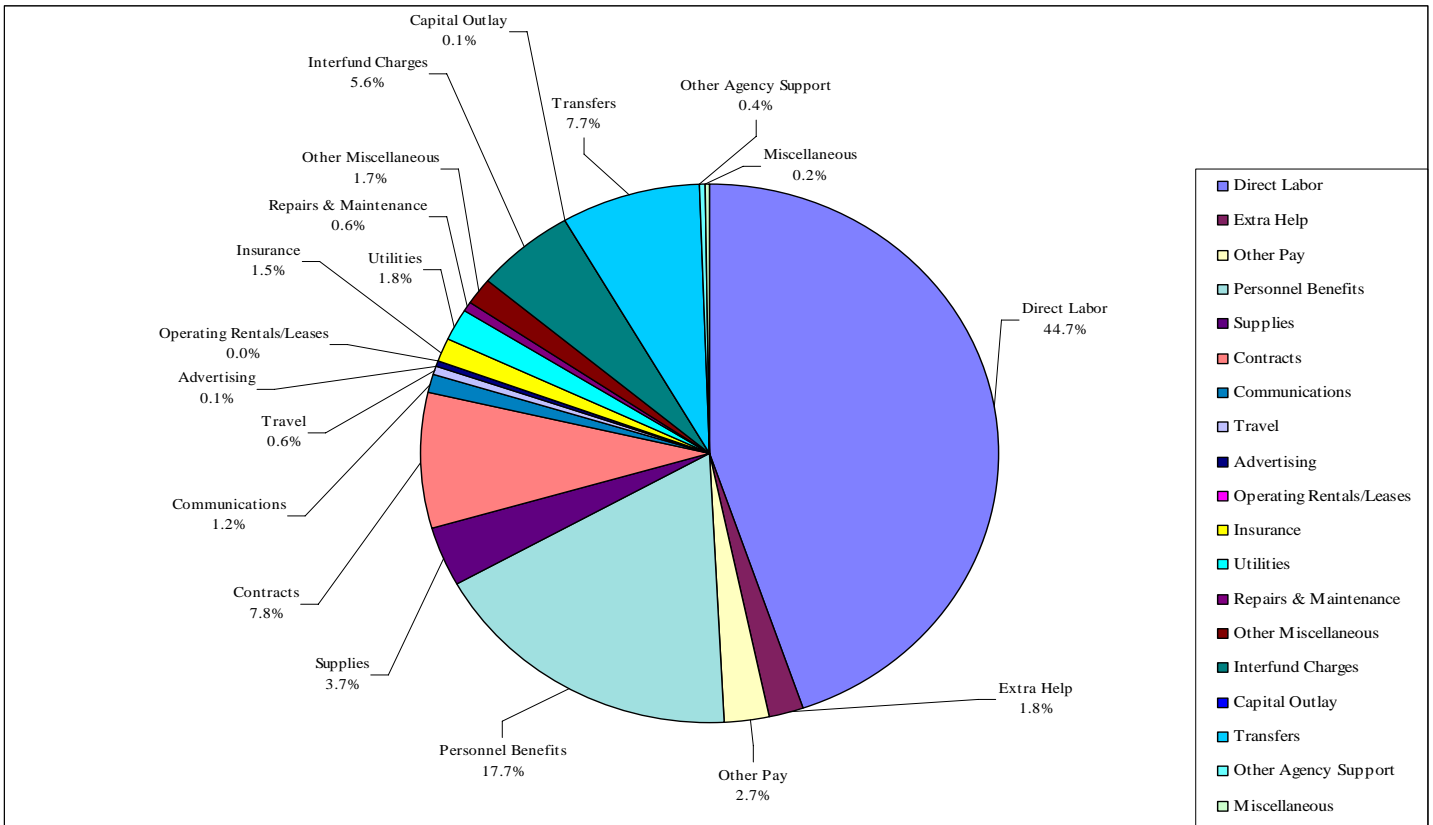


Table 14
General Fund Expenditures Detail Through 4th Quarter 2008

Expense Category	Budget (Amended)	Expended	Unexpended	% Expended
Direct Labor	\$18,271,172	\$17,802,196	\$468,976	97.4%
Extra Help	725,361	725,183	178	100.0%
Other Pay	1,094,551	1,075,663	18,888	98.3%
Personnel Benefits	7,263,492	7,051,733	211,759	97.1%
Supplies	1,730,599	1,471,244	259,355	85.0%
Contracts	4,089,253	3,121,827	967,426	76.3%
Communications	553,560	491,158	62,402	88.7%
Travel	302,351	253,078	49,273	83.7%
Advertising	82,256	43,276	38,980	52.6%
Op Rentals/Leases	21,707	11,113	10,594	51.2%
Insurance	576,376	578,349	(1,973)	100.3%
Utilities	917,481	725,829	191,652	79.1%
Repairs/Maintenance	312,453	241,760	70,693	77.4%
Other	795,205	677,720	117,485	85.2%
Interfund Charges	2,168,207	2,211,346	(43,139)	102.0%
Capital Outlay	224,054	39,354	184,700	17.6%
Transfers	3,188,182	3,049,054	139,128	95.6%
Agency Support	143,474	152,678	(9,204)	106.4%
Miscellaneous	36,464	67,613	(31,149)	185.4%
Grand Total	\$42,496,198	\$39,790,174	\$2,706,024	93.6%

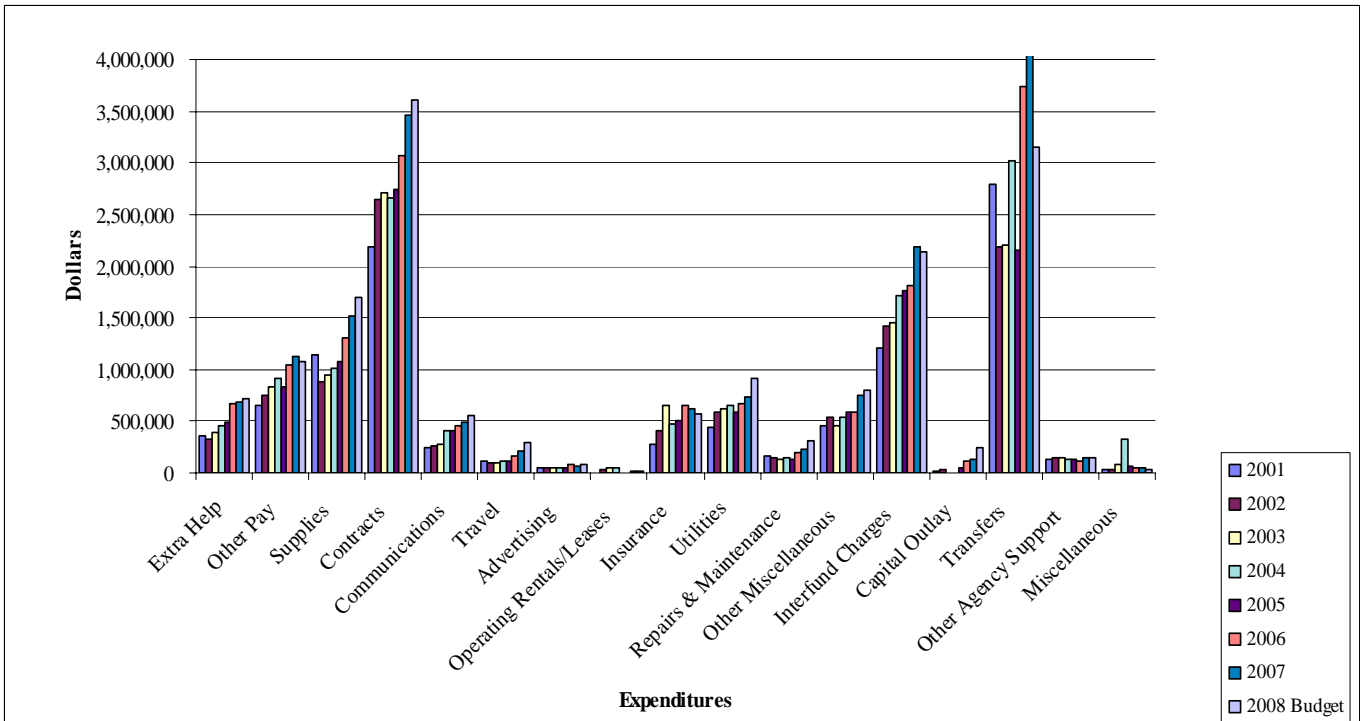
Table 15
General Fund Expenditures
2005 - 2007 Comparison

Expense Category	2005 Actual Expenditures	2006 Actual Expenditures	2007 Actual Expenditures	2008 Actual Expenditures
Direct Labor	\$14,592,691	\$15,098,810	\$17,181,603	\$17,802,196
Extra Help	496,877	665,280	689,012	725,183
Other Pay	825,508	1,042,892	1,126,596	1,075,663
Personnel Benefits	4,551,395	5,241,704	6,580,479	7,051,733
Supplies	1,075,192	1,299,412	1,519,037	1,471,244
Contracts	2,747,619	3,069,004	3,455,743	3,121,827
Communications	409,115	453,179	489,303	491,158
Travel	110,071	159,312	209,247	253,078
Advertising	49,193	85,569	73,036	43,276
Op Rentals/Leases	1,347	896	9,943	11,113
Insurance	498,427	650,897	626,170	578,349
Utilities	595,517	673,618	732,732	725,829
Repairs/Maintenance	137,214	190,415	227,435	241,760
Other	595,299	588,403	748,322	677,720
Interfund Charges	1,770,939	1,807,529	2,192,544	2,211,346
Capital Outlay	53,970	115,689	126,077	39,354
Transfers	2,148,665	3,734,680	4,735,111	3,049,054
Agency Support	132,317	111,736	144,602	152,678
Miscellaneous	59,112	46,404	56,373	67,613
Grand Total	\$30,850,468	\$35,035,429	\$40,923,365	\$39,790,174
Percentage Inc/(Dec)		13.6%	16.8%	
<i>2008: Special Revenue Fund for Building & Planning established; Community Long Range Planning remains in General Fund.</i>				

Table 16
General Fund Expenditures
2001 - 2004 Comparison

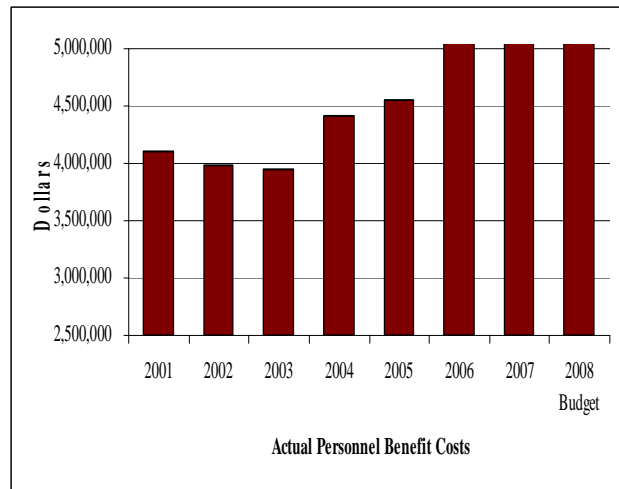
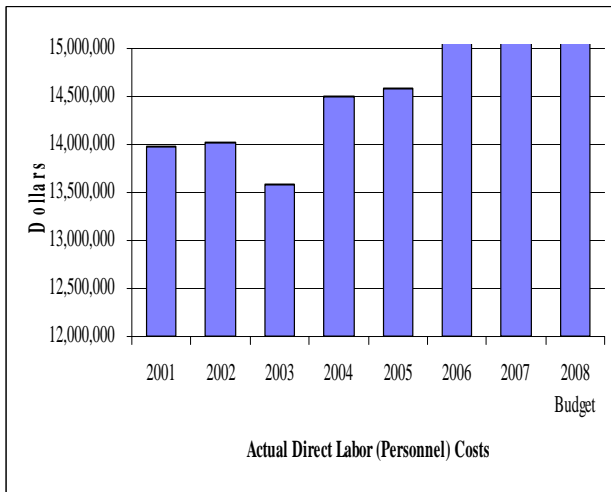
Expense Category	2001 Actual Expenditures	2002 Actual Expenditures	2003 Actual Expenditures	2004 Actual Expenditures
Direct Labor	\$13,986,479	\$14,015,092	\$13,581,931	\$14,504,238
Extra Help	351,238	334,058	391,443	461,460
Other Pay	653,663	747,928	830,951	909,803
Personnel Benefits	4,096,257	3,979,330	3,952,388	4,420,508
Supplies	1,138,126	881,330	948,488	1,011,009
Contracts	2,191,413	2,650,827	2,717,709	2,665,170
Communications	247,886	253,914	274,589	404,551
Travel	119,472	92,873	95,549	108,107
Advertising	46,013	44,591	44,877	53,926
Op Rentals/Leases	2,627	34,410	44,433	56,003
Insurance	281,809	404,909	651,214	480,931
Utilities	447,226	580,717	616,072	649,404
Repairs/Maintenance	155,329	153,972	132,403	151,701
Other	460,946	535,159	455,644	544,727
Interfund Charges	1,212,450	1,417,270	1,453,259	1,713,350
Capital Outlay	14,580	37,967	5,301	0
Transfers	2,798,723	2,181,128	2,204,507	3,020,781
Agency Support	136,677	145,631	152,013	138,354
Miscellaneous	32,487	31,012	75,944	331,963
Grand Total	\$28,373,401	\$28,522,118	\$28,628,715	\$31,625,986
Percentage Inc/(Dec)		+.52%	+.37%	+10.5%
<i>Note: in 2004 expenditures from the Law & Justice Fund were incorporated into the General Fund adding expenditures of approximately \$1.2 million. Previously this fund was classified as a Special Revenue Fund (separate from the General Fund.)</i>				

Chart 7
General Fund Expenditures:
Comparison: 2001– 2008



Note: Chart above excludes Direct Labor & Employee Benefit costs See Chart 5b below. See also Table 10d.

Chart 8
General Fund Expenditures:
Comparison: 2001 - 2008



Note: In 2004 the Law & Justice Fund was incorporated into the General Fund, adding approximately \$1.2 million in total expenditures 87% of which were staff costs for a total increase in salary and benefits of approximately \$950,000.

Table 17
General Fund (2008 As Amended)
Department-Level Expenditure Summary

Department	Amended Budget	Expenditures Through 4th Qtr	% Expended
Boundary Review Board	\$20,880	\$16,110	77.2%
Commissioners	624,534	545,385	87.3%
Board of Equalization	4,978	3,575	71.8%
Treasurer	712,310	693,712	97.4%
Auditor	1,023,138	989,684	96.7%
Assessor	1,507,530	1,489,880	98.8%
Administrative Services	712,891	667,996	93.7%
Civil Service Commission	17,230	12,703	73.7%
Facilities Maintenance	2,079,374	2,006,833	96.5%
Family Court	310,239	304,224	98.1%
Sheriff	5,640,167	5,464,481	96.9%
Sheriff's Extradition	25,125	22,028	87.7%
CCCD-Probation Services	581,515	560,454	96.4%
CCCD-Jail	7,761,619	6,972,919	89.8%
CCCD-Offender Services	1,230,465	1,164,659	94.7%
CCCD-Jail Concessions	222,253	154,826	69.7%
Juvenile Detention	1,811,619	1,722,196	95.1%
Juvenile Probation	1,883,994	1,802,326	95.7%
Prosecuting Attorney	2,068,731	2,052,691	99.2%
Child Support Services	568,820	558,179	98.1%
Superior Court	929,544	869,161	93.5%
District Court	1,627,203	1,572,973	96.7%
Clerk	1,171,636	1,125,638	96.1%
P.A. Diversion Program	15,030	14,035	93.4%
Courthouse Facilitator Program	54,343	54,333	100.0%
Office of Public Defense	2,283,422	2,097,910	91.9%
Coroner	389,904	381,236	97.8%
WSU Extension	148,003	146,145	98.7%
Museum	114,630	104,697	91.3%
Non-Departmental	4,474,486	4,261,673	95.2%
St. Helens Recovery	632,500	313,774	49.6%
Community Long Range Planning	1,143,592	1,008,043	88.1%
Park & Recreation	517,279	466,208	90.1%
Drug Court Grant Program	187,214	169,487	90.5%
Grand Total	\$42,496,198	\$39,790,174	93.6%

Chart 9
Cowlitz County General Fund
Expenditures by Month
2002 – YTD 2008

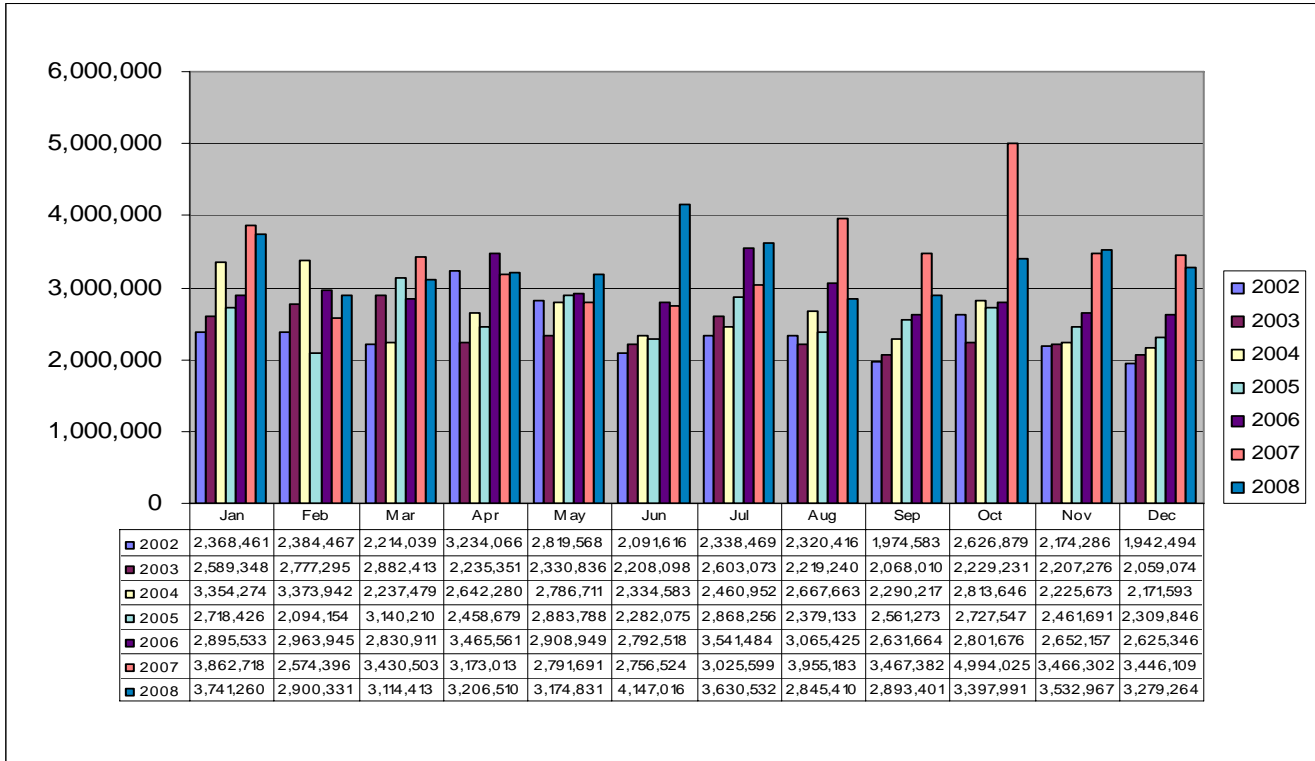
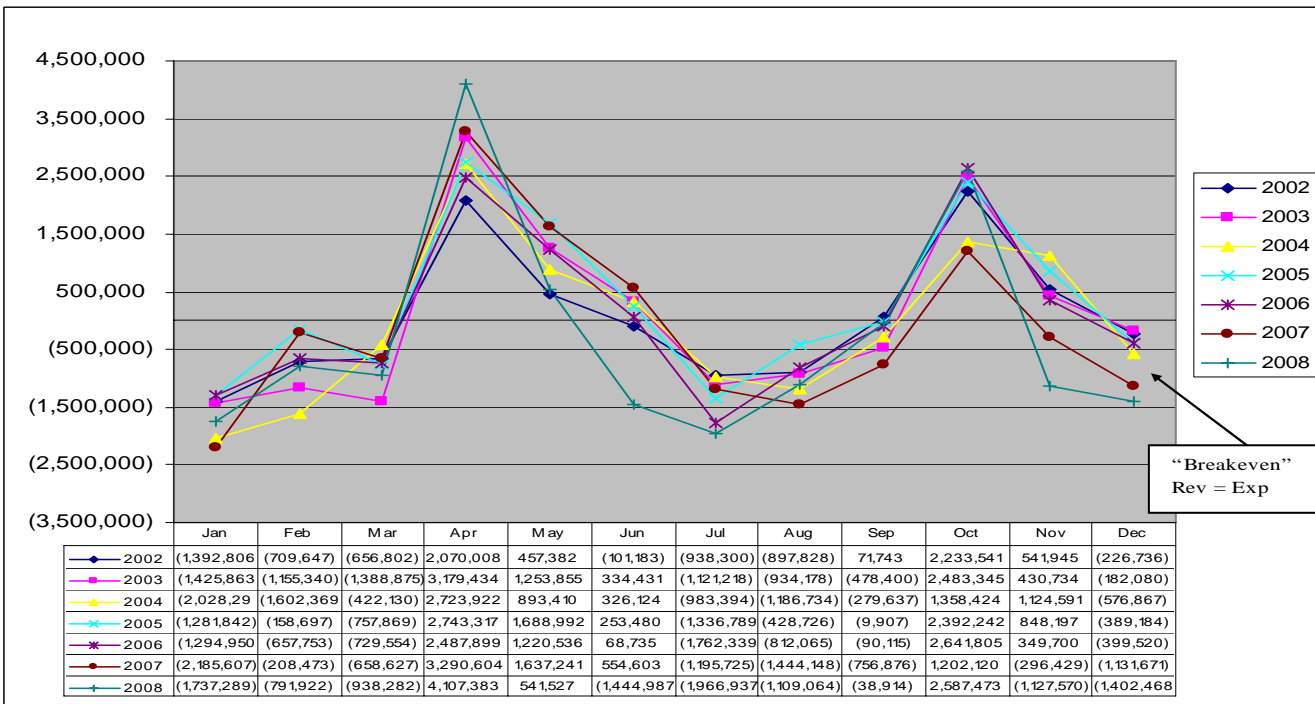


Chart 10
Cowlitz County General Fund
Difference Between Monthly Receipts and Monthly Expenditures
2002 – YTD 2008



C. FUND BALANCE

Pursuant to RCW 36.40.090, the County cannot maintain an unbudgeted (unrestricted) cash balance in excess of a sum equal to \$1.25/\$1,000 of the assessed valuation of the county. The maximum unbudgeted cash the County could maintain in 2008 is \$10,589,863. The county is below the maximum allowed by law.

The estimated unreserved beginning fund balance on January 1, 2008 was \$8,500,000. Actual adjusted cash balance was \$7,360,942.

The adjusted beginning fund balance of \$7.4 million accounts for 2007 “13th month” expenditures. Cowlitz County financial statements are based on a modified accrual system. Treasurer’s cash is reported in the month/year received, while expenditures are recognized in the year the obligation is incurred. Therefore, an adjusted cash balance is obtained by deducting from the cash on deposit with the Treasurer on December 31, expenditures paid in January and February but chargeable to the prior year budget.

The ending fund balance on December 31, 2008 was anticipated to be \$4,539,783. The actual cash balance as of December 31, 2008 was \$5,946,012. Actual ending cash balances are typically higher than budgeted due to unexpended budget and revenue received greater than forecast (see discussion in this report for additional detail.)

Audited financial statements for 2008 are not yet available.

Table 18
Eight-Year Historical Comparison
General Fund Shortfall/Surplus
Current Revenues vs. Current Expenditures

Year	Annual Expenditures	Annual Revenues	(Shortfall)/Surplus
2000	\$27,347,948	\$27,273,825	(\$ 74,123)
2001	\$28,373,401	\$27,880,356	(\$493,045)
2002	\$28,522,118	\$28,945,642	\$ 423,524
2003	\$28,628,714	\$29,458,268	\$829,554
2004	\$31,625,985	\$30,666,761	(\$959,224)
2005	\$30,850,468	\$34,685,611	\$3,835,143
2006	\$35,035,429	\$36,193,276	\$1,157,847
2007	\$40,923,365	\$39,751,481	(\$1,171,884)
2008	\$38,724,187	\$36,542,877	(\$2,181,310)
9 year Avg 2000-2008	\$32,225,735	\$32,377,566	\$151,831
<i>Note: In anticipation of reduced state revenues, significant budget reductions were made in 2002 and 2003. The anticipated budget savings were \$1.2 million; actual savings achieved were \$1.25 million.</i>			

As stated in the County’s Financial Management Policies, sufficient fund balances and reserve levels are a critical component for sound financial management and a key factor in the measurement of the County’s financial strategies for external financing. Maintenance of an adequate fund balance ensures sufficient resources for cash flow and mitigates revenue shortages or emergencies. A minimum fund balance necessary can be attained and maintained through prudent management of expenditures and revenues. The County strives to maintain reserves required by law, resolution and/or bond covenants to ensure service levels, stability and protect against economic downturns and emergencies. The County’s financial management policies require maintenance of reserves in the General Fund of no less than 8.3% of projected expenses in order to provide sufficient cash flow. This is approximately one-month operating capital. Under the current policy, the minimum cash reserve for 2008 should have been \$3,475,921. The minimum fund balance was maintained.

Summary of Adjusted Actual Beginning Cash Balances

Chart 11
General Fund: 2001- 2008
Beginning Actual Adjusted Cash Balances

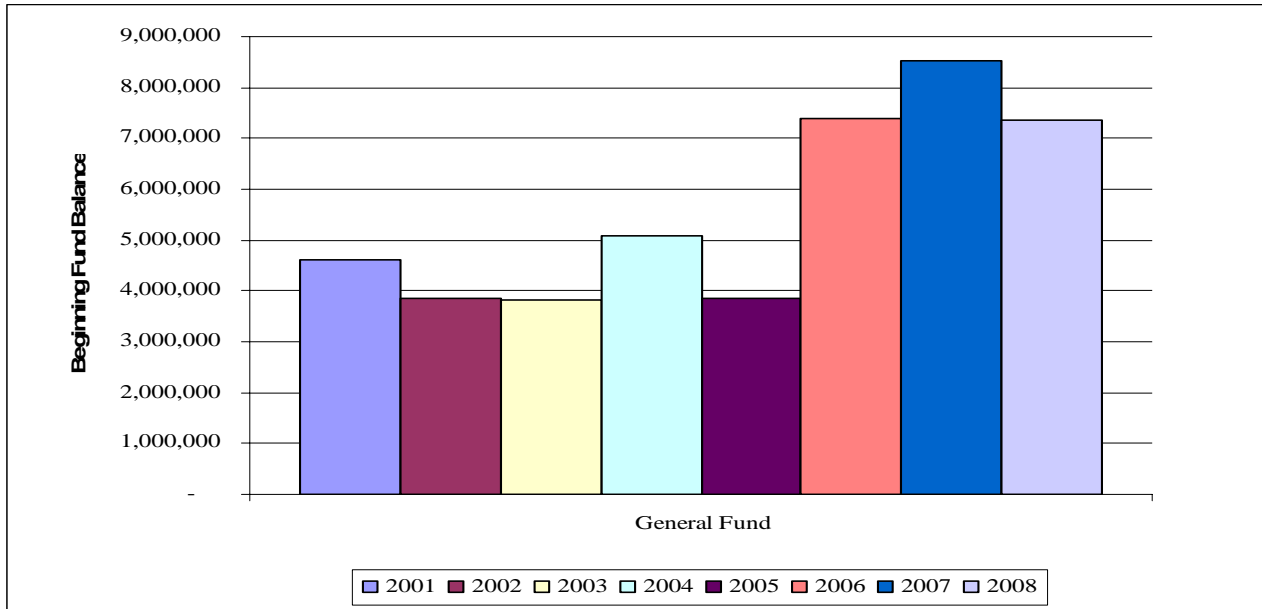


Chart 12
Comparison of Fund Balances – All Fund Types
Beginning Adjusted Fund Balances – 2008

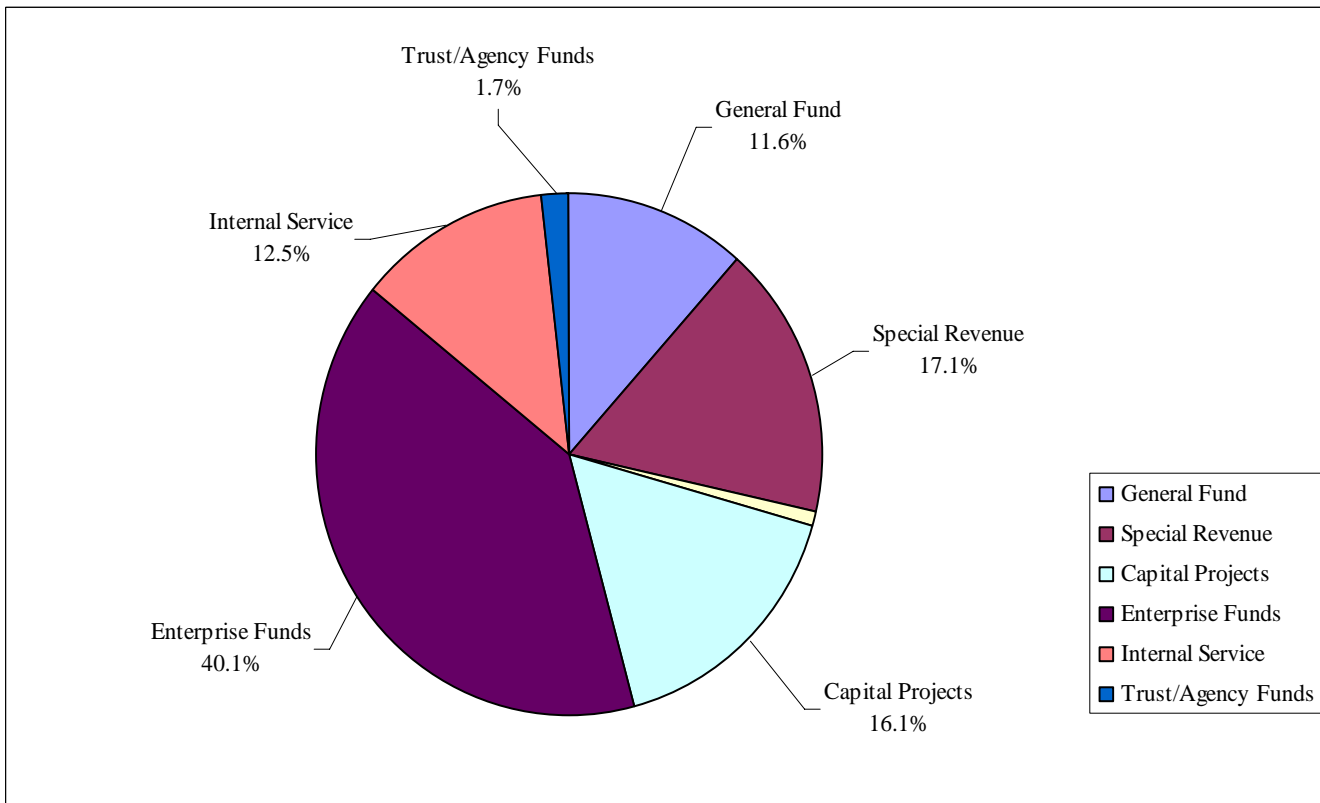


Chart 13
Cowlitz County General Fund
Cash & Investment Activity
2002 – YTD 2008

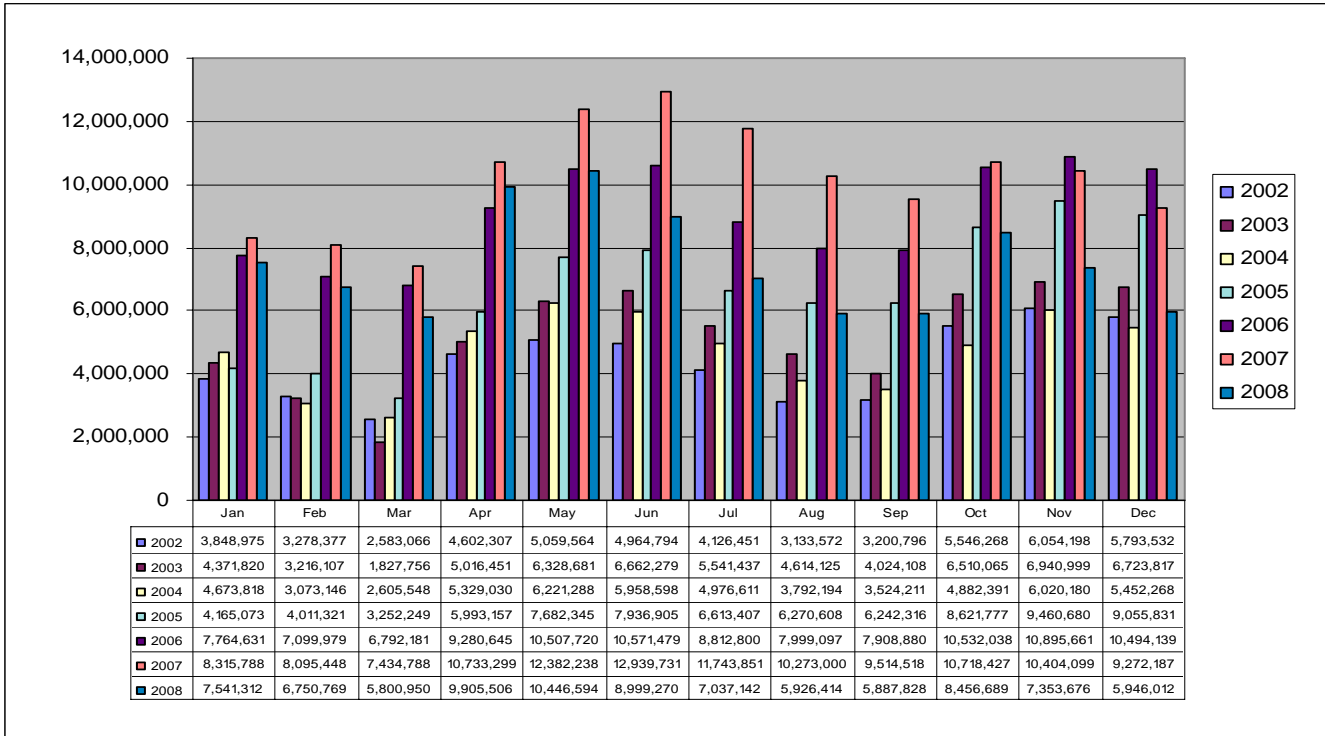


Chart 14
Cowlitz County General Fund
Trend of Actual Revenues, Expenditures & Cash Balance Adjusted for Inflation
1990-2008

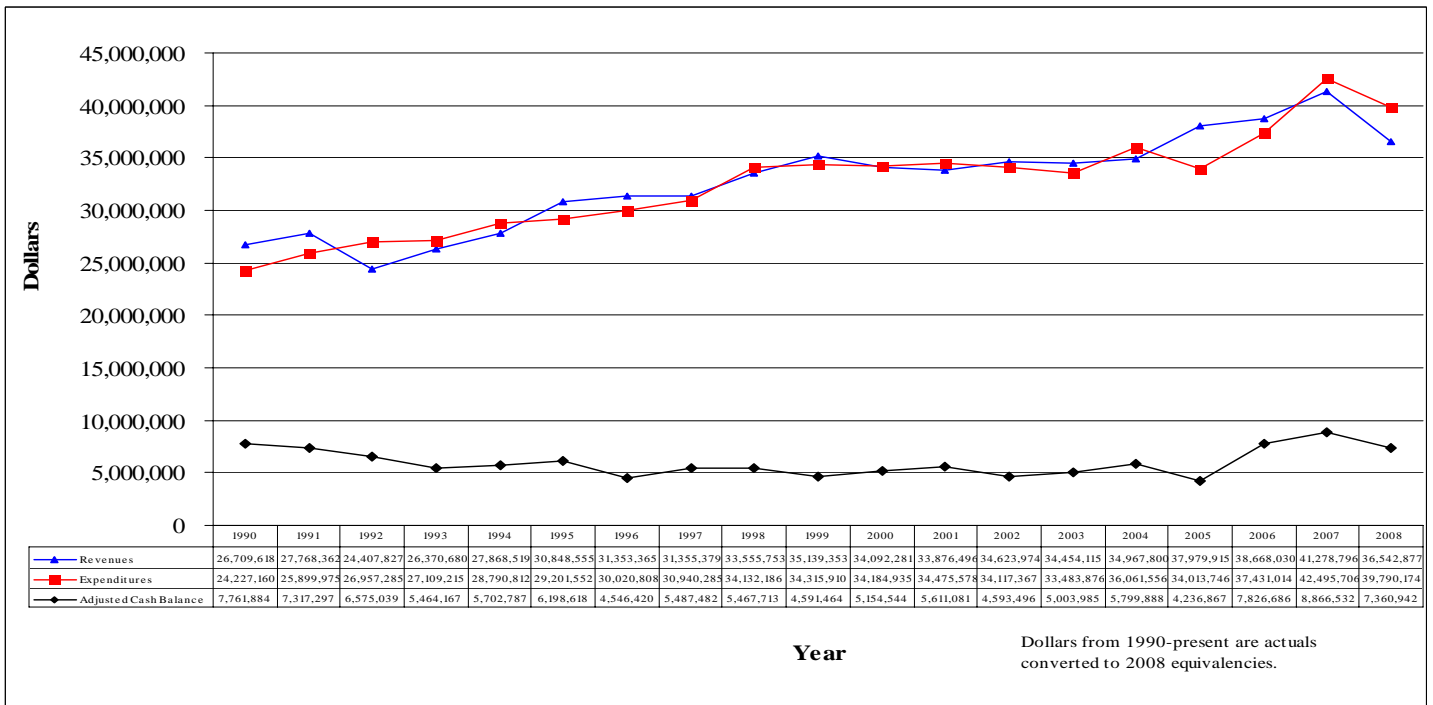
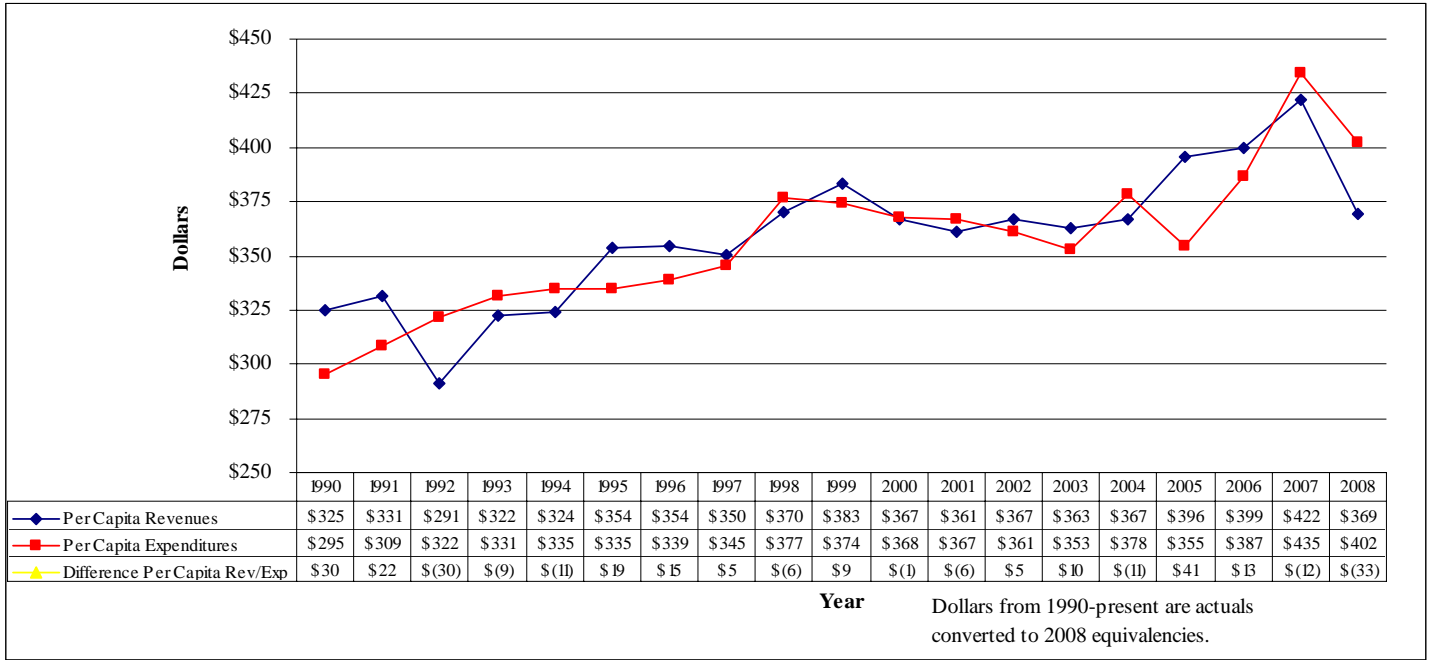


Chart 15
Cowlitz County General Fund
Trend of Per Capita Actual Revenues versus Per Capita Actual Expenditures
(Adjusted for Inflation)
1990 - 2007



II. CAPITAL PROJECTS

The **General Government Capital Projects Fund** accounts for expenditures for the following projects:

- **Equipment & Furniture Purchases:** Funds are budgeted for maintenance costs for the county-wide telephone system and for ergonomic furniture.
- **Property Maintenance/Acquisition:** Funds are budgeted for expenses that might be incurred for maintenance of the County's rental properties as well as a contribution to the maintenance of Silver Lake Dam.
- **Grants:** Cowlitz County is the recipient of two Community Development Block Grants:
 - (a) as sponsor for the Longview Housing Authority for a project known as the "Phoenix House"
 - (b) a shorelines restoration project pertaining to Abernathy Creek. The County has been awarded a grant from the Recreation and Conservation Office (formerly Interagency for Outdoor Recreation) for an easement acquisition program pertaining to Abernathy Creek.
 - (c) The County applied for a CDBG Planning Only grant to conduct a feasibility study for a Detox Center, however the County has been notified the project was not funded.
- **Health Department:** No projects are planned in 2008.
- **Jail (Hall of Justice):** Funds are budgeted for retainage and contract balances on repairs made on the third floor of the Hall of Justice in 2007.
- **Hall of Justice:** Funds are budgeted for remodel of courtrooms, well replacement, retainage for the 2007 Prosecutor's Office remodel and front entry project, an uninterrupted power supply system for the Communications Center, air conditioning for the computer room and for miscellaneous repairs.
- **Administration Building:** Funds are budgeted for retainage for projects completed in 2007, remodel of various areas for G.I.S., Building and Planning, Public Works, Personnel, Print Shop and Council of Government, and to pay for miscellaneous repairs.
- **Annex:** No projects are planned in 2008.
- **Juvenile Center:** Funds are budgeted for Heating, Ventilation and Air Conditioning (HVAC) and lobby remodel related to improving security.
- **Morgue:** This project is temporarily on hold pending a county-wide facility study.
- **Museum:** No projects are planned in 2008.
- **Expo Center:** Funds are budgeted for gas line replacement and a storm water management project.
- **Parks:** Funds are budgeted for retainage of projects completed in 2007 at Hoffstadt Bluffs including siding, roof, gutters and doors, and for shelters and a storage facility at Riverside Park.

Table 19
General Government Capital Projects Fund
2008 Revenues

Capital Projects General Government	Anticipated Revenue	Actual Revenue	Variance +/(-)
		YTD 12/31/2008	YTD 12/31/2008
Adjusted Beg Fund Balance	\$4,210,118	\$4,522,021	\$311,903
REET – Excise Tax	875,000	1,007,282	132,282
Abernathy Creek - Restoration	135,000	31,257	(103,743)
CDBG – Planning Only <i>Detox Center Feasibility Study</i>	24,000	0	(24,000)
CDBG – Phoenix House	200,000	0	(200,000)
City of Kelso - Spillman	10,836	10,836	0
Interest Earnings	180,000	112,085	(67,915)
Misc – Sale of Park Property	40,250	0	(40,250)
Misc – Contract Proceeds <i>Croy Street Sale</i>	40,011	0	(40,011)
Other/Transfers In: <i>Hoffstadt Concessions, Cumulative Reserve, etc</i>	197,182	0	(197,182)
Transfer from General Fund: <i>Construction Reserves</i>	500,000	0	(500,000)
Misc – Other/Prior Yr Grants	0	30,033	30,033
Total Revenues:	\$6,412,397	\$5,713,514	(\$698,883)
% of Anticipated Revenue		89.1%	

Table 20
General Government Capital Projects Fund
2008 Expenditures

Capital Projects General Government	Expenditures	Expended YTD 12/31/2008	Unexpended
Ending Fund Balance	\$3,101,658	\$0	\$3,101,658
Equipment/Furniture Purchases	10,000	0	10,000
Telephone Lease/Maintenance	51,423	34,940	16,483
Debt Service	0	0	0
Property Maint/Acquisition	5,500	6,665	(1,165)
Grants	394,933	27,543	367,390
Health Department	0	0	0
Jail – H/J 3 rd Floor	29,406	14,473	14,933
Hall of Justice	983,081	477,062	506,019
Administration Building	1,350,396	470,793	879,603
Annex	0	0	0
Juvenile Center	0	0	0
Morgue	0	0	0
Museum	0	0	0
Expo Center	230,000	0	230,000
Parks	156,000	41,289	114,711
Public Defender Space	0	447	(447)
Unallocated Funds	100,000	0	100,000
Transfers Out	0	0	0
Total Expended:	\$6,412,397	\$1,073,212	\$5,339,185
Percent of Project Expenses:		16.7%	83.3%

Table 21
All Other Capital Projects Fund
Expenditures: 2008

Results for other Capital Expenditure Funds are summarized in the following table:

Fund Name	Project Description	Status	Budget	Expended YTD 4th Qtr
Federal Forest Payments	Various Projects	On-going	\$138,081	\$106,894
Recreational Capital Imp	Various Recreation Projects	On-going	\$555,093	173,079
General Capital Construction	Jail Annex/Construction Reserve	Construction	\$1,846,527	295,579
Rural County Facilities	Various Projects	On-going	\$2,398,858	1,331,682
Road Improvement District	Port of Longview road improvements	Construction Complete; Accting Costs	\$11,335	39
Local Improvement District	Port of Longview sewer/water line improvements	Construction Complete; Accting Costs	\$1,065	0
Lexington Bridge Replacement & Capital Acquisition	Design, construction, acquisitions	On-going	\$2,410,000	702,482
Grand Totals			\$7,360,959	\$2,609,755

III. DEBT SERVICE FUNDS/INTERFUND LOANS & OTHER DEBT

Cowlitz County currently has eight outstanding general long-term bonded debt obligations. There are sufficient funds on hand or anticipated to be received to make all debt service payments on time. Sufficient reserves are on hand or will accumulate prior to the due dates of the next payments. The County has pledged the full faith, credit and resources of the County for prompt payment of the Limited General Obligation debt, however for all issues, there are other funds dedicated for repayment of the debt (i.e. system fees, customer assessments, and sales tax rebates).

1) Limited General Obligation Bonds (1993) were sold to provide funds for the relocation of water lines along Spirit Lake Highway.

2) Limited General Obligation Bonds (1994) were sold to provide funds for design and construction of plant improvements at the Beacon Hill Sewer Plant. Funds for repayment of this debt come from assessments from system customers. The bonds were refunded in July 2003 and partially redeemed in December 2003.

3) Limited General Obligation Bond Fund (1998) was established to provide for the payment of principal and interest on a \$2,060,000 bond issue. The bond proceeds were passed through to the Port of Woodland and used for the design and construction of a railroad spur. Funds to pay debt service come from state sales tax, rebated to Cowlitz County. The sales tax credit is designated for public infrastructure to facilitate economic development in rural counties. The bonds were partially refunded in August 2005.

4) Limited General Obligation Bond Fund (1999) was established to provide for the payment of principal and interest on a \$50,200,000 bond issue. A portion of the bond proceeds (\$1,910,000) were used as follows: a) City of Longview: design and construct street improvements; b) Port of Kalama: bridge for industrial park; c) Port of Woodland: restrooms; and d) County Exposition Center: improvements to commercial building. Funds to pay debt service come from state sales tax, rebated to Cowlitz County. The sales tax credit is designated for infrastructure to facilitate economic development in rural counties. The bonds were partially refunded in August 2005.

The sum of \$8,020,000 funded the following projects: e) Drainage District #1: conveyance and pumping system; f) Lexington Flood Control District: pump and emergency generator; g) Port of Longview: road and sewer improvements; h) Consolidated Diking District #2: pump station. The entities benefiting from the bond proceeds, have agreed to make assessments of customers of the facilities sufficient to meet the debt service.

Bond proceeds in the amount of \$40,270,000 funded plant expansion and upgrades at the Sewer Treatment Plant operated by the Three Rivers Regional Wastewater Authority. This portion of the General Obligation Bond was refunded in August 2002. In May 2006, the general obligation bonds were converted to revenue bonds that are now the sole responsibility of the Three Rivers Regional Wastewater Authority.

5) Limited General Obligation Bond Fund (2002) was established to provide for the payment of principal and interest on a \$5,695,000 bond issue. The bond proceeds were used as follows: a) City of Castle Rock: sewer improvements; b) City of Kalama: sewer improvements; c) City of Longview: water system improvements; d) Port of Longview, rail expansion; e) Port of Woodland for anchor building; f) Port of Kalama for buildings and a berth; and g) Cowlitz County for building improvements. Funds to pay debt service come from state sales tax, rebated to Cowlitz County. The sales tax credit is designated for public infrastructure to facilitate economic development in rural counties.

6) Limited General Obligation Bond Fund (2003) was established to provide for the payment of principal and interest on a \$6,565,000 bond issue. The bond proceeds were passed through to the Cowlitz County Public Facilities District in accordance with an Interlocal Agreement. Proceeds were used to construct a conference center on the Exposition Center grounds in Longview. Funds to pay debt service come from state sales tax, rebated to the Cowlitz County Public Facilities District dedicated to acquisition, financing, design, construction, operation and maintenance of a regional center and related parking facilities as defined by RCW 35.57.020. Such

sales tax rebate must be matched with an amount from other public or private sources equal to thirty-three percent (33%) of the amount collected by the Public Facilities District.

7) Limited General Obligation Bond Refunding Bond Fund (1998 & 1999) was established to provide for the payment of principal and interest on a \$8,565,000 bond issue. The bond proceeds were used to partially refund Limited General Obligation Bonds issued by the County in 1998 and 1999 (see descriptions above).

8) 2006 Special Sewer Revenue Bond Fund was established to provide for the payment of principal and interest on a \$13,760,000 bond issue. The bond proceeds were used to pay for construction of improvements to the Wastewater Treatment Facilities owned and operated by the Three Rivers Regional Wastewater Authority and to refund the 1999 Limited General Obligation Bonds.

Table 22
Non-Voted General Obligation Bonded Debt

Bond	Original Issue	Due Date	Principal Balance Due 01/2008	Principal Balance Owing 12/31/2008
1993 Ltd G.O.*	\$ 235,000	2008	\$20,000	\$20,000
1994 Ltd G.O.* Partial refunding in 2003	\$ 1,610,000	2010	\$380,000	\$255,000
1998 Ltd G.O.* Partial refunding in 2005	\$ 2,060,000	2018	\$100,000	\$0
1999 Ltd G.O.* Rural Development; system charges & user fees; Partial refunding in 2005	\$ 9,930,000	2019	\$810,000	\$410,000
2002 Ltd G.O.** Rural Development	\$5,695,000	2024	\$4,840,000	\$4,665,000
2003 Ltd G.O.** Public Facilities District	\$6,565,000	2027	\$5,785,000	\$5,640,000
2005 Ltd G.O.* Refunding '98 & '99	\$8,565,000	2023	\$8,305,000	\$8,250,000
Subtotal LTGO:	\$34,660,000		\$20,240,000	\$19,240,000
2006 Special Sewer Revenue Bonds***	\$13,760,000	2025	\$13,290,000	\$12,800,000
Totals	\$48,420,000		\$33,530,000	\$32,040,000

**Payments on the bonded debt obligations are made in May (interest only) and November (principal and interest) each year.*

*** Payments on the bonded debt obligations are made in April (interest only) and October (principal and interest) each year.*

****Payments on the bonded debt obligations are made in March (principal and interest) and September (interest only) each year.*

Table 23
Interfund and Other Loans

Project	Origination Date	Due Date	Loan Principal	Principal Balance Owing 12/31/2008
Hoffstadt Bluffs (Capital Improvements)	1992 – 1996	Open	\$3,552,763	\$1,596,066
911 System Upgrade	2005-2007	11/30/2020	633,000	633,000
Public Works Trust Fund	Various	Various		
Totals:			\$4,185,763	\$2,229,066
<i>Excludes lease purchase agreements for the telephone system, voting machines, copiers, computers, electronic monitoring equipment, 911 Communications Recording Equipment, etc.</i>				

Table 24
Accounts Receivable

Account Receivables	Origination Date	Due Date	Original Receivable	Principal Balance Owing 01/01/2008
Fish Recovery Board (account receivable)	04/30/1998	Open	\$25,000	\$22,000
District Court	Various	Various		
Superior Court Clerk	Various	Various		
Totals:			\$25,000	\$22,000

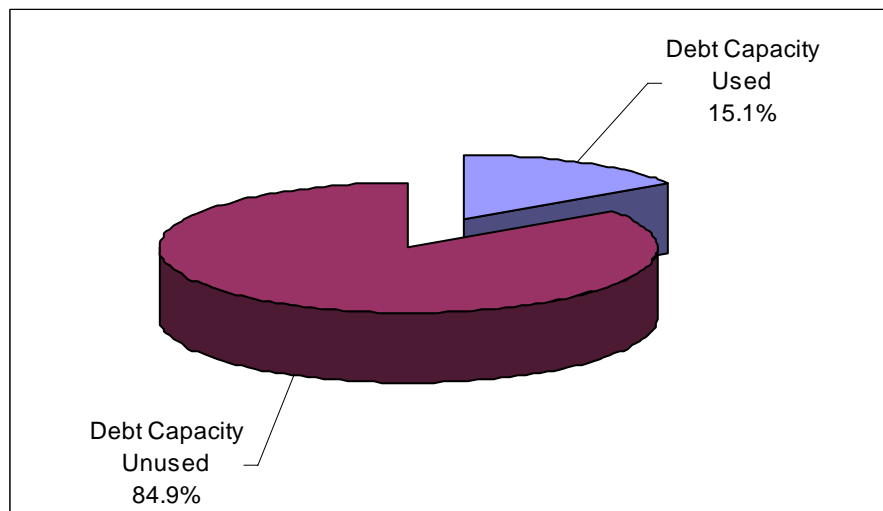
Long Term Debt Capacity. Washington State law provides a maximum debt limit for general obligations. Cowlitz County’s debt obligations are well within the statutory limits for debt capacity.

There are three types of statutory limits on general debt capacity. The first is a limit on the amount of general obligation that can be incurred without a vote of the people. For this type of debt, a county is limited to 1.5% of its assessed value. In 2008, this limit is \$127,053,053. The second statutory limit is the amount of general obligation debt a county may incur for general governmental purposes with a vote of the people. This limit is 2.5% of the assessed value. In 2008, this limit is \$211,755,089. The third limit allows a County to incur general obligation debt of up to an additional 2.5% of its assessed value for bond issues approved by the voters for the purpose of utility improvements, parks, or open space development. The two - 2.5% limits provide the County an overall limit of 5%, or \$423,510,178.

Table 25
Long Term Debt Capacity

How Authorized/Uses	% of Assessed Valuation	\$\$ Limit	LTGO Capacity Used
Non-voted (General Governmental purposes)	1.5%	\$127,053,053	\$19,240,000
Voted (General Governmental purposes)	2.5%	\$211,755,089	\$0
Voted (restricted uses – utility, parks, etc)	2.5%	\$211,755,089	\$0

Chart 16
**Cowlitz County Non-Voted
General Obligation Debt Capacity**



The chart above graphically represents the non-voted general obligation debt capacity, both used and unused. The numbers and chart presented above assume bonded debt at 100% of capacity. Note, however, that bond rating agencies and insurers generally recommend utilizing 75% - 80% of capacity. This means that of the \$127.1 million which is statutorily available, a debt limit of not greater than \$101.6 million is recommended. Utilizing these figures, Cowlitz County has current obligations amounting to 18.9% of its recommended capacity.

IV. OTHER FUNDS – SUMMARY OF 2008 ACTIVITY

A. Special Revenue Funds

Table 26
Special Revenue Funds (By Department)
Department Level Expenditure Summary: 2008

Department	Budget	Expenditures	% Expended
Affordable Housing	\$316,794	\$150,905	47.6%
Auditor's O&M	470,600	183,581	39.0%
Benefits Administration	1,066,937	384,383	36.0%
Boat Safety	67,785	46,650	68.8%
Building & Planning	2,630,125	1,726,055	65.6%
Community Mental Health	10,736,706	10,562,370	98.4%
County Drug Fund	89,073	1,148	1.3%
Cumulative Reserve	195,452	168,700	86.3%
Drug Task Force	1,134,366	627,147	55.3%
Geographic Information Services	556,803	321,921	57.8%
G.I.S. Operation & Maintenance	41,800	0	0.0%
Health Department	3,096,745	2,530,771	81.7%
Human Services	1,218,726	876,544	71.9%
Law & Justice	1,084,009	948,292	87.5%
Low Income Housing & O&M	796,039	185,967	23.4%
Noxious Weed Program	289,900	114,075	39.3%
P.A. Victim Witness	333,605	138,975	41.7%
Paths & Trails Reserve	226,881	274	0.1%
Road Fund	25,226,669	15,279,857	60.6%
Stadium/Convention Center	34,066	32,400	95.1%
Storm Water Fund	350,500	124,111	35.4%
Superior Court Law Library	165,786	86,903	52.4%
Tourism, Facilities, Dev & Marketing	258,619	229,445	88.7%
Veteran's Relief Fund	349,399	68,690	19.7%
Grand Total	\$50,737,385	\$34,789,164	68.6%

Table 27
Special Revenue Funds (By Department)
Anticipated Revenues & Actual Receipts: 2008

Department	Anticipated Revenues¹	Actual Revenues	% Collected
Affordable Housing	\$169,500	\$120,333	71.0%
Auditor's O&M	200,600	172,455	86.0%
Benefits Administration	248,000	221,422	89.3%
Boat Safety	53,432	50,712	94.9%
Building & Planning	2,630,125	2,024,702	77.0%
Community Mental Health	9,998,099	10,734,702	107.4%
County Drug Fund	12,600	16,260	129.0%
Cumulative Reserve	151,000	149,585	99.1%
Drug Task Force	635,318	677,691	106.7%
Geographic Information Services	378,290	373,810	98.8%
G.I.S. Operation & Maintenance	5,800	1,451	25.0%
Health Department	2,775,382	2,445,781	88.1%
Human Services	944,691	1,063,255	112.6%
Law & Justice	820,000	728,511	88.8%
Low Income Housing & O&M	400,225	354,245	88.5%
Noxious Weed Program	151,900	149,532	98.4%
P.A. Victim Witness	133,030	125,100	94.0%
Paths & Trails Reserve	66,881	56,297	84.2%
Road Fund	22,876,669	15,847,445	69.3%
Stadium/Convention Center	28,000	33,796	120.7%
Storm Water Fund	338,500	111,646	33.0%
Superior Court Law Library	55,630	58,275	104.8%
Tourism, Facilities, Dev & Marketing	240,587	184,311	76.6%
Veteran's Relief Fund	110,230	110,866	100.6%
Grand Total	\$43,424,489	\$35,812,183	82.5%

¹Excludes Beginning Fund Balance (reserved & unreserved)

B. Enterprise Funds

Table 28
Enterprise Funds (By Department)
Department Level Expenditure Summary: 2008

Department	Budget	Expenditures	% Expended
911 Communications	\$2,830,570	\$2,349,753	83.0%
911 Communications Claims Reserve	174,365	12,188	7.0%
911 Communications – Equipment Reserves	1,030,464	49,335	4.8%
911 Communications - Radio Replc Project	475,473	237,049	49.9%
Conference Center	929,603	898,968	96.7%
Emergency Management	405,600	302,001	74.5%
Emergency Management Special Projects	43,267	488	1.1%
Expo Center	607,792	586,316	96.5%
Expo Reserve – Pigeon/Horses	19,164	0	0.0%
Hoffstadt Bluffs Visitor Center	50,000	5,097	10.2%
Law Enforcement Records	1,302,871	1,017,822	78.1%
Law Enforcement Equipment Reserve	129,622	0	0.0%
Solid Waste Post Closure Unlined Landfill	875,585	43,150	4.9%
Solid Waste Equipment, Land, Facility	16,633,454	419,392	2.5%
Solid Waste Landfill Closure	4,313,259	0	0.0%
Solid Waste Maintenance	5,430,246	5,059,567	93.2%
Solid Waste Post Closure Lined Landfill	4,863,158	0	0.0%
Water Sewer Maintenance	1,633,165	1,454,885	89.1%
Water Sewer C.I.P.	1,429,296	735,687	51.5%
Grand Total	\$43,176,954	\$13,171,698	30.5%

Table 29
Enterprise Funds (By Department)
Anticipated Revenues & Actual Receipts: 2008

Department	Anticipated Revenues ¹	Actual Revenues	% Collected
911 Communications	\$2,630,570	\$2,566,313	97.6%
911 Communications Claims Reserve	43,357	39,555	91.2%
911 Communications Equipment Reserve	111,778	83,167	74.4%
911 Communications - Radio Replc Project	322,600	317,349	98.4%
Conference Center	908,450	902,712	99.4%
Emergency Management	312,715	325,244	104.0%
Emergency Management Special Projects	6,600	0	0.0%
Expo Center	569,048	584,707	102.8%
Expo Reserve – Pigeon/Horses	816	528	64.7%
Hoffstadt Bluffs Visitor Center	50,000	50,000	100.0%
Law Enforcement Records	1,028,082	978,426	95.2%
Law Enforcement Records Equipment Reserve	44,112	44,112	100.0%
Solid Waste Post Closure Unlined Landfill	138,585	137,436	99.2%
Solid Waste Equipment, Land, Facility	2,883,454	2,539,537	88.1%
Solid Waste Landfill Closure	499,759	466,387	93.3%
Solid Waste Maintenance	5,224,950	4,986,340	95.4%
Solid Waste Post Closure Lined Landfill	448,158	427,675	95.4%
Water Sewer Maintenance	1,430,865	1,397,416	97.7%
Water Sewer Reserve C.I.P.	609,296	921,621	151.3%
Grand Total	\$17,263,195	\$16,768,525	97.1%
¹ Excludes Beginning Fund Balance (reserved & unreserved)			

C. Internal Service Funds

Table 30
Internal Service Funds (By Department)
Department Level Expenditure Summary: 2008

Department	Budget	Expenditures	% Expended
Central Services	\$3,500,595	\$1,629,719	46.6%
Election Capital Reserve	232,258	0	0.0%
Election Reserve	709,684	527,236	74.3%
Equipment Rental & Revolving	4,938,875	2,423,540	49.1%
Industrial Accident Insurance	533,708	463,850	86.9%
Motor Pool	3,735,250	1,217,294	32.6%
Purchasing Services	600,493	503,672	83.9%
Risk Management	2,225,828	970,426	43.6%
Unemployment Compensation	392,861	39,700	10.1%
Grand Total	\$16,869,552	\$7,775,437	46.1%

Table 31
Internal Service Funds (By Department)
Anticipated Revenues & Actual Receipts: 2008

Department	Anticipated Revenues¹	Actual Revenues	% Collected
Central Services	\$1,912,073	\$1,633,044	85.4%
Election Capital Reserve	46,258	38,345	82.9%
Election Reserve	619,684	542,452	87.5%
Equipment Rental & Revolving	2,308,875	2,216,539	96.0%
Industrial Accident Insurance	412,404	403,428	97.8%
Motor Pool	1,735,250	1,934,121	111.5%
Purchasing Services	507,400	531,248	104.7%
Risk Management	1,125,555	1,110,586	98.7%
Unemployment Compensation	59,804	48,730	81.5%
Grand Total	\$8,727,303	\$8,458,493	96.9%

¹Excludes Beginning Fund Balance (reserved & unreserved)

D. Trust/Agency Funds

Table 32
Trust/Agency Funds (By Department)
Department Level Expenditure Summary: 2008

Department	Budget	Expenditures	% Expended
Lexington Flood Control	\$1,099,984	\$203,818	18.5%
Lexington Flood Control – Bond Debt Service	49,900	49,803	99.8%
Drain # 1 Maintenance	695,286	335,919	48.3%
Grand Total	\$1,845,170	\$589,540	32.0%

Table 33
Trust/Agency Funds (By Department)
Anticipated Revenues & Actual Receipts: 2008

Department	Anticipated Revenues¹	Actual Revenues¹	% Collected
Lexington Flood Control	\$489,984	\$490,693	100.1%
Lexington Flood Control – Bond Debt Service	49,900	24,902	49.9%
Drain # 1 Maintenance	273,619	273,377	99.9%
Grand Total	\$813,503	\$788,972	97.0%

¹Excludes Beginning Fund Balance (reserved & unreserved)

Appendix A
Explanation of Revenue Categories

Taxes

Real & Personal Property Taxes
Diverted County Road Taxes
Timber Harvest
Sales & Use Tax
Leasehold Excise Tax
Gambling Tax

Miscellaneous Revenues

Interest Earnings
Coffee Shop Concessions
Park Fees
Private Donations
Miscellaneous

Licenses & Permits

Landfill Fees
Land Use Permits
Building Permits
Special Use Permits
Marriage Licenses

Non-Revenues

Transfers from other Funds

Intergovernmental Services

Federal Reimbursements & Grants
State Reimbursements & Grants
Local Agency Fees

Other Financing Sources

Timber Sales - DNR
Sale of Capital Equipment

Charges for Services

Filing Fees
Recording Fees
Xerox Charges
Offender Services
Probation Fees
Deferred Prosecution Fees
Drug Court Participant Fees
Board/Room Prisoners – cities, state, INS
Plan Checking Fees

Fines & Forfeits

Civil Penalties
Criminal Fines
Juvenile Fines
Traffic Fines
Parking Fines

Appendix B
Explanation of Expenditure Categories

Direct Labor

Salaries for full-time employees

Extra Help

Wages for other than full-time employees

Other Pay

Pay such as overtime, holiday, differential

Personnel Benefits

Medical Insurance, retirement and social security

Supplies

Office supplies, food, drugs, software, small tools

Contracts

Professional services, including attorneys

Communications

Telephone, pagers, etc.

Travel

Meals, lodging, mileage, tuition, registration,
Airfare, etc.

Advertising

Public notices and advertisements

Operating Rentals/Leases

Rents and equipment leases

Insurance

Liability, automobile and property insurance costs

Utilities

PUD, city utilities and natural gas

Repairs & Maintenance

Cost of repairs & maintenance agreements

Other Miscellaneous

Copies, dues & subscriptions, printing, fire
protection, jury & witness fees

Interfund Charges

Technology & Motor Pool charges

Capital Outlay

Furniture & equipment with a cost greater than
\$5,000; building improvements, construction

Transfers

Agency contributions such as DEM, Records,
911, Central Services, Drug Task Force, Human
Services, Health Department, Expo, Elections, GIS

Other Agency Support

Outside Agency contributions such as COG, EDC,
Airport, Soil Conservation, DNR, charges for fire
protection

Miscellaneous

Advance for premium expense for the Expo, other
miscellaneous expenses