



Financial Report of Revenues & Expenses Cowlitz County, Washington

4th Quarter 2010

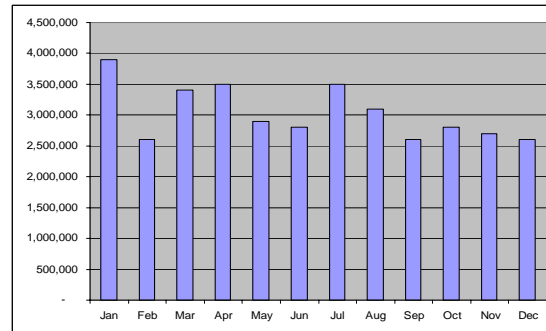
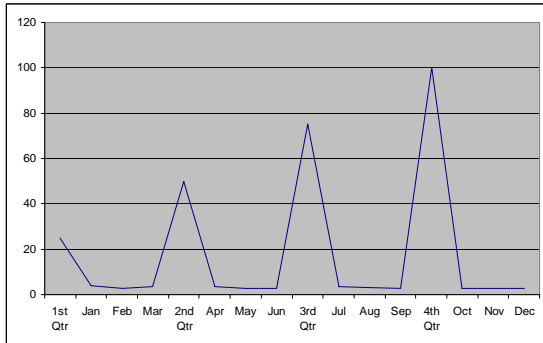


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Risk Manager

PEOPLESOFT PROJECT
Kathy Sauer
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To: Board of County Commissioners
From: Claire J. Hauge, OFM Director
Date: May 16, 2011
Subject: Financial Report 4th Quarter 2010

EXECUTIVE SUMMARY.

The results of the County's General Fund financial activity for the Fourth Quarter 2010 (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 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 for the year ending December 31, 2010 total \$39.9 million or 103.9% of anticipated amounts (\$1.5 million *better* than anticipated). This compares with revenue collections for the same time period last year of \$36.3 million. Sales tax receipts exceeded anticipated amounts due to two major construction projects at the Port of Longview which generated \$1.3 million in sales tax – 23% of the sales tax receipts for the year. Timber harvest excise taxes also were higher than expected.

Some revenues did not meet expectations, including: the cash carry-forward, facilities rents, federal grants and fees, court fines and fees, and interest earnings. Additional revenues helped offset the shortfall in cash carry-forward so that our target 10% ending fund balance was met. The additional revenues will also provide a cushion to absorb 2011 growth and inflationary increases in the budget without the need for additional staff reductions at least for 2011.

Actual General Fund expenditures through the end of the Fourth Quarter were \$36.6 million or 95.0% of the approved appropriations. This compares with expenditures last year of \$35.8 million. For calendar year 2010, no reserves were used to pay expenses.

Treasurer's cash and investment balance on January 1, 2010 was \$6,214,648.
Adjusted cash balance on January 1, 2010 (including "13th" month expenses & payroll) was \$4,596,174.
The anticipated adjusted cash balance was \$4,921,056 reflecting a shortfall of \$324,882.
Treasurer's cash and investment balance on December 31, 2010 was \$8,650,576.

GENERAL FUND.

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

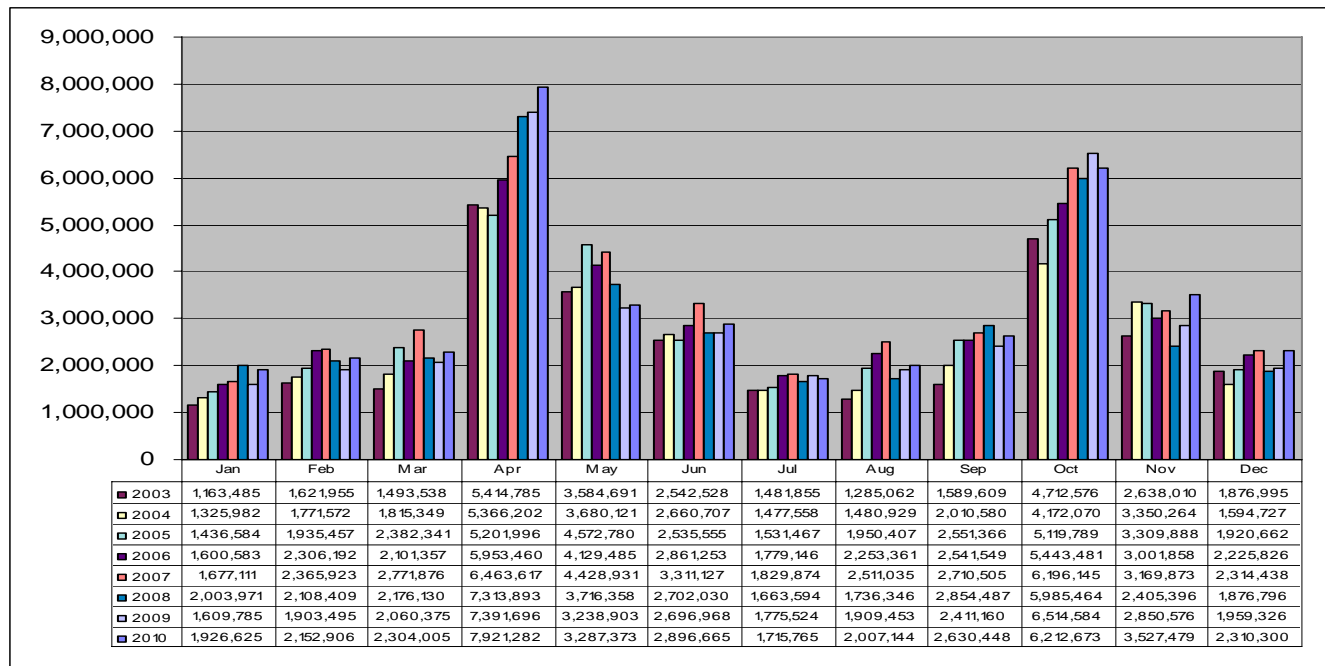
	Fiscal Year 2010	Budget: As Adopted 12/08/2009	Budget: As Amended 12/31/2010	4th Qtr Actuals	Var: +/- Budget vs Actual
1	Expenditures	\$38,496,824	\$38,545,551	\$36,625,031	(\$1,920,520)
2	Revenues	\$37,429,988	\$37,429,988	\$38,892,676	\$1,462,688
3	Surplus / (Reserves Used)	(\$1,066,836)	(\$1,115,563)	\$2,267,645	

*Expenditures were 95% of approved appropriations (5% "return").
 *Revenues were 103% of anticipated amounts (3% over estimates).
 *Net result: reserves improved and allowed for cash carry-forward into 2011.

Summary of General Fund Revenues: YTD

Revenue Source	Anticipated Revenues	4th Qtr Actual Revenues	Percentage Collected
Property Taxes/Fines & Penalties	\$17,921,213	\$17,856,580	99.6%
Sales Taxes	\$4,590,893	\$5,778,212	125.9%
State Grants & Shared Revenues	\$3,847,797	\$3,488,105	90.7%
Security Persons/Property	\$2,767,851	\$3,085,742	111.5%
Charges for Service	\$2,472,989	\$2,221,803	89.8%
Timber Harvest	\$543,753	\$843,512	155.1%
Interest Earnings	\$418,005	\$268,358	64.2%
Fines & Forfeits	\$1,323,705	\$1,126,485	85.1%
Licenses & Permits	\$58,910	\$53,118	90.2%
Direct Federal Grants	\$863,163	\$800,015	92.7%
Intergvt'l Service Revenues	\$1,632,674	\$2,234,532	136.9%
All Other	\$989,035	\$1,136,214	114.9%
Total	\$37,429,988	\$38,892,676	103.9%

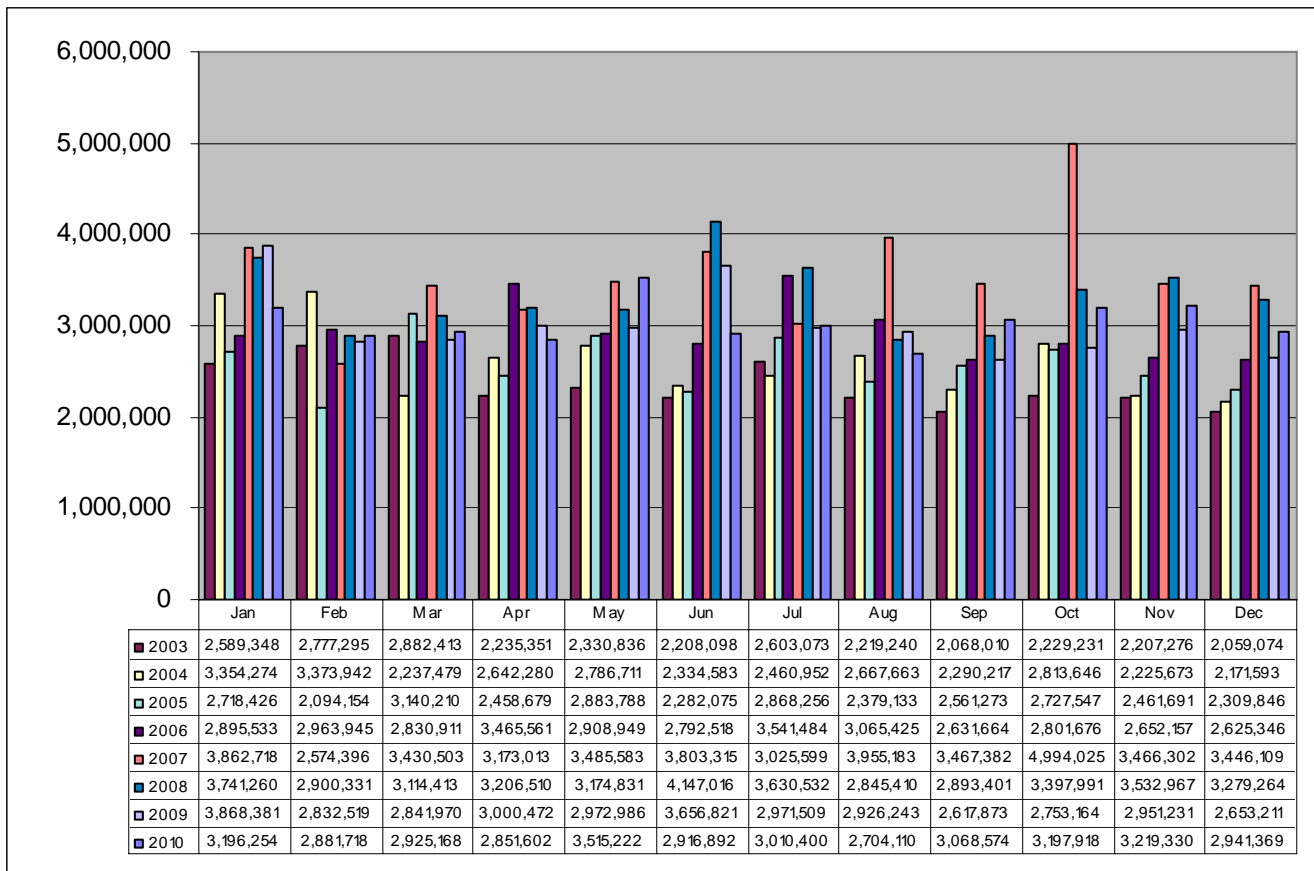
Summary of General Fund Revenue By Month: 2003 – YTD 2010



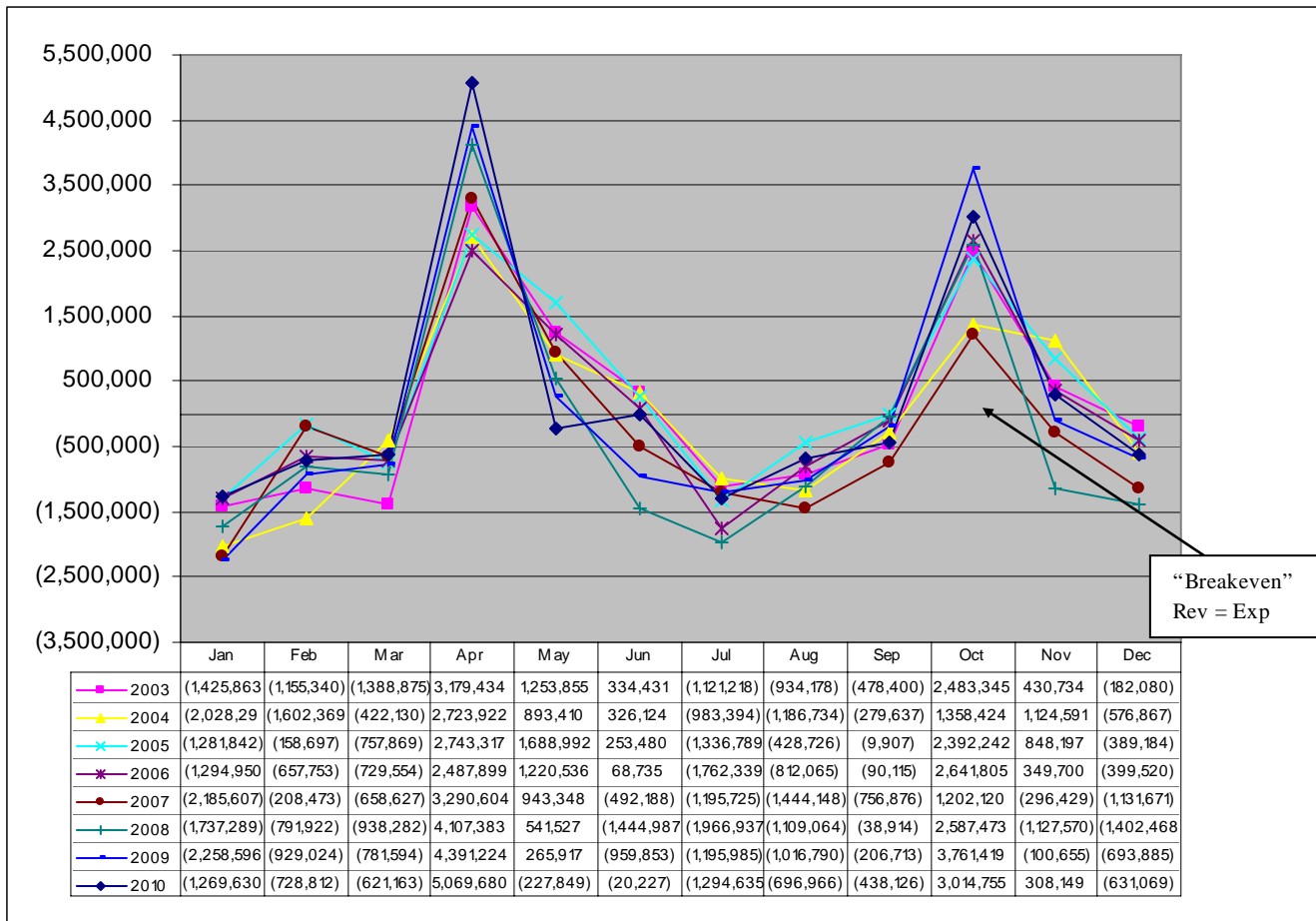
Summary of General Fund Expenditures: YTD

Expense Category	% of Total	Expenditures As Adopted	Expended YTD 12/31/2010	% Expended	Unexpended
Personnel Services	62.2%	\$26,351,370	\$25,252,993	95.8%	\$1,098,377
Supplies	3.4%	1,456,885	1,243,126	85.3%	213,759
Other Services & Charges	14.7%	6,256,477	5,944,243	95.0%	312,234
Interfund Charges/Misc	3.1%	1,320,034	1,333,841	101.0%	(13,807)
Transfers	7.3%	3,110,785	2,797,581	89.9%	313,204
Capital Outlay	0.1%	50,000	53,247	106.5%	(3,247)
Total Expenditures		\$38,545,551	\$36,625,031	95.0%	\$1,920,520
Ending Fund Balance	9.1%	3,822,894			
Total Budget		\$42,368,445			5.0%

Summary of Expenditures By Month: 2003 – YTD 2010



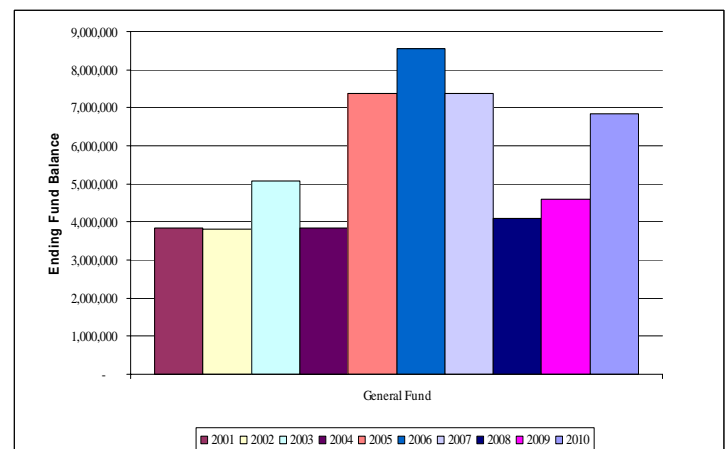
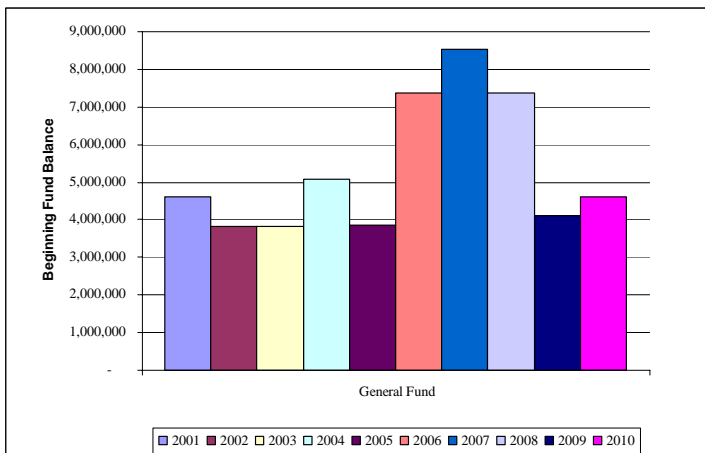
Why the Need For Cash Reserves? Cash Flow!
Difference Between Monthly Receipts & Monthly Expenditures
General Fund 2003 –2010 YTD



Year	Average Monthly Income	Average Monthly Expenditures	Surplus or (Shortfall) average income vs. average expenditures
2003	\$2.5 million	\$2.4 million	\$100,000
2004	\$2.6 million	\$2.6 million	\$0
2005	\$2.9 million	\$2.6 million	\$300,000
2006	\$3.0 million	\$2.9 million	\$100,000
2007	\$3.3 million	\$3.6 million	(\$300,000)
2008	\$3.0 million	\$3.3 million	(\$300,000)
2009	\$3.0 million	\$3.0 million	\$0
2010	\$3.2 million	\$3.0 million	\$200,000

**Comparison of General Fund
Beginning Unreserved Fund Balance &
Ending Unreserved Fund Balance**

Year	Beginning Fund Balance	Ending Fund Balance	Variance: + / (-)
2002	\$3,840,163	\$3,823,839	(\$16,324)
2003	\$3,823,839	\$5,086,502	\$1,262,663
2004	\$5,086,502	\$3,842,838	(\$1,243,664)
2005	\$3,842,838	\$7,380,226	\$3,537,388
2006	\$7,380,226	\$8,538,470	\$1,158,244
2007	\$8,538,470	\$7,360,942	(\$1,177,528)
2008	\$7,360,942	\$4,101,510	(\$3,259,432)
2009	\$4,101,510	\$4,596,174	\$494,664
2010	\$4,596,174	\$6,831,982	\$2,235,808



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

I. GENERAL FUND.

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

**Table 1a
Historical Comparison**

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 ¹	\$28,554,193	\$28,945,642	\$391,449	101.4%
2003	\$28,592,190	\$29,458,268	\$866,078	103.0%
2004 ²	\$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 ³	\$38,724,187	\$36,542,877	(\$2,181,310)	94.4%
2009	\$38,178,959	\$36,321,844	(\$1,857,115)	95.1%
2010	\$37,429,988	\$38,892,676	\$1,462,688	103.9%

¹2002 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.

²2004 a Special Revenue Fund Law & Justice was closed and merged into the General Fund.

³2008 Building & Planning was moved from General Fund to Special Revenue Fund.

**Table 1b
Historical Comparison**

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 ¹	\$29,880,918	\$28,522,118	(\$1,358,800)	4.5%
2003	\$30,017,904	\$28,628,714	(\$1,389,190)	4.6%
2004 ²	\$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 ³	\$42,496,198	\$39,790,174	(\$2,706,024)	6.4%
2009	\$37,545,966	\$35,797,715	(\$1,748,251)	4.7%
2010	\$38,545,551	\$36,625,031	(\$1,920,520)	5.0%

¹2002 four funds added to the General Fund: Parks, Hoffstadt Bluffs, County Line Park, Drug Court Grant Fund.

²2004 Law & Justice Fund added to the General Fund.

³2008 Building & Planning was moved from General Fund to Special Revenue Fund.

Table 1c
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	\$34,447,783	\$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)
2009	\$35,797,715	\$36,321,844	\$524,129
2010	\$36,625,031	\$38,892,676	\$2,267,645
11year Avg 2000-2010	\$33,047,304	\$33,306,799	\$259,495

Table 1d
Current Year Quarterly Comparison

General Fund: Comparison of Quarterly Estimates					
Fiscal Year 2010	Budget As of 1/1/2010	1st Quarter Forecast	2nd Quarter Forecast	3rd Quarter Forecast	4th Quarter Actuals
Expenditure Estimates	\$38,496,825	\$38,496,825	\$38,496,825	\$37,341,920	\$36,625,031
Revenue Estimates	\$37,429,988	\$37,612,939	\$38,237,714	\$39,066,844	\$38,892,676
Surplus/(Shortfall)	(\$1,066,837)	(\$883,886)	(\$259,111)	\$1,724,924	\$2,267,645

A. REVENUES.

Following is a brief discussion of major revenue sources and Departments in the General Fund.

1) **Sales tax revenues** represented 12% of total General Fund anticipated revenues but came in much stronger than expected. For calendar year 2010, this revenue source generated nearly 15% of total receipts. At the time the budget was adopted, receipts were estimated at \$4.6 million – equivalent to actual receipts in 2008 and 2009. Over twenty-three (23%) of revenues (\$1.3 million) resulted from a construction projects at the Port of Longview (Berth 9 and grain elevator).

Notes: It will be important to continue monitoring 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 3% growth during the last 12 years (1999-2010). Calendar year 2005 produced the highest rate of change during this period with 16.3% growth over the prior year while 2008 saw a decline of 7.6% when compared to retail sales in 2007. This was followed by another decline in 2009 of 5.7%.

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 was 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 was anticipated to result in additional sales tax collections for Cowlitz County. The first distributions of the additional sales tax receipts were expected in late September 2008. However, the overall net increase or decrease in total sales tax collections depends on the level and location of retail and construction activity taken as a whole, both of which are very difficult to estimate.

The table in this section summarizes both county-wide sales tax receipts (all five cities and the rural areas) as well as receipts just for the unincorporated area with revenues payable to Cowlitz County. Note the significant increase in unincorporated sales tax receipts between 2004 and 2005 – up 25%.

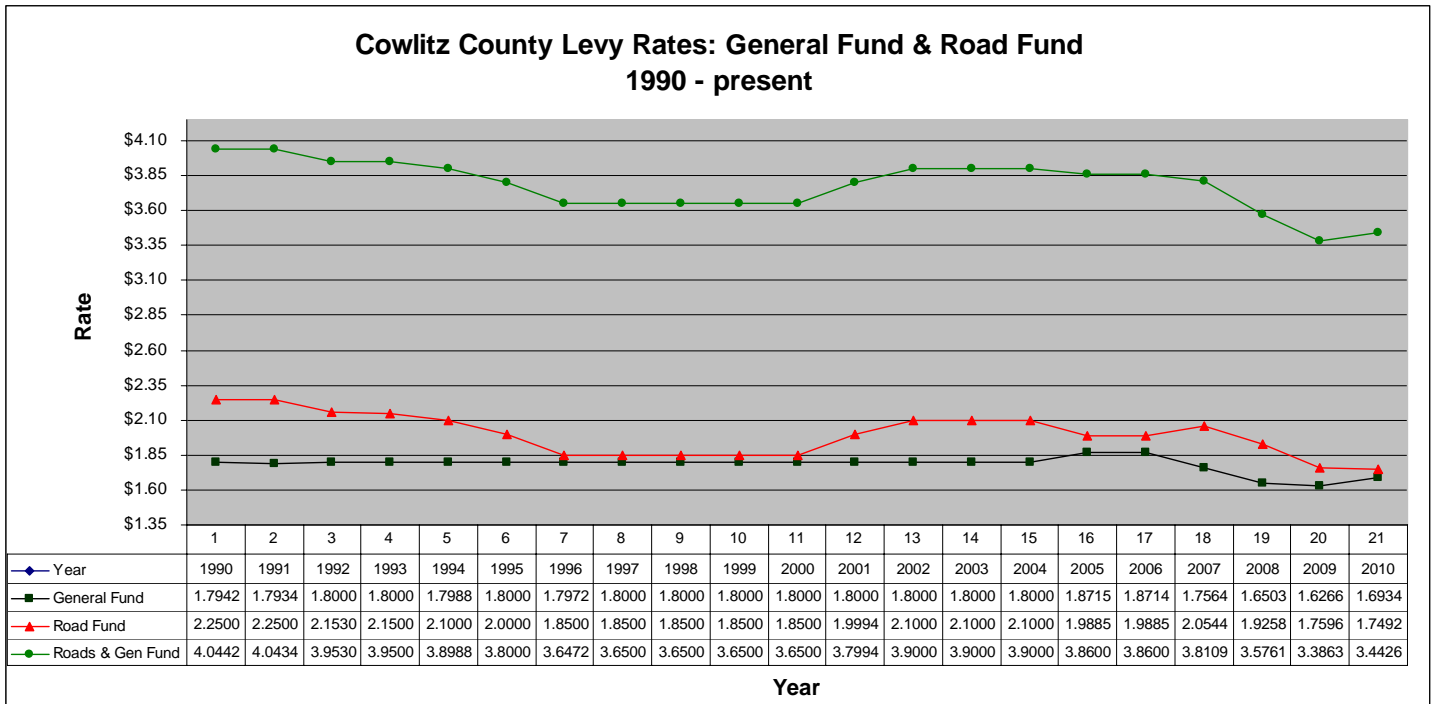
Table 2
Sales Tax Receipts

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%)
2009	\$13,805,910	(10%)	\$4,624,130	(1.6%)
2010	\$15,369,176	11%	\$5,778,212	25%

*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 2010 were anticipated to be \$17.92 million. Actual receipts in 2010 were \$17.86 million - \$64,600 less than anticipated. See Tables 12 and 13 in this report for prior year collections. 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 small decrease in overall assessed valuation of almost \$29 million in 2009 for taxes payable 2010. Property tax receipts accounted for 46% 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.)

Chart 1



**Table 3
Property Taxes**

Revenue Source	2006	2007	2008	2009	2010
Property Taxes ¹	\$13.4 million	\$14.0 million	\$14.7 million	\$15.8 million	\$16.5 million
Interest & Penalties	\$1.1 million	\$1.0 million	\$1.0 million	\$1.1 million	\$1.4 million

¹Includes real and personal property taxes, diverted road fund taxes.

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 (IPD) or one-per cent (1%) over the prior year tax collections, plus taxes on the value of new construction. (RCW 84.55.005). For taxes payable in 2010, the IPD was 99.152% (.848% less than 1%). The Board of Commissioners exercised its statutory authority and, by unanimous vote, declared a substantial need authorizing an additional one percent (1%) over the prior year tax collections.

On December 8, 2009, the Board of Commissioners approved a “shift” of unused Road Fund levy capacity to the General Fund in an approximate amount of \$.16/\$1,000 of assessed value. This resulted in the sum \$1.5 million in additional general tax revenues available to the General Fund in fiscal year 2010. If the shift had not occurred, the General Fund property tax receipts for 2010 would have increased compared to 2009 by only \$117,000. 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 96% of assessments in 2010. Slightly lower compared to average collections over the past 15 years:

Table 4
Property Tax Collection Rates

Year	Collection Rate	Year	Collection Rate	Year	Collection Rate
1995	97.9%	2001	95.9%	2007	96.8%
1996	97.4%	2002	95.9%	2008	96.6%
1997	96.3%	2003	94.0%	2009	95.3%
1998	96.8%	2004	95.2%	2010	95.8%
1999	96.1%	2005	96.9%		
2000	95.9%	2006	97.0%		
Avg: 96.2%					

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 2009, two accounts met this limit with a value of \$191,152,400. Disputes on both of these accounts were been resolved. Taxes paid on these accounts were held in abeyance for distribution in tax year 2010.

In 2010, an appeal from Cameron Glass included a disputed value of \$63,326,070 which is the difference between the assessed value of \$73,726,070 and the taxpayer asserted value of \$10,400,000. Since the disputed value exceeds the statutory one-quarter of one percent of the total county assessed valuation, the disputed value was removed from the tax rolls for taxes payable in 2010. As of December 31, 2010, the dispute was unresolved.

In 2010 the Board of Equalization (BOE) received 303 petitions concerning residential, commercial and light industrial properties. Fifty (50) petitions were withdrawn; 55 decisions were appealed to the State Tax Board of Appeals; no petitions are pending with Cowlitz County Superior Court and one petition was a direct appeal to the State of Washington. Values on 42 petitions were stipulated (agreed to by the parties) resulting in a reduction of approximately \$176.7 million and the BOE issued decisions on 214 parcels resulting in a further reduction of value of approximately \$19.6 million.

The number of petitions filed for 2011 assessed valuation has not yet been determined. The deadline for filing appeals for the current year for residential and commercial properties is July 1 or 30 days following mailing of the notice of revaluation, whichever is later. The Assessor’s Office has not yet mailed re-valuation notices.

Table 5
Property Tax Receipts

Year	Property Tax Actual Collections	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	4.9%
2009	\$14,976,575	7.9%
2010	\$16,481,031	10.0%
<p><i>Figures in this table include only real & personal property taxes paid as well as; diverted road tax.</i></p> <p><i>Interest and penalties paid on delinquent taxes are discussed elsewhere in this report (reported in the year paid).</i></p> <p><i>The percentage growth figures include the value of new construction and changes in the value of state-assessed property.</i></p> <p><i>1999 receipts reflect the results of an appeal by Longview Aluminum.</i></p>		

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

General Fund:	2010	\$837,309 (\$0.170192/\$1,000 assessed value)
	2009	\$837,309 (\$0.171882/\$1,000 assessed value)
	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
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 revenues for this year are expected to be at or nearly equivalent to revenue received in the prior year. The number of transactions and consequently the fees paid through the current Quarter is slightly ahead of last year.

The number of transactions and fees, including subagent activity, is as follows:

Table 6
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) ¹	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
2009(Transactions)	37,526	48,690	40,647	32,612	159,475
2009(Fees)	\$112,578	\$146,070	\$121,941	\$97,836	\$478,425
2010(Transactions) ²	38,152	Not Available	46,620	32,453	117,225 (three quarters only)
2010(Fees)	\$114,456	\$131,607	\$139,860	\$97,359	\$483,282

Source: Cowlitz County Auditor's Office

¹2007: Transition to State Computer Program has caused some data to be lost.

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

²2010: 2nd quarter transaction data 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 is derived from two sources: excise tax on the sale of public forestlands managed by DNR and taxes on private timber harvest (“TAV”). Revenue in 2010 was estimated to be \$543,753. Total receipts for the year exceeded budget estimates by almost \$300,000. A total of \$843,512 was received – 155% of anticipated amounts. See Tables 12, 13 and 14 for prior year comparisons.

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 percent (5%). Department of Natural Resources (DNR) revenues from state trust lands (public timber harvest) for 2010 were expected to be comparable to 2009 harvest levels at \$459,000, but exceeded that figure by almost \$200,000.

This revenue source is difficult to project as it is based on timber sales managed by the State of Washington, Department of Natural Resources. 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.

Timber assessed value (TAV) (private timber harvest) for 2010 was estimated to be \$333,753; actual receipts were approximately \$195,500. 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.

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
2009	Actual Receipts	\$1,084,439
2010	Actual Receipts	\$ 918,092

7) Interest earnings from all sources in the General Fund for 2010 was estimated to be \$418,000 down significantly from actual receipts in the last two years. Receipts through the end of the year were \$268,358; 64% of estimates. Interest rates began declining in October 2007 and have continued to decline nearly every month since then. Whereas interest rates last year averaged 0.7% at the end of the 2009, rates averaged just .26% in 2010. Rates ended the year at 0.2644%, which are near record lows. Interest rates are not expected to improve significantly for some time.

Table 7a
Summary of Interest Earnings/ Annual Rates & Annual Cash Balances

Year	Interest Earnings	Average Annual Interest Rate	Average Monthly Cash Balance
2000	\$1,412,842	6.1%	\$5.0 million
2001	\$1,143,096	4.2%	\$4.7 million
2002	\$632,880	1.8%	\$4.3 million
2003	\$468,997	1.2%	\$5.1 million
2004	\$430,368	1.3%	\$4.7 million
2005	\$851,617	3.2%	\$6.6 million
2006	\$1,729,121	4.9%	\$9.1 million
2007	\$1,873,639	5.1%	\$10.2 million
2008	\$946,667	2.7%	\$7.5 million
2009	\$324,704	0.7%	\$5.0 million
2010	\$268,358	0.2%	\$7.0 million

Table 7b
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

Table 7c
Investment Interest Rate History

Month	2009	2010
January	1.3%	0.2864%
February	1.1%	0.2723%
March	1.0%	0.2245%
April	0.89%	0.2395%
May	0.67%	0.2709%
June	0.74%	0.3014%
July	0.62%	0.2762%
August	0.59%	0.2680%
September	0.47%	0.2997%
October	0.42%	0.2564%
November	0.33%	0.2155%
December	0.33%	0.2644%
Annual Avg	0.70%	0.26%

8) District Court revenues collected through the fourth quarter totaled \$1,994,578 (96% of anticipated receipts for the year). Overall expected receipts were very nearly on target with anticipated amounts except revenues from civil filings, passports, traffic infractions and records checks which did not meet expectations. However, filings from the Cities were greater than expected which provided revenues higher than expected. For the year, the shortfall was only \$77,292 from anticipated amounts.

9) Superior Court Clerk revenues through the fourth quarter total \$714,751 (92% of anticipated receipts for the year). Most individual revenue accounts were forecast correctly except civil filings, fines and collections costs. For the year, the shortfall was \$65,506 from anticipated amounts.

10) Community Long Range Planning revenues for calendar year 2010 are budgeted to be \$262,897. Year to date revenues and prior years collections are shown in the table below.

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 8
Building & Planning Department &
Community Long Range Planning

Building & Planning Department Revenue			
All Divisions: Permitting, Environmental Health & Code Enforcement (Effective 1/1/2008: Established as a Special Revenue Fund – outside the General 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%
Community Long Range Planning			
Planning, Environmental Health & Code Administration			
Calendar Year	Anticipated Revenues	Actual Revenues YTD 12/31/2010	Percentage Collected
2008	\$437,784	\$296,369	67.7%
2009	\$314,997	\$268,962	85.4%
2010	\$262,897	\$294,734	112.1%
Average:	\$338,559	\$286,688	84.7%

11) Corrections (Jail, Probation, Offender Services & Inmate Concessions) revenues for the year are estimated at \$3.3 million. Actual revenues collected through the current quarter were \$2.1 million (66.1%).

Total revenues collected in prior years were as follows:

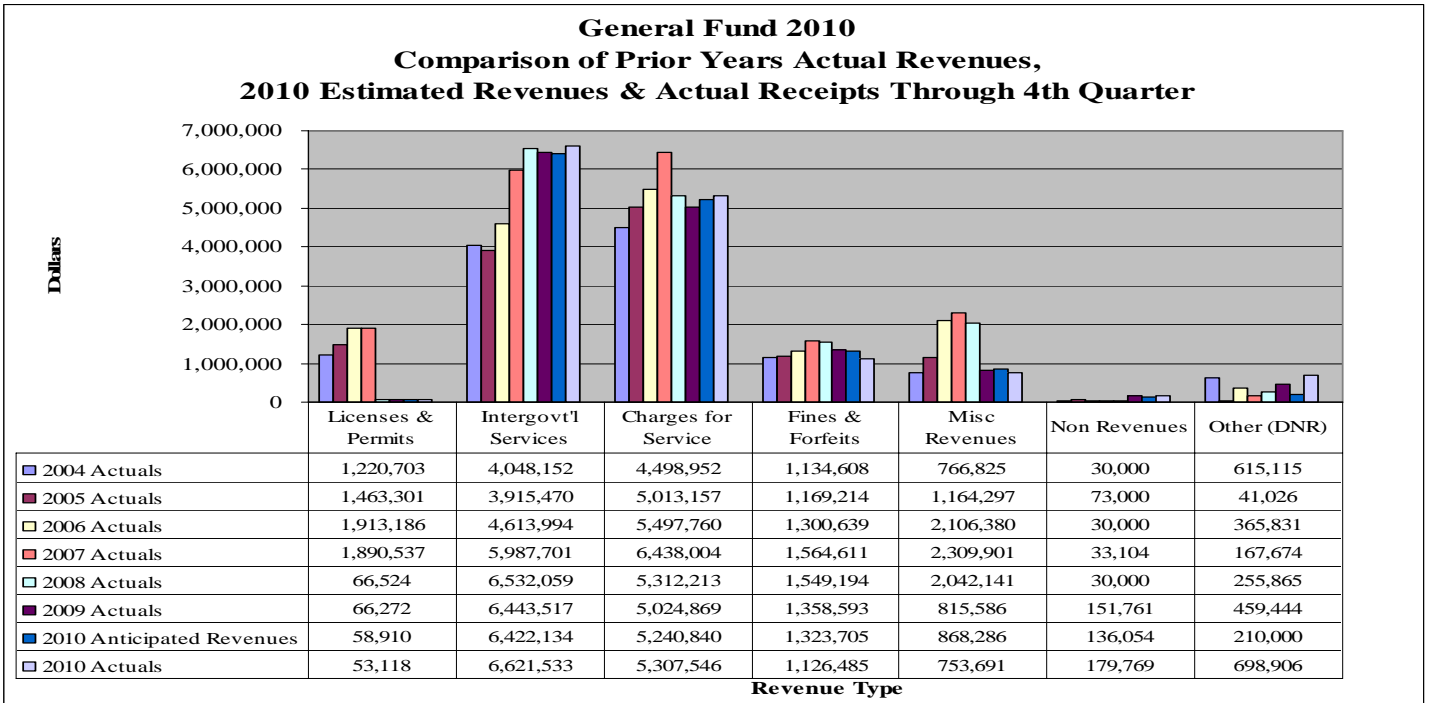
2001: \$2.6 million
 2002: \$2.3 million
 2003: \$2.3 million
 2004: \$2.1 million
 2005: \$2.2 million
 2006: \$2.4 million
 2007: \$4.2 million (DOC contract; Annex opened; booking restrictions lifted)
 2008: \$3.9 million
 2009: \$3.8 million

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 9
Cowlitz County Corrections Department

Division	Anticipated Revenues	Actual Revenues YTD 12/31/2010	Percentage Collected	Actual Revenues Same Period Last Year
Probation Services	\$543,000	\$475,481	87.6%	\$509,249
Jail	\$2,089,000	\$3,168,108	151.7%	\$2,635,694
Offender Services	\$455,685	\$398,097	87.4%	\$481,628
Jail Concessions	\$180,000	\$149,279	82.9%	\$199,076
Total	\$3,267,685	\$4,190,965	128.3%	\$3,825,647

Chart 2
Comparison of Revenues: 2004 – YTD 2010
2010 Budget Estimates & Actual Revenues YTD



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

Chart 3
General Fund Revenues: 2010
Anticipated Revenues (Revenue Estimate – Final Adopted)

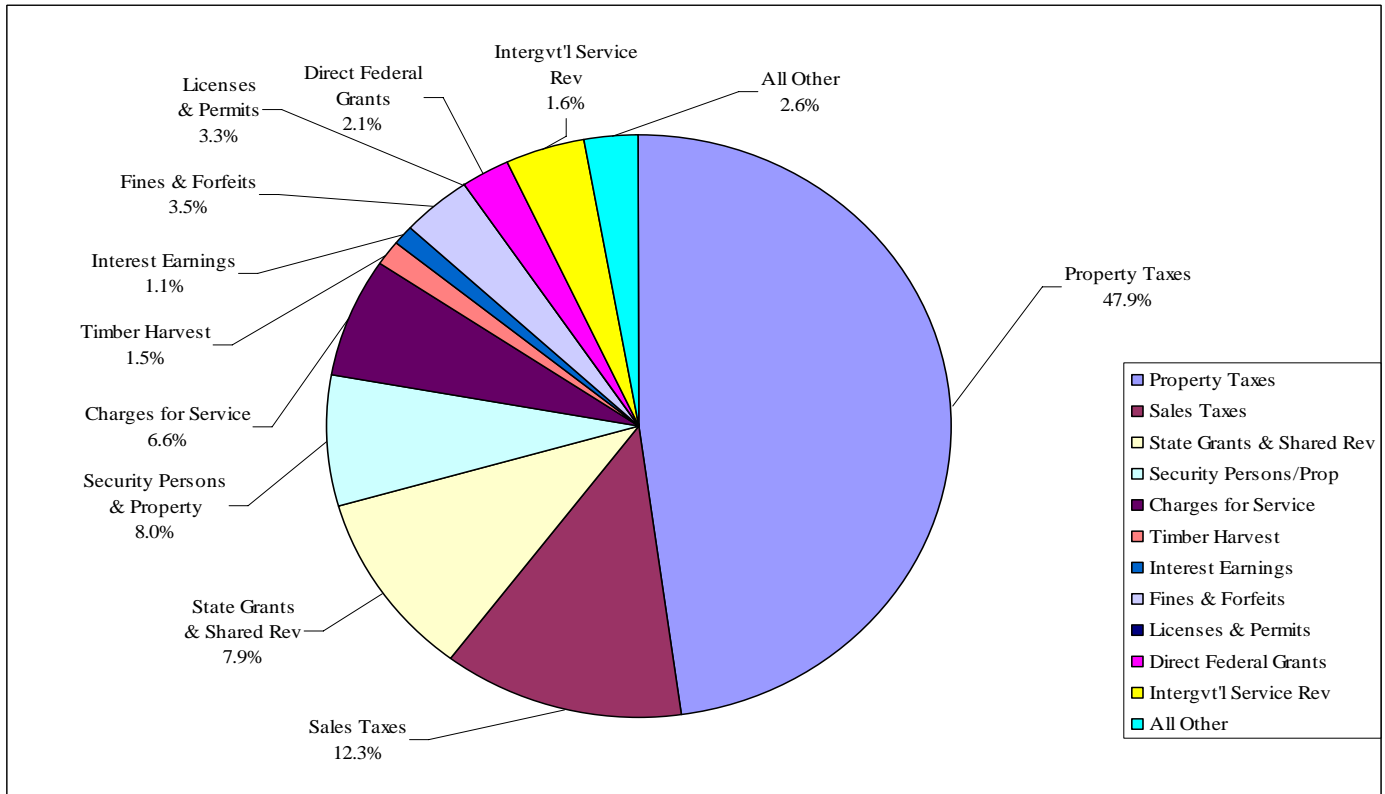


Chart 4
General Fund Revenues: 2010
Actual Receipts Through 4th Quarter

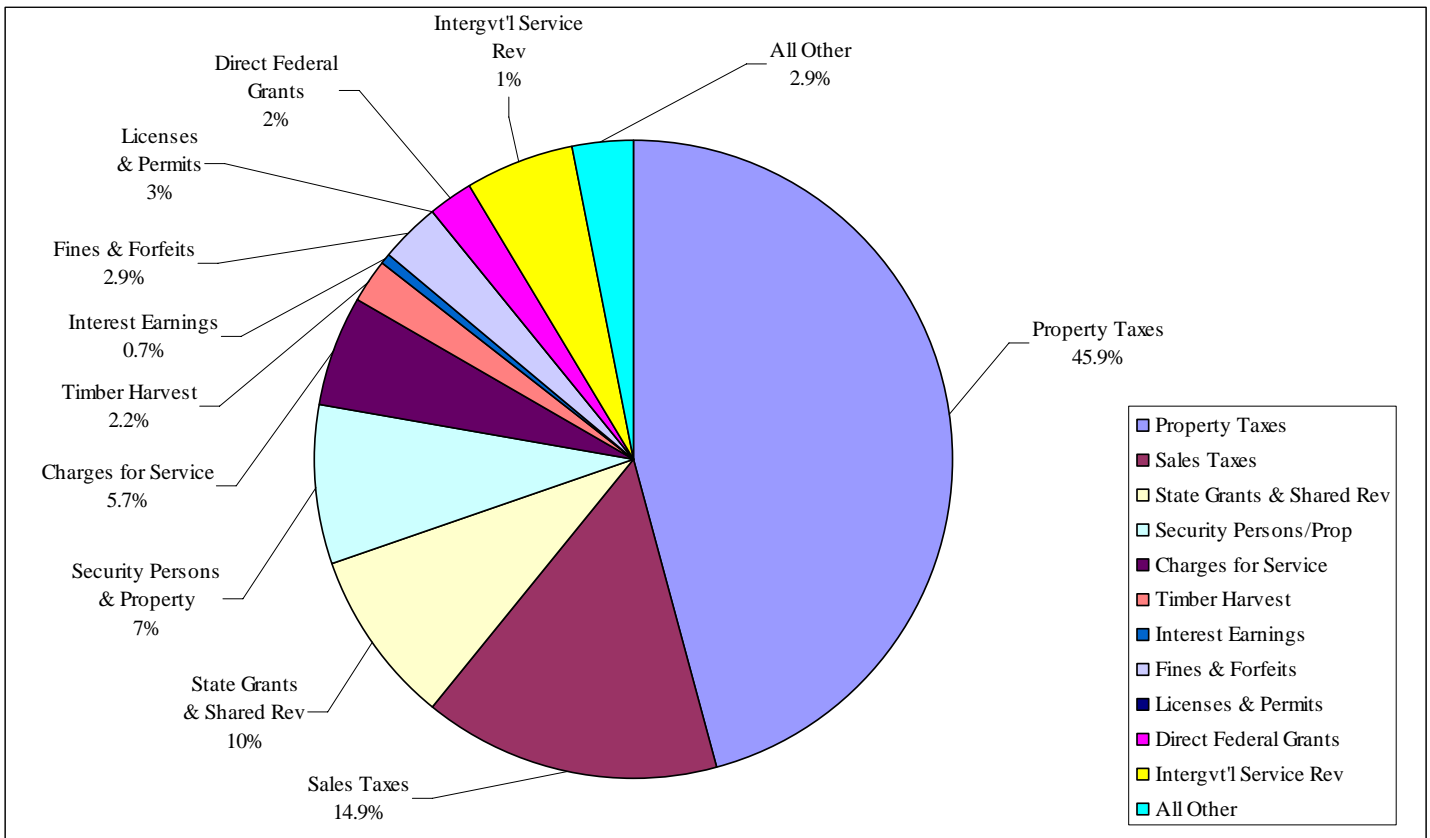


Table 10
General Fund Revenues (By Source): 2010
Anticipated Revenues & Actual Receipts Through 4th Quarter

Revenue Source	Anticipated Revenues	4 th Qtr Actual Revenues	Percentage Collected
Property Taxes/Fines & Penalties	\$17,921,213	\$17,856,580	99.6%
Sales Taxes	\$4,590,893	\$5,778,212	125.9%
State Grants & Shared Revenues	\$3,847,797	\$3,488,105	90.7%
Security Persons/Property	\$2,767,851	\$3,085,742	111.5%
Charges for Service	\$2,472,989	\$2,221,803	89.8%
Timber Harvest	\$543,753	\$843,512	155.1%
Interest Earnings	\$418,005	\$268,358	64.2%
Fines & Forfeits	\$1,323,705	\$1,126,485	85.1%
Licenses & Permits	\$58,910	\$53,118	90.2%
Direct Federal Grants	\$863,163	\$800,015	92.7%
Intergvt'l Service Revenues	\$1,632,674	\$2,234,532	136.9%
All Other	\$989,035	\$1,136,214	114.9%
Total	\$37,429,988	\$38,892,676	103.9%

Table 11
General Fund Revenues (By Department): 2010
Anticipated Revenues & Actual Receipts Through 4th Quarter

Department	Anticipated Revenues	Actual Revenues Collected	\$\$ Over / (Under)	% Collected
Boundary Review Board	\$300	\$250	(\$ 50)	83.3%
Commissioners	\$11,100	\$10,675	(\$ 425)	96.2%
Board of Equalization	\$0	\$0	\$ 0	
Treasurer	\$18,175,577	\$18,266,192	\$90,615	100.5%
Auditor	\$6,981,453	\$7,867,952	\$886,499	112.7%
Assessor	\$2,500	\$2,233	(\$ 267)	89.3%
Administrative Services	\$269,135	\$260,226	(\$8,909)	96.7%
Civil Service Commission	\$0	\$1,125	\$1,125	
Facilities Maintenance	\$320,157	\$238,510	(\$81,647)	74.5%
Family Court	\$63,160	\$54,544	(\$8,616)	86.4%
Sheriff	\$2,092,805	\$2,056,563	(\$36,242)	98.3%
CCCD-Probation Services	\$543,000	\$475,481	(\$67,519)	87.6%
CCCD-Jail	\$2,089,000	\$3,168,108	\$1,079,108	151.7%
CCCD-Offender Services	\$455,685	\$395,097	(\$60,588)	86.7%
CCCD-Jail Concessions	\$180,000	\$149,279	\$1,319,279	832.9%
Juvenile Detention	\$182,000	\$143,206	(\$38,794)	78.7%
Juvenile Probation	\$859,213	\$774,917	(\$84,296)	90.2%
Prosecuting Attorney	\$248,212	\$317,664	\$69,452	128.0%
Child Support Services	\$599,906	\$652,823	\$52,917	108.8%
Superior Court	\$287,471	\$181,341	(\$106,130)	63.1%
District Court	\$2,071,870	\$1,994,578	(\$77,292)	96.3%
Clerk	\$780,257	\$714,751	(\$65,506)	91.6%
P.A. Diversion Program	\$8,000	\$8,763	\$ 763	109.5%
Courthouse Facilitator Prog	\$45,800	\$46,508	\$ 708	101.5%
Office of Public Defense	\$241,885	\$250,069	\$8,184	103.4%
Coroner	\$54,300	\$58,004	\$3,704	106.8%
WSU Extension	\$450	\$384	(\$ 66)	85.3%
Museum	\$10,000	\$10,000	\$ 0	100.0%
Non-Departmental	\$330,100	\$345,029	\$14,929	104.5%
St. Helens Recovery	\$100,000	\$0	(\$100,000)	0.0%
Community Long Range Plan	\$262,897	\$294,733	\$31,836	112.1%
Park & Recreation	\$105,015	\$92,945	(\$12,070)	88.5%
Drug Court Grant Program	\$58,740	\$60,726	\$1,986	103.4%
Grand Total	\$37,429,988	\$38,892,676	\$1,462,688	103.9%

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 12
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 13
General Fund Revenues
2005 – 2009 Comparison

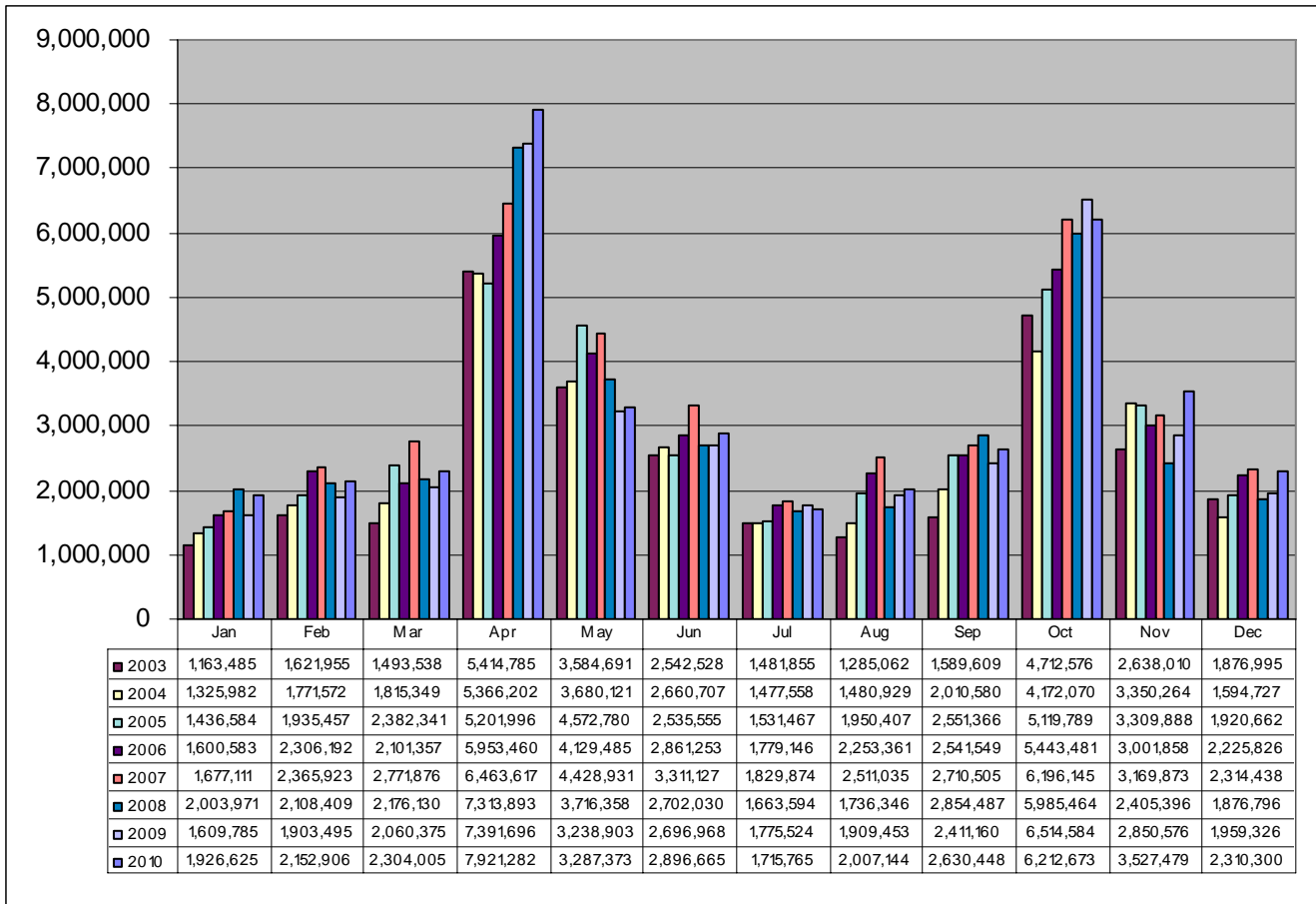
Revenue Source	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual
Property Taxes	\$15,151,245	\$14,580,680	\$14,908,630	\$15,679,587	\$16,865,501
Sales Taxes	4,638,448	4,667,241	5,309,807	4,698,035	4,624,157
St Grants/Shared Rev	2,893,551	3,221,947	3,586,462	3,825,479	3,790,429
Sec of Persons/Prop	2,268,142	2,349,592	3,016,966	2,694,616	2,719,578
Charges for Service	2,745,015	3,148,167	3,421,038	2,247,749	2,305,291
Timber Harvest	1,467,971	1,085,386	888,130	846,993	574,705
Interest Earnings	815,617	1,729,121	1,873,639	946,667	324,704
Fines & Forfeits	1,169,214	1,300,639	1,564,611	1,422,673	1,358,593
Licenses & Permits	1,463,301	1,913,186	1,890,537	75,371	66,272
Direct Federal Grants	589,401	656,186	533,221	666,314	655,696
Intergov't Revenue	379,443	676,780	1,736,500	2,449,190	1,859,962
All Other	866,435	864,351	1,021,940	990,202	1,176,956
Total	\$34,447,783	\$36,193,276	\$39,751,481	\$36,542,876	\$36,321,844
Percentage Inc/(Dec) vs. Prior Year	+12.4%	+13.1%	+9.8%	(8.1%)	(0.6%)

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

Table 14
General Fund Revenues
2010 Comparison

Revenue Source	Anticipated Revenues	4 th Qtr Actual Revenues	Percentage Collected
Property Taxes/Fines & Penalties	\$17,921,213	\$17,856,580	99.6%
Sales Taxes	\$4,590,893	\$5,778,212	125.9%
State Grants & Shared Revenues	\$3,847,797	\$3,488,105	90.7%
Security Persons/Property	\$2,767,851	\$3,085,742	111.5%
Charges for Service	\$2,472,989	\$2,221,803	89.8%
Timber Harvest	\$543,753	\$843,512	155.1%
Interest Earnings	\$418,005	\$268,358	64.2%
Fines & Forfeits	\$1,323,705	\$1,126,485	85.1%
Licenses & Permits	\$58,910	\$53,118	90.2%
Direct Federal Grants	\$863,163	\$800,015	92.7%
Intergvt'l Service Revenues	\$1,632,674	\$2,234,532	136.9%
All Other	\$989,035	\$1,136,214	114.9%
Total	\$37,429,988	\$38,892,676	103.9%

Chart 5
Cowlitz County General Fund
Revenue By Month
2003 – YTD 2010



B. GENERAL FUND EXPENDITURES.

The General Fund budget, as amended, has been approved in the amount of \$42,368,445, including an estimated ending unreserved fund balance of \$3,822,894. This compares to a budget in 2009 of \$42,280,527 including an estimated ending fund balance of \$4,734,561 and represents a 2.7% increase in expenditures over the prior year and a decrease in ending fund balance of 19.3%.

Expenditures, by major expense category, are as follows:

Table 15
General Fund Expenditures

Expense Category	% of Total	Expenditures Final Amended	Expended YTD 12/31/2010	% Expended	Unexpended
Personnel Services	62.2%	\$26,351,370	\$25,252,993	95.8%	\$1,098,377
Supplies	3.4%	1,456,885	1,243,126	85.3%	213,759
Other Services & Charges	14.7%	6,256,477	5,944,243	95.0%	312,234
Interfund Charges/Misc	3.1%	1,320,034	1,333,841	101.0%	(13,807)
Transfers	7.3%	3,110,785	2,797,581	89.9%	313,204
Capital Outlay	0.1%	50,000	053,247	106.5%	(3,247)
Total Expenditures		\$38,545,551	\$36,625,031	95.0%	\$1,920,520
Ending Fund Balance	9.1%	3,822,894			
Total Budget		\$42,368,445			5.0%

Chart 6
Cowlitz County General Fund (Final Amended)
Budgeted Expenditures: 2010

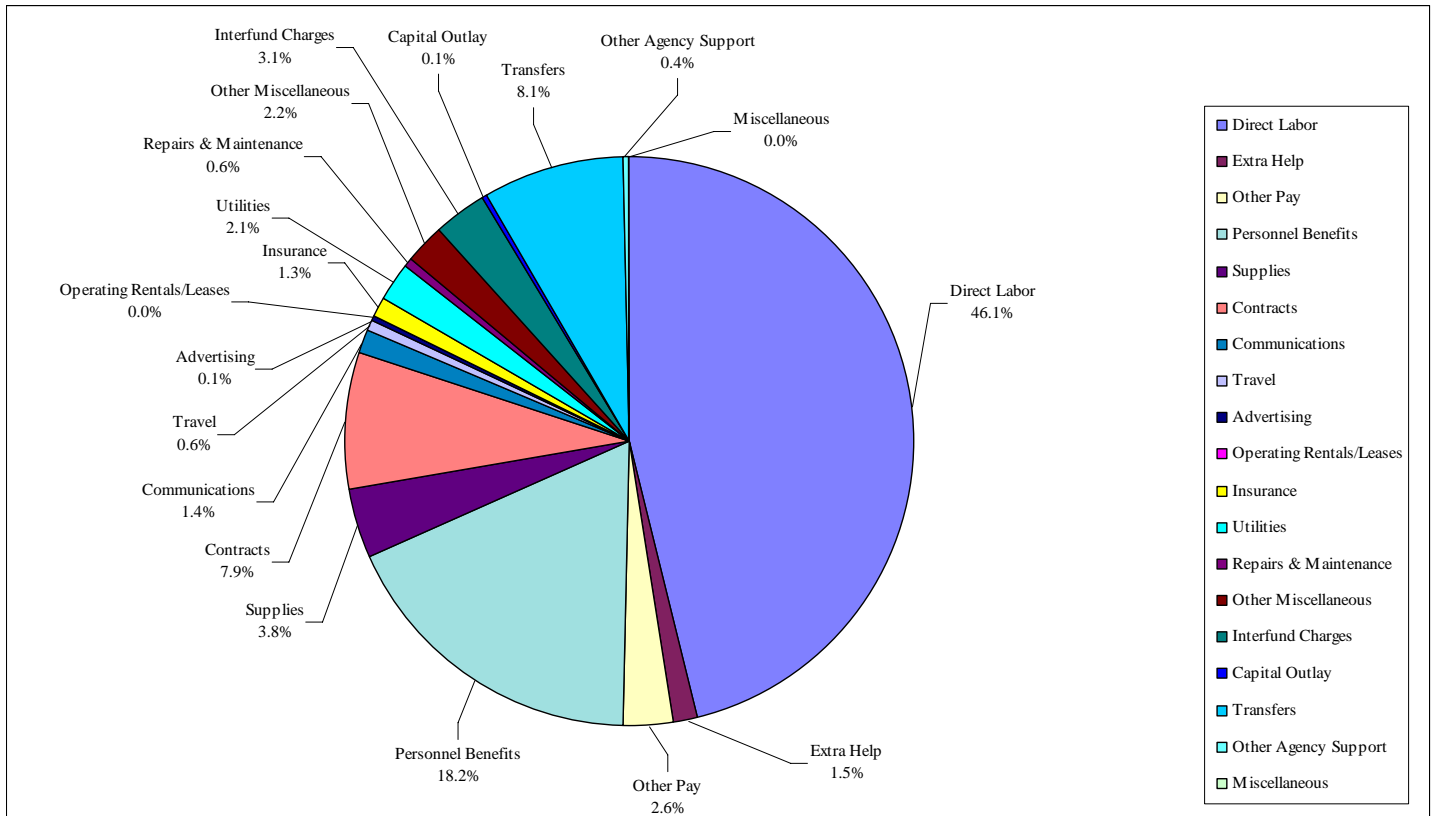


Chart 7
Cowlitz County General Fund (As Amended)
Actual Expenditures: Through 4th Quarter 2010

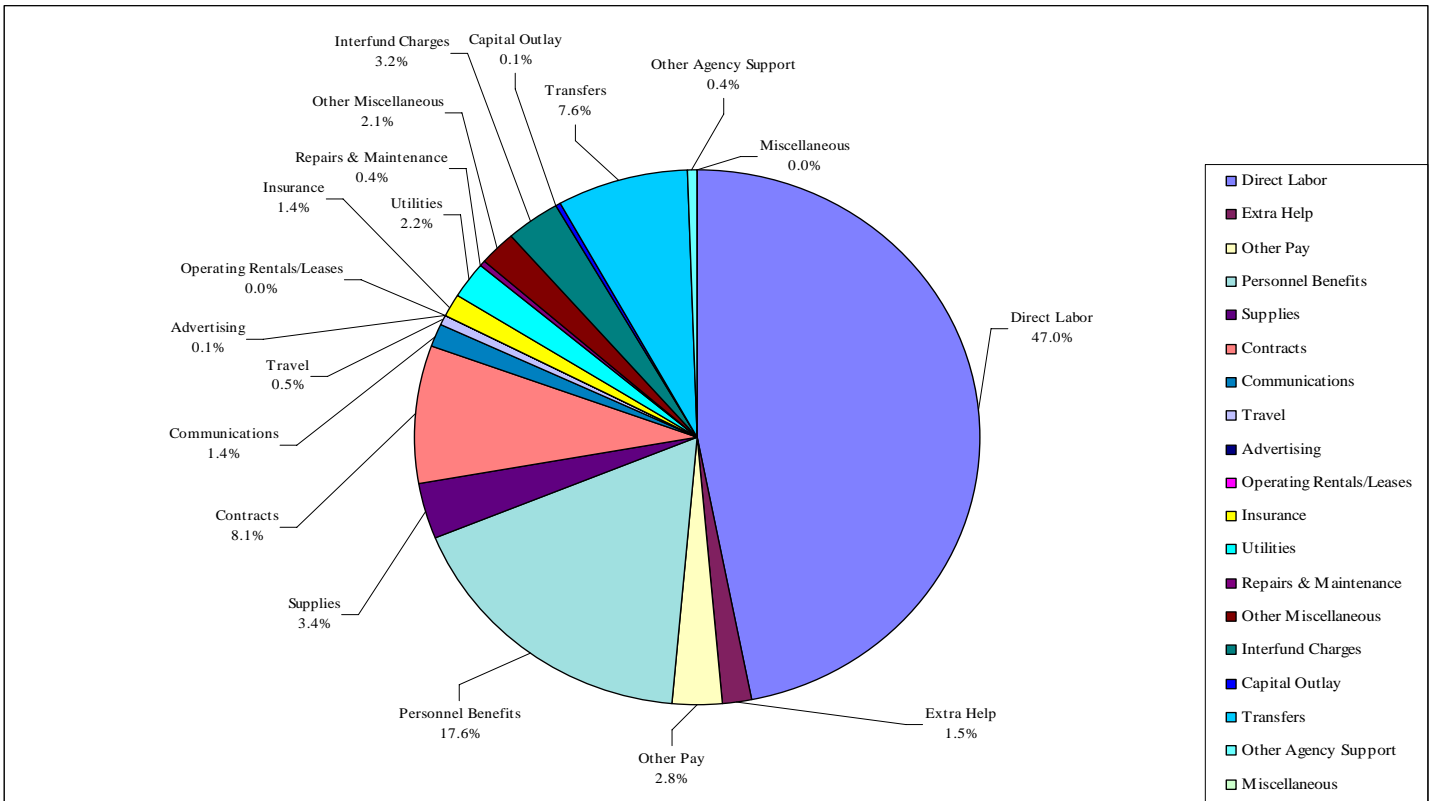


Table 16
General Fund Expenditures Detail Through 4th Quarter 2010

Expense Category	Budget (Amended)	Expended	Unexpended	% Expended
Direct Labor	\$17,759,154	\$17,218,773	\$540,381	97.0%
Extra Help	571,470	565,399	6,071	98.9%
Other Pay	1,020,984	1,016,746	4,238	99.6%
Personnel Benefits	6,999,762	6,452,074	547,688	92.2%
Supplies	1,456,885	1,243,126	213,759	85.3%
Contracts	3,032,252	2,965,133	67,119	97.8%
Communications	544,593	519,831	24,762	95.5%
Travel	240,382	185,407	54,975	77.1%
Advertising	46,831	33,137	13,694	70.8%
Op Rentals/Leases	15,949	8,438	7,511	52.9%
Insurance	485,089	495,025	(9,936)	102.0%
Utilities	816,202	813,802	2,400	99.7%
Repairs/Maintenance	214,740	140,317	74,423	65.3%
Other	860,439	783,154	77,285	91.0%
Interfund Charges	1,178,039	1,178,920	(881)	100.1%
Capital Outlay	50,000	53,247	(3,247)	106.5%
Transfers	3,110,785	2,797,581	313,204	89.9%
Agency Support	136,131	152,293	(16,162)	111.9%
Miscellaneous	5,864	2,629	3,235	44.8%
Grand Total	\$38,545,551	\$36,625,032	\$1,920,519	95.0%

Table 17
General Fund Expenditures
2009 - 2010 Comparison

Expense Category	2009 Actual Expenditures	2010 Actual Expenditures	% Inc / (Dec)
Direct Labor	\$17,363,818	\$17,218,773	-0.8%
Extra Help	435,176	565,399	29.9%
Other Pay	950,774	1,016,746	6.9%
Personnel Benefits	6,424,835	6,452,074	0.4%
Supplies	1,095,022	1,243,126	13.5%
Contracts	2,653,777	2,965,133	11.7%
Communications	508,496	519,831	2.2%
Travel	118,226	185,407	56.8%
Advertising	20,094	33,137	64.9%
Op Rentals/Leases	8,195	8,438	3.0%
Insurance	480,318	495,025	3.1%
Utilities	808,314	813,802	0.7%
Repairs/Maintenance	171,251	140,317	-18.1%
Other	731,525	783,154	7.1%
Interfund Charges	1,223,586	1,178,920	-3.7%
Capital Outlay	5,638	53,247	844.4%
Transfers	2,640,523	2,797,581	5.9%
Agency Support	143,944	152,293	5.8%
Miscellaneous	14,203	2,629	-81.5%
Grand Total	\$35,797,715	\$36,625,032	2.3%
% Inc/(Dec) Prior Year	-10.0%	+2.3%	

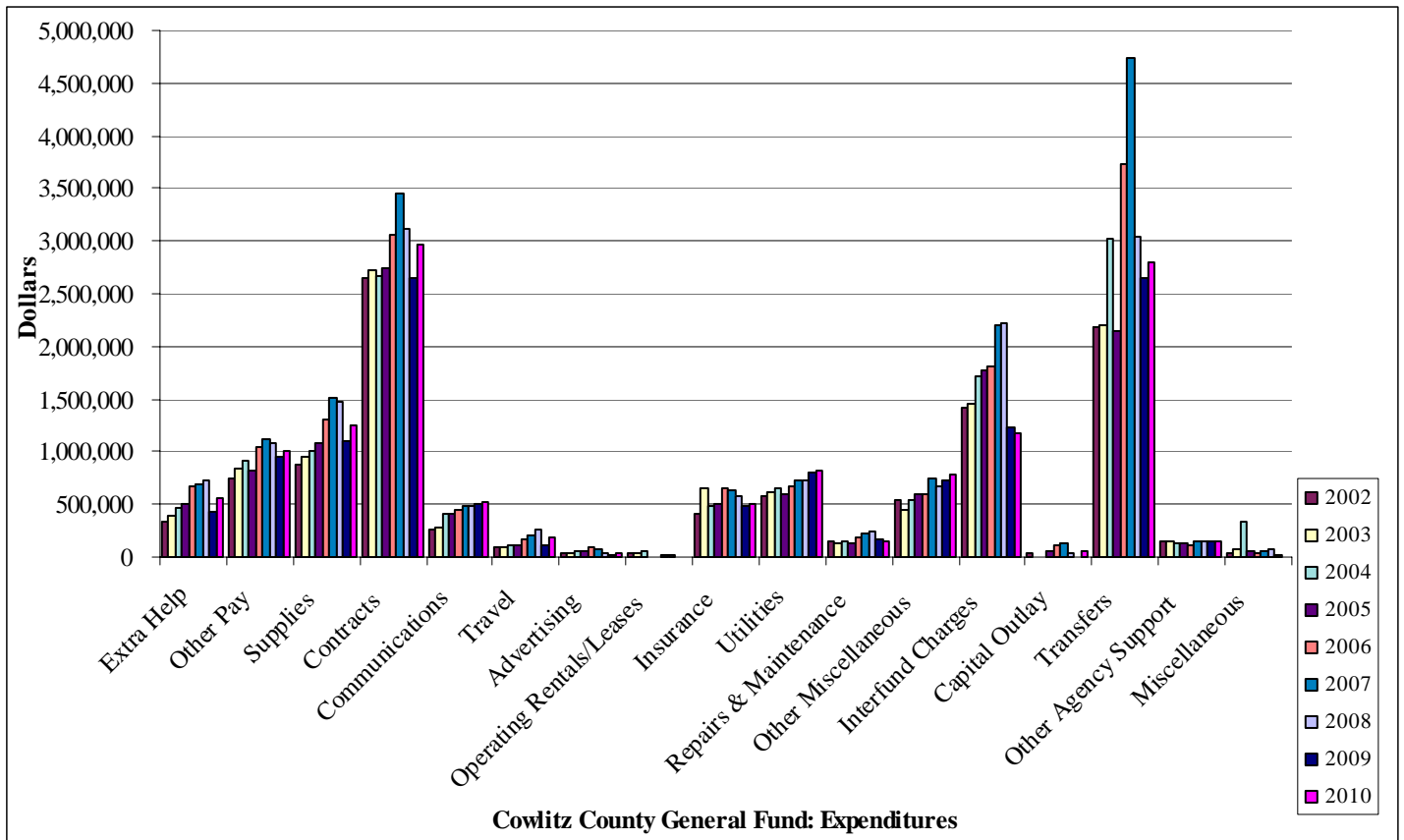
Table 18
General Fund Expenditures
2005 - 2008 Comparison

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
% Inc/(Dec) Prior Year		13.6%	16.8%	(2.8%)
<i>2008: Special Revenue Fund for Building & Planning established; Community Long Range Planning remains in the General Fund.</i>				

Table 19
General Fund Expenditures
2001 - 2004 Comparison

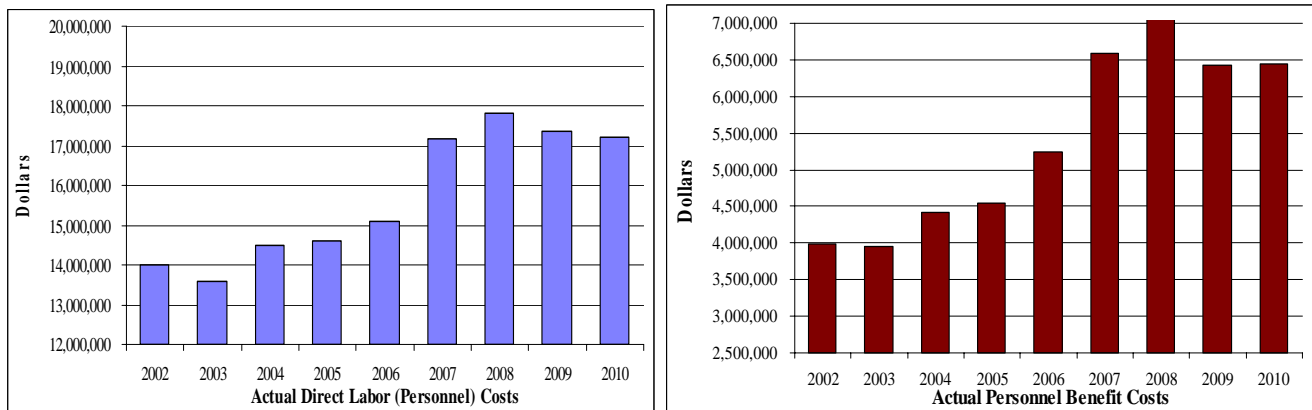
Expense Category	2001 Actual Expenditures	2002 Actual Expenditures	2003 Actual Expenditures	2004 Actual Expenditures
Direct Labor	\$13,986,479	\$14,015,092	\$13,581,931	\$14,504,238
Extra Help	351,238	334,058	391,443	461,460
Other Pay	653,663	747,928	830,951	909,803
Personnel Benefits	4,096,257	3,979,330	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
% Inc/(Dec) Prior Year		+ .52%	+ .37%	+10.5%
<i>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 8
General Fund Expenditures
Comparison: 2002– 2010



Note: Chart above excludes Direct Labor & Employee Benefit costs See Chart 8b below. See also Tables 15 & 16 above.

Chart 9
General Fund Expenditures:
Comparison: 2002 – 2010



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 20
General Fund (2010 Final Amended)
Department-Level Expenditure Summary

Department	Budget 01/01/2010	Budget 12/31/2010 (including amendments)	Expenditures Through 4th Qtr	% Expended
Boundary Review Board	\$20,367	\$20,367	\$5,932	29.1%
Commissioners	527,110	527,110	532,634	101.0%
Board of Equalization	3,199	3,449	3,367	97.6%
Treasurer	672,399	672,399	653,563	97.2%
Auditor	1,041,460	1,041,460	984,090	94.5%
Assessor	1,489,942	1,489,942	1,427,926	95.8%
Administrative Services	776,238	776,238	711,861	91.7%
Civil Service Commission	17,398	17,398	9,851	56.6%
Facilities Maintenance	1,568,324	1,588,824	1,588,528	100.0%
Family Court	201,410	201,410	196,253	97.4%
Sheriff	5,000,439	5,000,439	4,877,463	97.5%
Sheriff's Extradition	25,125	25,125	16,651	66.3%
CCCD-Probation Services	516,786	516,786	498,491	96.5%
CCCD-Jail	7,086,575	7,086,575	7,034,208	99.3%
CCCD-Offender Services	889,425	889,425	850,109	95.6%
CCCD-Jail Concessions	104,144	104,144	72,396	69.5%
Juvenile Detention	1,692,821	1,692,821	1,640,243	96.9%
Juvenile Probation	1,896,539	1,896,539	1,763,919	93.0%
Prosecuting Attorney	1,933,327	1,933,327	1,921,762	99.4%
Child Support Services	599,905	599,905	563,103	93.9%
Superior Court	980,917	980,917	857,410	87.4%
District Court	1,644,680	1,644,680	1,569,009	95.4%
Clerk	943,958	943,958	923,723	97.9%
P.A. Diversion Program	2,219	2,219	1,647	74.2%
Courthouse Facilitator Program	56,000	56,050	56,049	100.0%
Office of Public Defense	2,042,170	2,042,170	1,997,736	97.8%
Coroner	366,903	366,903	349,693	95.3%
WSU Extension	127,027	127,027	123,018	96.8%
Museum	106,825	107,350	107,336	100.0%
Non-Departmental	4,511,026	4,511,026	3,935,904	87.3%
St. Helens Recovery	100,000	100,000	18,687	18.7%
Community Long Range Planning	1,080,799	1,080,799	902,104	83.5%
Park & Recreation	359,064	359,064	317,530	88.4%
Drug Court Grant Program	112,304	129,705	112,835	87.0%
Grand Total	\$38,496,825	\$38,535,551	\$36,625,031	95.0%

Chart 10
Cowlitz County General Fund
Expenditures by Month
2003 – YTD 2010

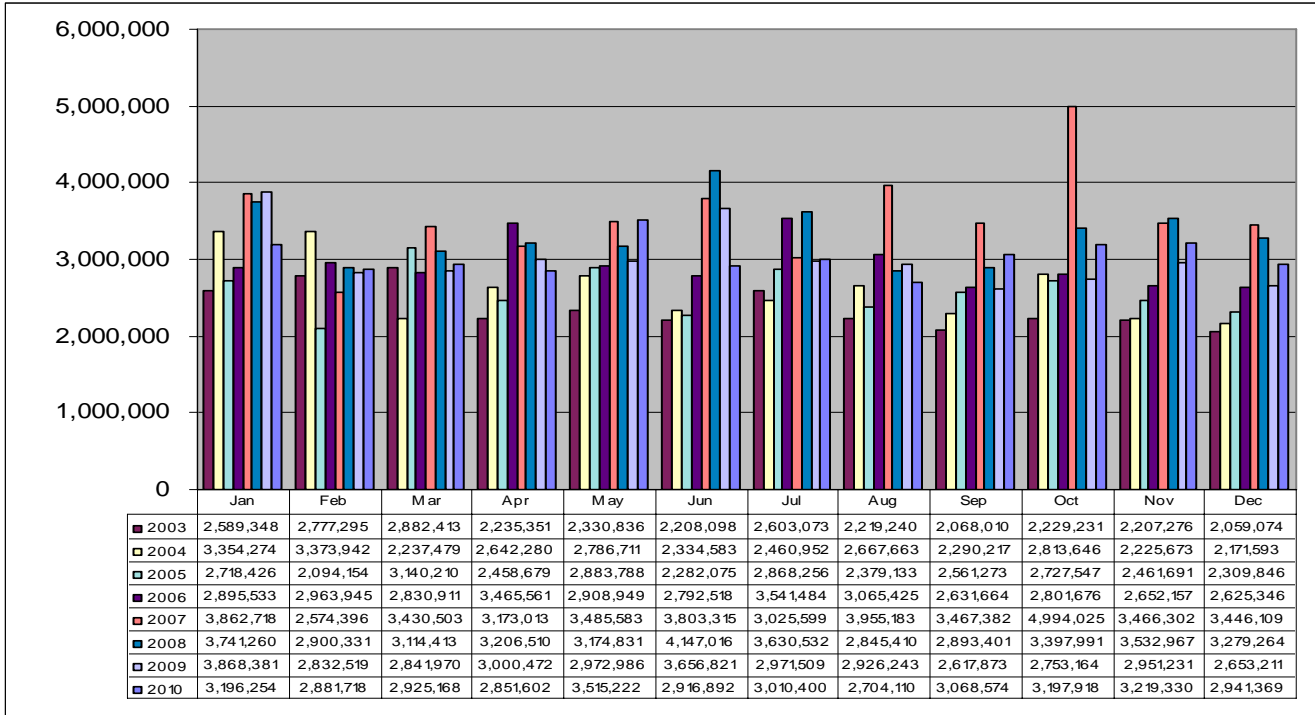
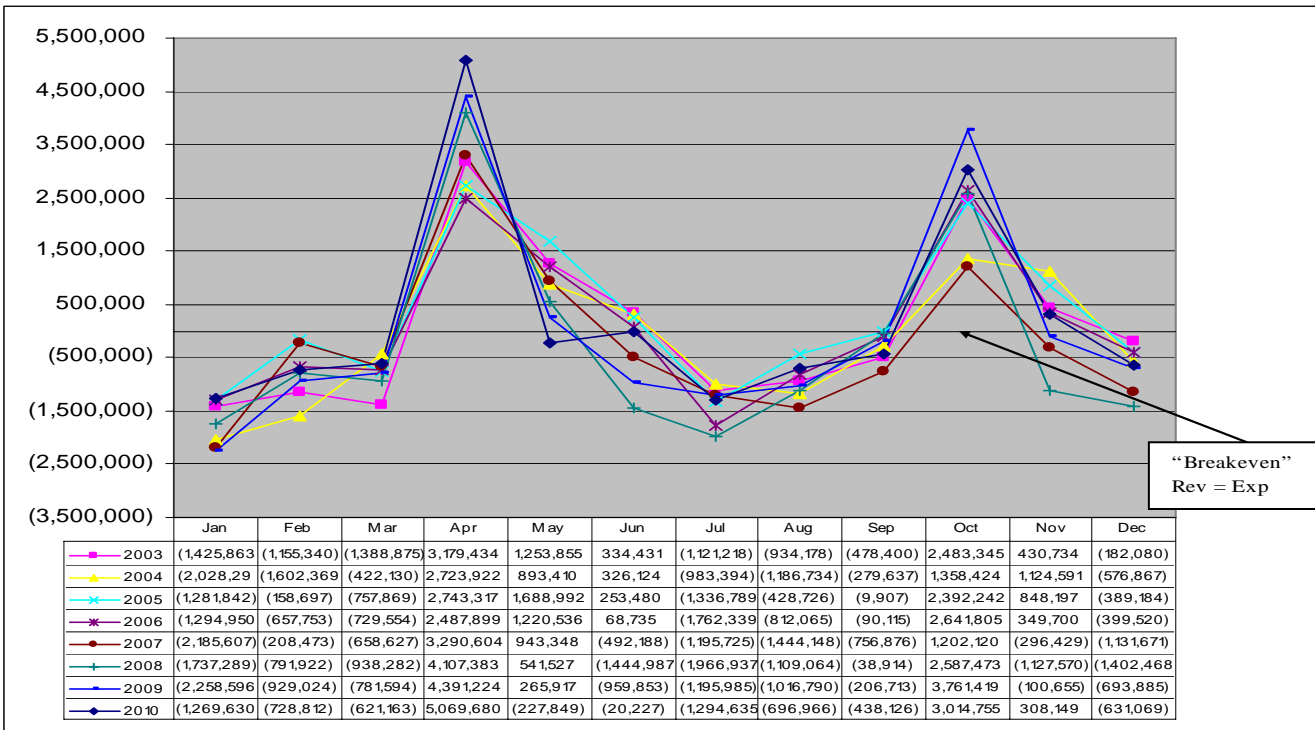


Chart 11
Cowlitz County General Fund
Difference Between Monthly Receipts and Monthly Expenditures
2003– YTD 2010



C. FUND BALANCE.

Pursuant to RCW 36.40.090, counties 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 Cowlitz County could maintain in 2010 is \$11,703,982. Cowlitz County is below the maximum allowed by law.

The estimated unreserved beginning fund balance on January 1, 2010 was \$4,921,056.

Actual adjusted cash balance was \$4,596,174 (short of estimate by \$324,882).

Adjusted cash balance as of December 31, 2010 was \$6,831,982.

The adjusted beginning fund balance of \$4.6 million accounts for 2009 “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, 2010 was anticipated to be \$3,854,219 at the time the budget was approved in December 2009. This assumed all revenues would be received as forecast and departments would not have savings – “budget return”. Ending fund balance is presented in this manner because the Board of Commissioners is required to adopt a balanced budget.

The actual ending cash balance was \$6,831,982. The anticipated ending fund balance is adjusted to account for cash carry-forward shortfall (approximately \$325,000), unexpended budget (approximately \$1.9 million) and revenue received greater than forecast (approximately \$1.5 million).

Table 21
Comparison of General Fund
Beginning Unreserved Fund Balance &
Ending Unreserved Fund Balance

Year	Beginning Fund Balance	Ending Fund Balance	Variance: + / (-)
2002	\$3,840,163	\$3,823,839	(\$16,324)
2003	\$3,823,839	\$5,086,502	\$1,262,663
2004	\$5,086,502	\$3,842,838	(\$1,243,664)
2005	\$3,842,838	\$7,380,226	\$3,537,388
2006	\$7,380,226	\$8,538,470	\$1,158,244
2007	\$8,538,470	\$7,360,942	(\$1,177,528)
2008	\$7,360,942	\$4,101,510	(\$3,259,432)
2009	\$4,101,510	\$4,596,174	\$494,664
2010	\$4,596,174	\$6,831,982	\$2,235,808
2011(est)	\$6,831,982	\$3,214,504	(\$3,617,478)

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 current policy, the minimum cash reserve for 2010 should be \$3,195,236. The minimum fund balance was maintained.

Table 22
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	\$34,447,783	\$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)
2009	\$35,797,715	\$36,321,844	\$524,129
2010	\$36,625,031	\$38,892,676	\$2,267,645
11 year Avg 2000-2010	\$33,047,304	\$33,306,799	\$259,495

Table above explains why fund balances fluctuate.

When annual expenditures exceed annual revenues, cash reserves must be used to balance the budget.

Summary of Fund Balances

Chart 12
General Fund: 2002- 2010
Ending Actual Cash Balances

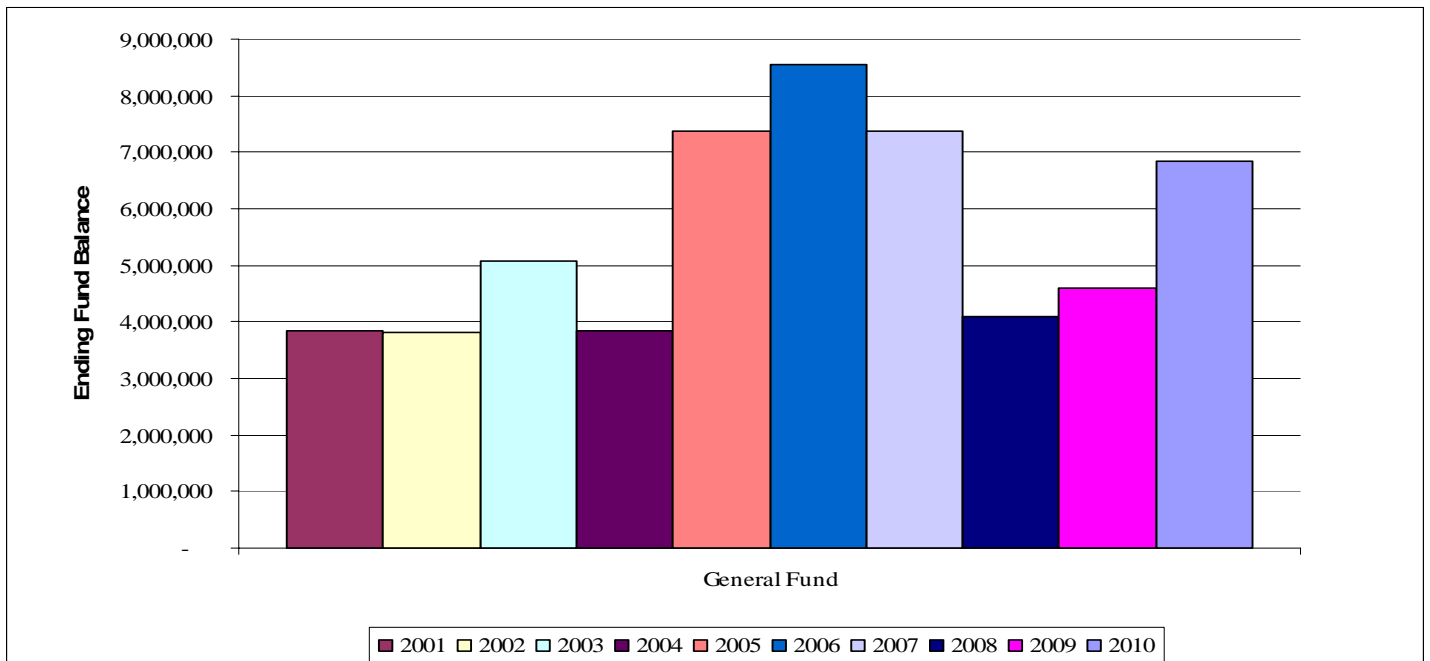


Chart 13
Comparison of Fund Balances – All Fund Types
Beginning Fund Balances – 2010

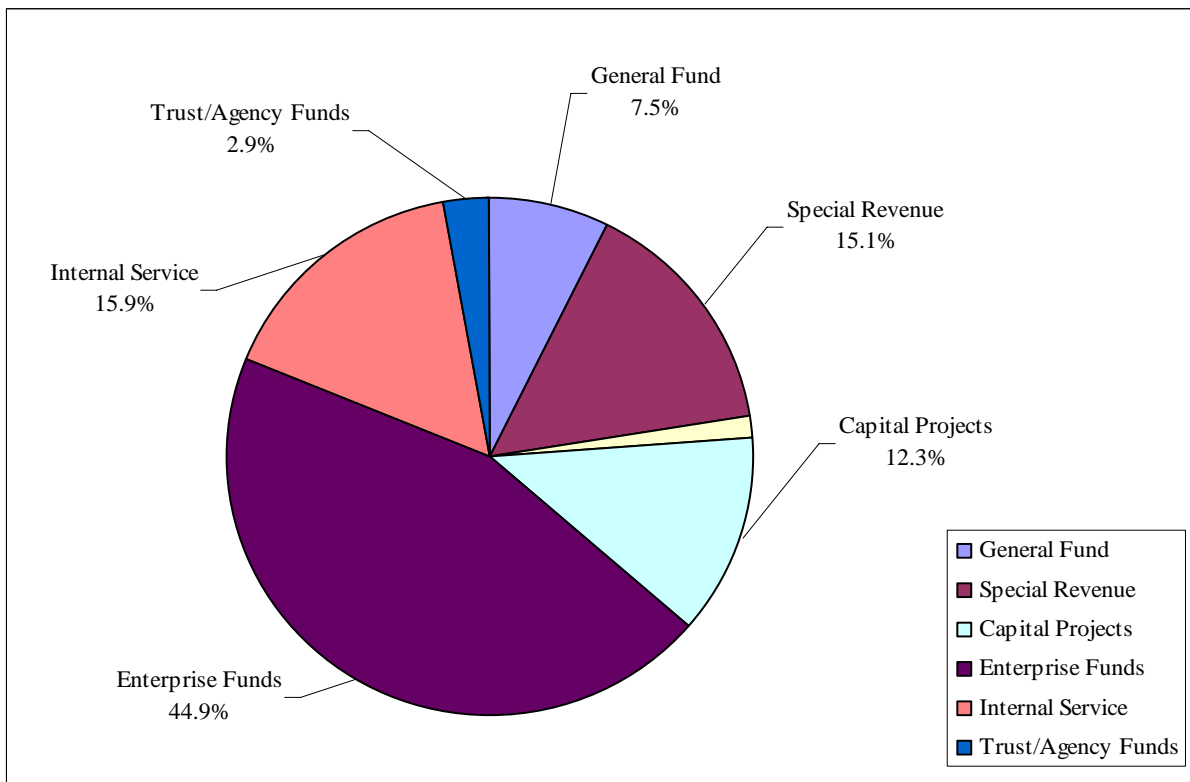


Chart 14
Cowlitz County General Fund
Cash & Investment Activity
2003 – 2010 YTD

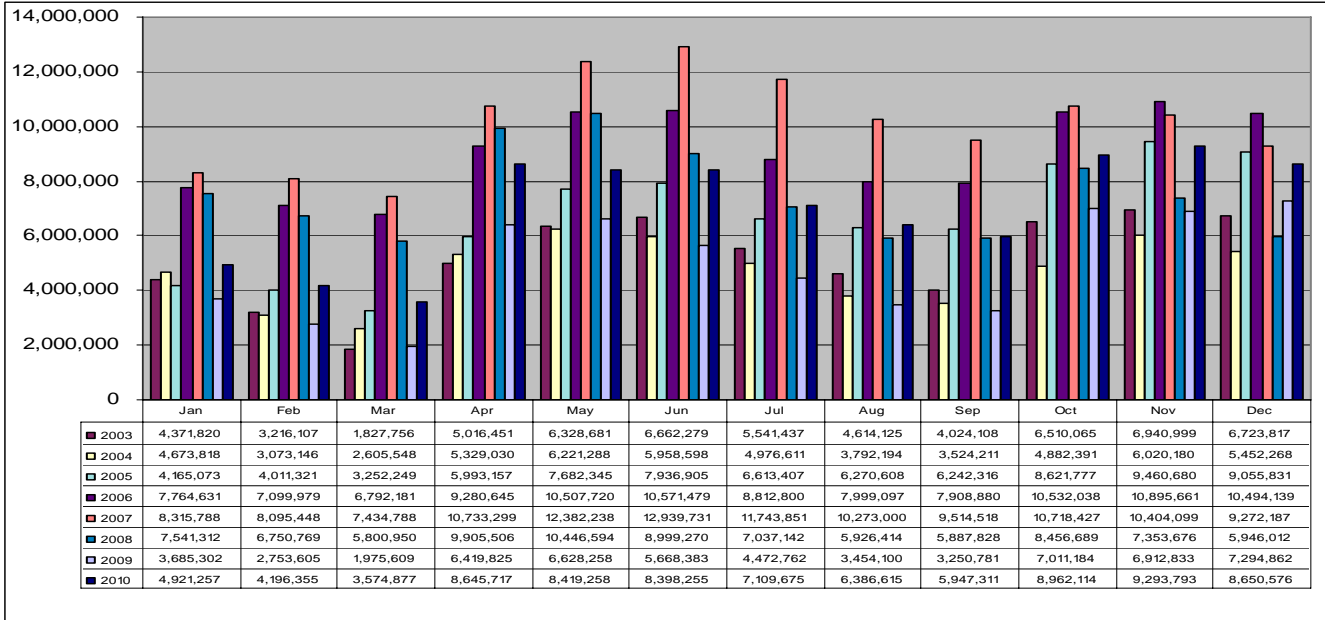


Chart 15
Cowlitz County General Fund
Trend of Actual Revenues, Expenditures & Cash Balance Adjusted for Inflation
(Adjusted for Inflation: 2010 = 100)
1990-2010

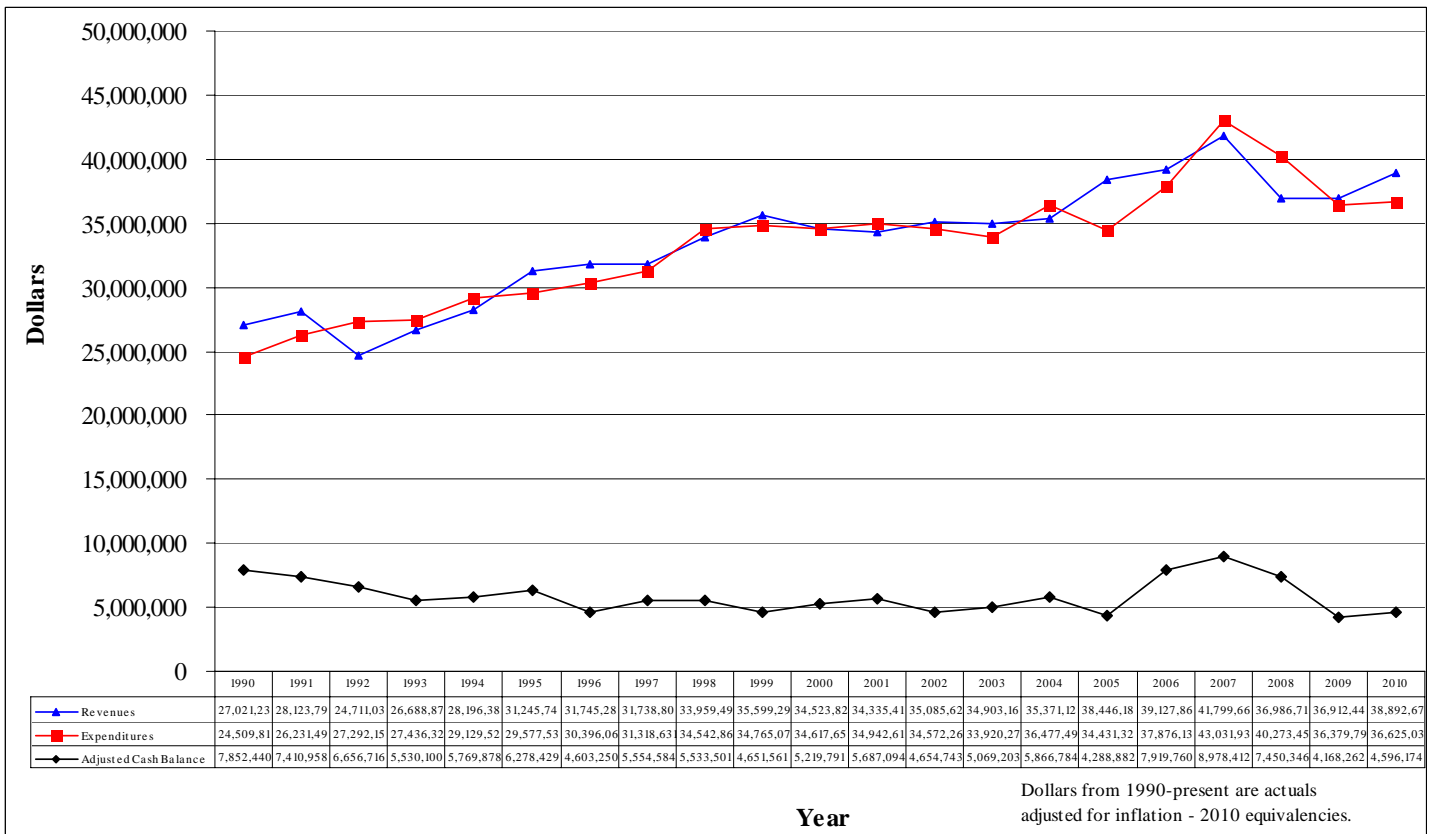
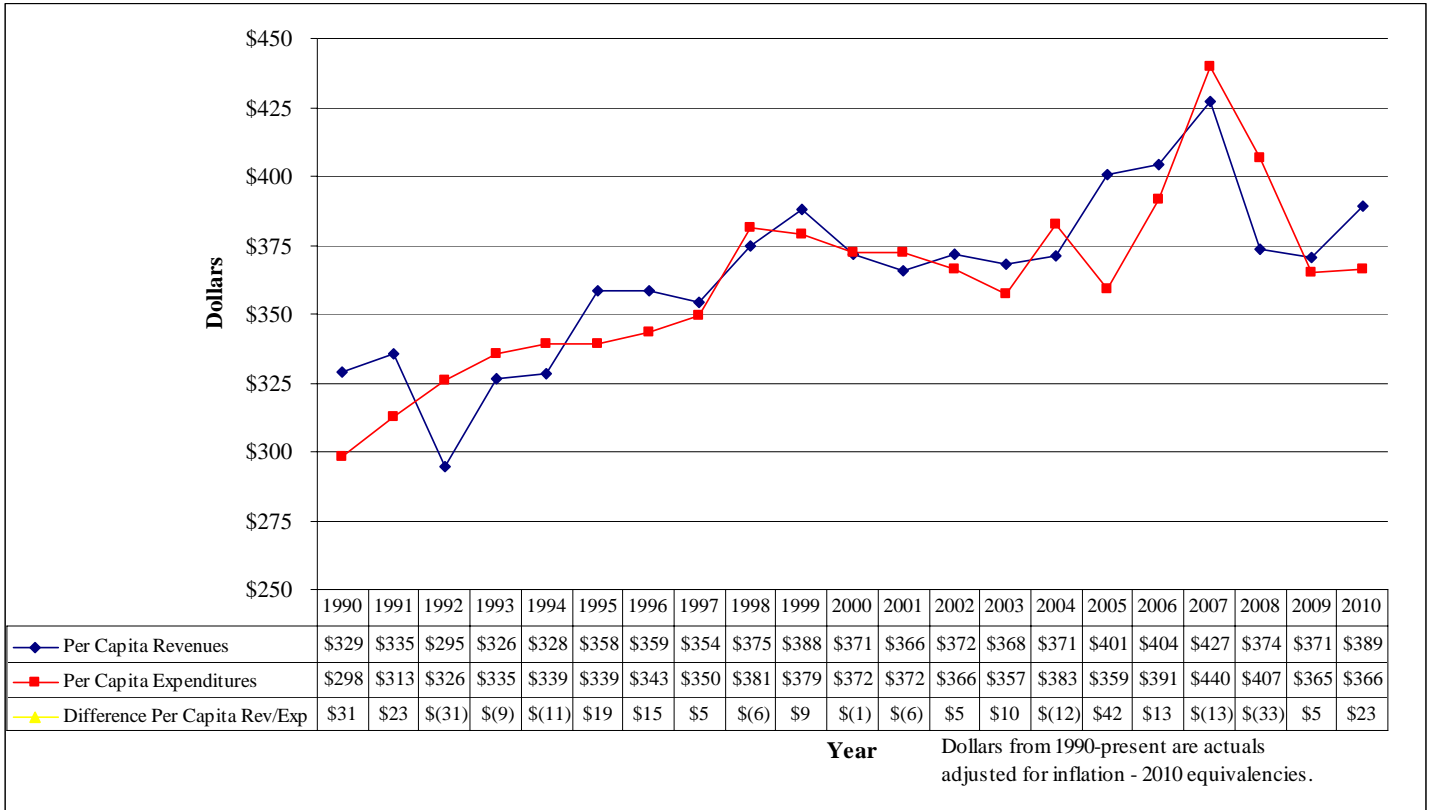


Chart 16
Cowlitz County General Fund
Trend of Per Capita Actual Revenues versus Per Capita Actual Expenditures
(Adjusted for Inflation: 2010 = 100)
1990 - 2010



II. CAPITAL PROJECTS

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

- Equipment & Furniture Purchases: Funds were budgeted for ergonomic furniture.
- Property Maintenance/Acquisition: Funds were 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: The General Government Capital Projects Fund is used as cash flow for the following grants:
 - (a) a new application to Department of Commerce on behalf of Lower Columbia Community Action Council for a project to renovate a commercial kitchen space that would provide space for preparation of meals for Meals on Wheels and Congregate Meal sites for low income elderly residents of Cowlitz County. (Department of Commerce notified the County funding for this project was not awarded.)
 - (b) a shorelines restoration project pertaining to Abernathy Creek. In 2000, the County was awarded a grant from the Recreation and Conservation Office (formerly Interagency for Outdoor Recreation) for an easement acquisition program pertaining to Abernathy Creek. Funds have been set aside for long-term monitoring.
 - (c) the County applied for an Energy Efficiency Grant which funds, if awarded, will be used to provide financial assistance to the Cowlitz-Wahkiakum Council of Government for transportation planning. (The County was notified by Department of Commerce that funding for this project was approved in the amount of \$675,000.)
 - (d) the County was awarded additional Homeland Security Funds and used the funds to upgrade radio units in the Sheriff's vehicles.
- Health Department: No projects were planned in 2010 but a compressor failed; it was replaced and repairs to the HVAC system were made.
- Jail (3rd Floor at the Hall of Justice): No projects were planned in 2010 but a water heater required replacement.
- Hall of Justice: Funds were budgeted for an uninterrupted power supply system for the Communications Center, well upgrades, air conditioning for the computer room, ventilation, heating and electrical upgrades, radio tower guy wire replacements, painting and sealing the exterior, carpet replacement, paving at the RIZAD building and for miscellaneous repairs.
- Administration Building: Funds were budgeted for painting and sealing the exterior, heat pump replacement and to pay for miscellaneous repairs.
- Annex: No projects were planned in 2010; the building exterior was cleaned and sealed and worn carpet was replaced in preparation for new tenants.
- Juvenile Center: No projects had been planned in 2010; however entry modifications for security were made.
- Morgue: A new facility is in design phase and scope development. Expenditures in 2010 were made for a cooler.
- Museum: Funds were expended for painting and sealing the exterior and miscellaneous repairs.
- Expo Center: Funds were expended for a storm water management project and to repair the sprinkler system.
- Parks: Funds: No new projects were planned in 2010 to be funded from General Government Capital Projects Fund. Prior year uncompleted project at Riverside Park was completed and repairs were made at Hoffstadt Bluffs Visitor Center. See also Recreational Capital Improvement Fund for additional expenditures related to Parks.

- Law & Justice Facilities: real property was purchased near the Hall of Justice for future expansion.
- Public Defender Office: No projects were planned in 2010.

Table 23
General Government Capital Projects Fund: 2010 Revenues

Capital Projects General Government	Anticipated Revenue	Actual Revenue	Variance + / (-)
		YTD 12/31/2010	YTD 12/31/2010
Adjusted Beg Fund Balance	\$3,356,518	\$3,702,715	\$346,197
REET – Excise Tax	350,000	304,216	(45,784)
CDBG – LCCAC (grant not awarded)	468,000	0	(468,000)
Recovery Act–Energy Efficiency (grant application pending)	125,000	0	(125,000)
Law Enforcement Terrorism Prog (prior year grant)	0	31,895	31,895
Interest Earnings	20,000	9,684	(10,316)
House Rent & Leases	43,440	43,455	15
Other/Transfers In: <i>Hoffstadt Concessions, Cumulative Res, etc</i>	17,650	11,500	(6,150)
Transfer from General Fund: <i>Construction Reserves</i>	0	0	0
Misc – Other/Prior Yr Grants	0	15,979	15,979
Total Revenues:	\$4,380,608	\$4,119,444	(\$261,164)
% of Anticipated Revenue		94.0%	

Table 24
General Government Capital Projects Fund: 2010 Expenditures

Capital Projects General Government	Expenditures	Expended YTD 12/31/2010	Unexpended
Ending Fund Balance	\$1,076,431	\$0	\$1,076,431
In-house Labor / Project Mgt.	0	27,816	(\$27,816)
Equipment/Furniture Purchases	10,000	21,916	(\$11,916)
Courthouse Square	9,048	0	9,048
Debt Service	0	0	0
Property Maint/Acquisition	7,500	10,790	(\$3,290)
Grants	628,933	0	628,933
Health Department	0	6,475	(\$6,475)
Jail – H/J 3 rd Floor	0	9,172	(\$9,172)
Hall of Justice	1,756,751	152,187	1,604,564
Administration Building	494,837	181,773	313,064
Annex	0	72,994	(72,994)
Juvenile Center	0	29,514	(\$29,514)
Morgue	0	2,482	(\$2,482)
Museum	77,250	27,541	49,709
Expo Center	219,858	30,182	189,676
Parks	0	59,703	(59,703)
Law & Justice Facilities	0	148,159	(\$148,159)
Public Defender Space	0	0	0
Unallocated Funds	100,000	0	100,000
Transfers Out	0	0	0
Total Expended:	\$4,380,608	\$780,704	\$3,599,904
Percent of Project Expenses:		17.8%	82.2%

Table 25
All Other Capital Projects Fund
Expenditures: 2010

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	\$65,775	\$21,310
Recreational Capital Imp	Various Recreation Projects	On-going	\$349,408	\$201,606
General Capital Construction	Construction / Contingency Reserve, Property Acquisition	Reserve	\$1,302,910	\$221,743
Rural County Facilities	Debt Service & Economic Development Projects	On-going	\$3,035,776	\$1,679,717
Road Improvement District	Port of Longview Road improvements	Construction Complete; Accting Costs	\$11,100	\$29
Local Improvement District	Port of Longview Sewer/water line improvements	Construction Complete; Accting Costs	\$755	\$15
Lexington Bridge Replacement & Capital Acquisition	Road Projects Facility expense	On-going	\$521,700	\$313,963
Grand Totals			\$5,287,424	\$2,438,383

III. DEBT SERVICE FUNDS/INTERFUND LOANS & OTHER DEBT

Cowlitz County currently has eight outstanding general long-term bonded debt obligations. Sufficient reserves are on hand or will accumulate prior to the due dates of the next payments. All debt service payments will be made on time. 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 (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.

2) 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. Final payment on the un-refunded portion of this issue was paid in 2008.

3) 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. Final payment on the un-refunded portion of this issue was paid in 2009.

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.

4) 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.

5) 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.

6) **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 discussion above).

7) **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.

8) **2009 RID #11 Special Assessment Fund** was established to provide for the payment of principal and interest on a special assessment for road improvements in the Silverdale Subdivision, Basswood Drive and Whisper Lane as well as to pay certain costs of bond issuance.

Table 26
Non-Voted General Obligation Bonded Debt

Bond	Original Issue	Due Date	Principal Balance Due 01/2010	Principal Balance Owing 12/31/2010
1994 Ltd G.O. ¹ Partial refunding in 2003	\$ 1,610,000	2010	\$130,000	\$0
2002 Ltd G.O. ² Rural Development	\$5,695,000	2024	\$4,480,000	\$4,285,000
2003 Ltd G.O. ² Public Facilities District	\$6,565,000	2027	\$5,480,000	\$5,310,000
2005 Ltd G.O. ¹ Refunding '98 & '99	\$8,565,000	2023	\$8,095,000	\$7,495,000
2009 RID #11 Special Assessment	\$172,038	2021	\$172,038	\$149,192
Subtotal LTGO:	\$22,607,038		\$18,357,038	\$17,239,192
2006 Special Sewer Revenue Bonds ³	\$13,760,000	2025	\$12,290,000	\$11,760,000
Totals	\$36,367,038		\$30,647,038	\$28,999,192

¹ Payments on the bonded debt obligations are made in May (interest only) and November (principal and interest) each year.
² Payments on the bonded debt obligations are made in April (interest only) and October (principal and interest) each year.
³ Payments on the bonded debt obligations are made in March (principal and interest) and September (interest only) each year.

Table 27
Interfund and Other Loans

Project	Origination Date	Due Date	Loan Principal	Principal Balance Owing 12/31/2010
Hoffstadt Bluffs (Capital Improvements)	1992 – 1996 & 2006-2010	Open	\$3,805,822	\$1,817,274
911 System Upgrade	2005-2007	11/30/2020	\$633,000	\$364,330
Public Works Trust Fund	Various	Various	\$	\$
Totals:			\$4,438,822	\$2,181,604

Excludes lease purchase agreements for the telephone system, voting machines, copiers, computers, electronic monitoring equipment, 911 Communications Recording Equipment, etc.

Table 28
Accounts Receivable

Account Receivables	Origination Date	Due Date	Original Receivable	Principal Balance Owning 12/31/2010
Fish Recovery Board (account receivable)	04/30/1998	Open	\$25,000	\$22,000
District Court County Only	Various	Various	Varies Daily	\$8,283,945
Superior Court Clerk County & State	Various	Various	Varies Daily	\$62,172,225
Totals:				\$70,478,170

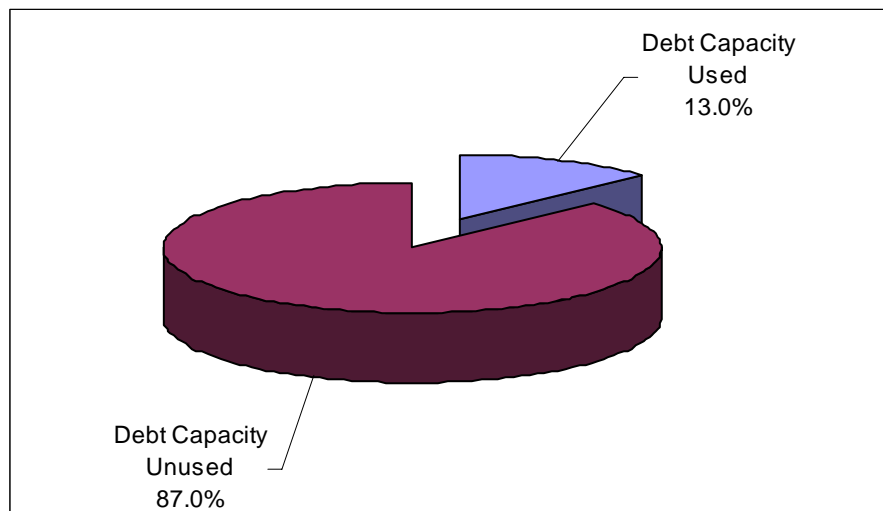
Long Term Debt Capacity. Washington State law provides a maximum debt limit for general obligations. Cowlitz County’s debt obligations are well within the statutory limits for debt capacity.

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 2010, this limit is \$140,447,786. 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 2010, this limit is \$234,079,643. 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 \$468,159,286.

Table 29
Long Term Debt Capacity

How Authorized/Uses	% of Assessed Valuation	\$\$ Limit	LTGO Capacity Used
Non-voted (General Governmental purposes)	1.5%	\$140,447,786	\$17,239,192
Voted (General Governmental purposes)	2.5%	\$234,079,643	\$0
Voted (restricted uses – utility, parks, etc)	2.5%	\$234,079,643	\$0

Chart 17
**Cowlitz County Non-Voted
General Obligation Debt Capacity**



The chart above represents graphically 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 \$140.4 million which is statutorily available, a debt limit of not greater than \$112.4 million is recommended. Utilizing these figures, Cowlitz County has current obligations amounting to 15.3% of its recommended capacity.

IV. OTHER FUNDS – SUMMARY OF 4th QUARTER ACTIVITY

A. Special Revenue Funds

Table 30
Special Revenue Funds (By Department)
Department Level Expenditure Summary: 4th Quarter 2010

Department	Budget ¹	Expenditures	% Expended
Affordable Housing	\$110,798	\$105,083	94.8%
Auditor's O&M	143,104	60,199	42.1%
Benefits Administration	376,902	196,013	52.0%
Boat Safety	43,606	31,473	72.2%
Building & Planning	2,080,367	1,963,182	94.4%
Community Mental Health	10,725,602	10,167,613	94.8%
County Drug Fund	6,000	4,958	82.6%
Cumulative Reserve	245,014	149,627	61.1%
Drug Task Force	699,385	665,662	95.2%
Geographic Information Services	214,989	187,806	87.4%
G.I.S. Operation & Maintenance	0	0	
Health Department	2,664,886	2,399,248	90.0%
Human Services	1,145,717	1,133,885	99.0%
Law & Justice	942,761	910,333	96.6%
Low Income Housing & O&M	1,092,801	158,611	14.5%
Noxious Weed Program	186,583	170,652	91.5%
P.A. Victim Witness	183,137	149,168	81.5%
Paths & Trails Reserve	70,000	14,944	21.3%
Road Fund	18,058,164	14,572,799	80.7%
Stadium/Convention Center	35,300	23,000	65.2%
Storm Water Fund	342,346	221,673	64.8%
Superior Court Law Library	84,161	78,254	93.0%
Tourism, Facilities, Dev & Marketing	233,856	221,988	94.9%
Treasurer's Operations & Maintenance	216,000	70,707	32.7%
Veteran's Relief Fund	224,902	177,360	78.9%
Grand Total	\$40,126,381	\$33,834,238	84.3%
¹ Excludes Ending Fund Balance (reserved & unreserved)			

Table 31
Special Revenue Funds (By Department)
Anticipated Revenues & Actual Receipts: 4th Quarter 2010

Department	Anticipated Revenues¹	Actual Revenues	% Collected
Affordable Housing	\$112,473	\$90,153	80.2%
Auditor's O&M	134,600	119,721	88.9%
Benefits Administration	204,000	202,248	99.1%
Boat Safety	41,703	44,528	106.8%
Building & Planning	1,654,914	1,799,034	108.7%
Community Mental Health	10,660,071	11,174,441	104.8%
County Drug Fund	12,600	10,915	86.6%
Cumulative Reserve	149,060	127,467	85.5%
Drug Task Force	588,101	578,396	98.3%
Geographic Information Services	241,135	114,502	47.5%
G.I.S. Operation & Maintenance	1,100	145	13.2%
Health Department	2,538,737	2,008,783	79.1%
Human Services	1,032,112	1,113,758	107.9%
Law & Justice	1,017,500	1,104,318	108.5%
Low Income Housing & O&M	328,124	498,926	152.1%
Noxious Weed Program	184,519	205,945	111.6%
P.A. Victim Witness	150,669	111,997	74.3%
Paths & Trails Reserve	58,880	56,109	95.3%
Road Fund	21,229,683	17,294,295	81.5%
Stadium/Convention Center	33,800	27,821	82.3%
Storm Water Fund	232,448	301,604	129.8%
Superior Court Law Library	51,310	50,670	98.8%
Tourism, Facilities, Dev & Marketing	243,035	236,768	97.4%
Treasurer's Operations & Maintenance	31,800	47,986	150.9%
Veteran's Relief Fund	124,784	116,207	93.1%
Grand Total	\$41,057,158	\$37,436,737	91.2%

¹Excludes Beginning Fund Balance (reserved & unreserved)

B. Enterprise Funds

Table 32
Enterprise Funds (By Department)
Department Level Expenditure Summary: 4th Quarter 2010

Department	Budget¹	Expenditures	% Expended
911 Communications	\$2,835,695	\$2,886,043	101.8%
911 Communications Claims Reserve	13,148	13,147	100.0%
911 Communications – Equipment Reserves	175,000	19,621	11.2%
911 Communications - Radio Replc Project	241,700	241,558	99.9%
Conference Center	881,641	873,437	99.1%
Emergency Management	372,494	349,215	93.8%
Emergency Management Special Projects	19,583	6,672	34.1%
Expo Center	485,339	482,768	99.5%
Expo Reserve – Pigeon/Horses	19,188	0	0.0%
Hoffstadt Bluffs Visitor Center	673,339	596,760	88.6%
Law Enforcement Records	1,121,643	1,062,196	94.7%
Law Enforcement Equipment Reserve	0	0	
Silver Lake Gift Shop	465,169	265,963	57.2%
Solid Waste Post Closure Unlined Landfill	46,074	31,872	69.2%
Solid Waste Equipment, Land, Facility	1,739,422	1,239,195	71.2%
Solid Waste Landfill Closure	0	0	
Solid Waste Maintenance	4,440,500	4,060,344	91.4%
Solid Waste Post Closure Lined Landfill	0	0	
Water Sewer Maintenance	1,274,825	1,177,216	92.3%
Water Sewer C.I.P.	2,851,268	1,473,198	51.7%
Grand Total	\$17,656,028	\$14,779,205	83.7%
<i>¹Excludes Ending Fund Balance (reserved & unreserved)</i>			

Table 33
Enterprise Funds (By Department)
Anticipated Revenues & Actual Receipts: 4th Quarter 2010

Department	Anticipated Revenues¹	Actual Revenues	% Collected
911 Communications	\$2,624,278	\$2,492,343	95.0%
911 Communications Claims Reserve	37,932	163,233	430.3%
911 Communications Equipment Reserve	169,214	36,633	21.6%
911 Communications - Radio Replc Project	326,507	326,286	99.9%
Conference Center	862,250	917,859	106.4%
Emergency Management	378,647	317,066	83.7%
Emergency Management Special Projects	6,250	0	0.0%
Expo Center	470,200	465,981	99.1%
Expo Reserve – Pigeon/Horses	120	54	45.0%
Hoffstadt Bluffs Visitor Center	693,000	609,832	88.0%
Law Enforcement Records	1,060,202	1,061,370	100.1%
Law Enforcement Records Equipment Reserve	8,888	8,888	100.0%
Silver Lake Gift Shop	484,064	271,261	56.0%
Solid Waste Post Closure Unlined Landfill	146,609	396,640	270.5%
Solid Waste Equipment, Land, Facility	1,108,027	756,741	68.3%
Solid Waste Landfill Closure	433,285	149,021	34.4%
Solid Waste Maintenance	4,440,500	4,071,623	91.7%
Solid Waste Post Closure Lined Landfill	433,785	403,756	93.1%
Water Sewer Maintenance	1,279,125	1,330,528	104.0%
Water Sewer Reserve C.I.P.	2,772,505	1,068,935	38.6%
Grand Total	\$17,735,388	\$14,848,050	84.2%

¹Excludes Beginning Fund Balance (reserved & unreserved)

C. Internal Service Funds

Table 34
Internal Service Funds (By Department)
Department Level Expenditure Summary: 4th Quarter 2010

Department	Budget¹	Expenditures	% Expended
Central Services	\$2,078,970	\$1,692,968	81.4%
Election Capital Reserve	332,667	238,006	71.5%
Election Reserve	569,333	388,265	68.2%
Equipment Rental & Revolving	3,176,887	2,906,390	91.5%
Industrial Accident Insurance	483,409	232,813	48.2%
Motor Pool	1,210,495	831,678	68.7%
Purchasing Services	585,488	438,885	75.0%
Risk Management	2,383,851	892,333	37.4%
Technology Reserve Account	0	0	
Unemployment Compensation	276,406	122,224	44.2%
Grand Total	\$11,097,506	\$7,743,562	69.8%
¹ Excludes Ending Fund Balance (reserved & unreserved)			

Table 35
Internal Service Funds (By Department)
Anticipated Revenues & Actual Receipts: 4th Quarter 2010

Department	Anticipated Revenues¹	Actual Revenues	% Collected
Central Services	\$1,074,630	\$1,120,262	104.2%
Election Capital Reserve	190,875	143,586	75.2%
Election Reserve	570,389	373,701	65.5%
Equipment Rental & Revolving	2,522,050	3,345,151	132.6%
Industrial Accident Insurance	387,692	386,599	99.7%
Motor Pool	746,653	820,794	109.9%
Purchasing Services	596,450	474,998	79.6%
Risk Management	1,054,510	965,660	91.6%
Technology Reserve Account	275,000	275,000	100.0%
Unemployment Compensation	207,992	87,141	41.9%
Grand Total	\$7,626,241	\$7,992,892	104.8%
¹ Excludes Beginning Fund Balance (reserved & unreserved)			

D. Trust/Agency Funds

Table 36
Trust/Agency Funds (By Department)
Department Level Expenditure Summary: 4th Quarter 2010

Department	Budget¹	Expenditures	% Expended
Lexington Flood Control	\$347,717	\$335,051	96.4%
Lexington Flood Control – Bond Debt Service	49,850	24,902	50.0%
Drain # 1 Maintenance	330,283	317,803	96.2%
Grand Total	\$727,850	\$677,756	93.1%
<i>¹Excludes Ending Fund Balance (reserved & unreserved)</i>			

Table 37
Trust/Agency Funds (By Department)
Anticipated Revenues & Actual Receipts: 4th Quarter 2010

Department	Anticipated Revenues¹	Actual Revenues	% Collected
Lexington Flood Control	\$663,413	\$656,376	98.9%
Lexington Flood Control – Bond Debt Service	49,850	49,803	99.9%
Drain # 1 Maintenance	296,622	304,814	102.8%
Grand Total	\$1,009,885	\$1,010,993	100.1%
<i>¹Excludes Beginning Fund Balance (reserved & unreserved)</i>			

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

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