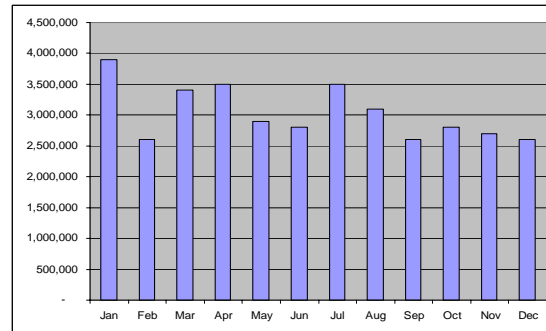
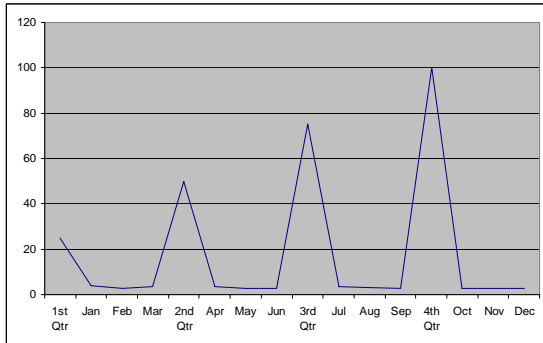




Financial Report of Revenues & Expenses Cowlitz County, Washington

4th Quarter 2007



Cowlitz County Office of Financial Management
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Table of Contents

Executive Summary	2
General Fund: Historical Data	8
General Fund: Revenues	9
General Fund: Expenditures	21
General Fund: Fund Balance Analysis	28
General Fund: Cash & Investment Activity/Per Capita Analysis.....	30
Capital Projects Summary.....	32
Debt Service, Loan & Bond Summaries.....	35
Special Revenue Funds	39
Enterprise Funds	41
Internal Service Funds	43
Trust/Agency Funds.....	44
Appendix A: Explanation of Revenue Categories	45
Appendix B: Explanation of Expenditure Categories.....	46



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Clyde Carpenter
Risk Manager

PEOPLESOFT PROJECT
Kathy Sauer
Project Manager

To: Board of County Commissioners
From: Claire J. Hauge, OFM Director
Date: April 7, 2008
Subject: Financial Report 4th Quarter 2007

EXECUTIVE SUMMARY.

The results of the County's General Fund financial activity for the Fourth Quarter 2007 (ending December 31) are summarized in the first section of this report. Actual revenue collections for year-to-date are shown and compared to anticipated (budgeted) receipts. Likewise, actual expenditures for year-to-date 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, 2007 total \$39.8 million or 100.3% of anticipated amounts (+\$118,419). This compares with revenue collections over anticipated revenues of 100.9% in 2006 and 110.4% in 2005. Better than expected revenues in 2007 came from Jail and Probation fees, court fees and fines, state grants, and permit fees.

Actual General Fund expenditures through the end of the Fourth Quarter were \$40.9 million or 93.6% of the approved appropriations. This compares with expenditures of \$35.0 million in 2006 and \$30.9 million in 2005. In 2007 the unexpended budget was \$2.8 million largely the result of unexpended labor, benefits and contracted services.

Despite slightly better than expected revenues and significant lapsed budget, it should be noted that cash reserves in the amount of \$1.2 million were used to balance the 2007 budget. Net expenditures exceed net revenues. The actual ending fund cash balance for 2007 was \$7.3 million, down from \$8.5 million in 2006.

GENERAL FUND.

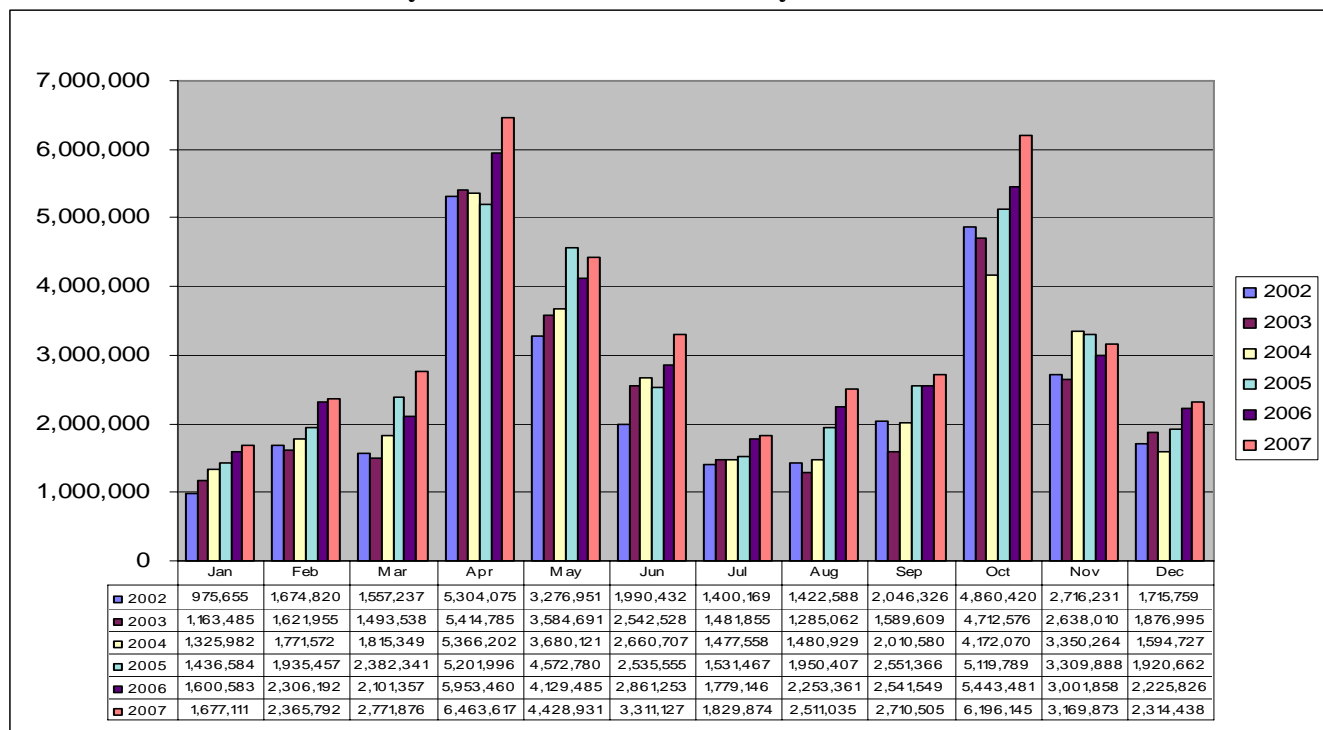
**General Fund: 2007
Overview of Total Estimated Expenditures & Revenues**

	Fiscal Year 2007	Budget As Adopted 12/12/2006	Budget As Amended 12/31/2007	Actual Expended 4th Qtr	Var: +/- Amended vs Actual
1	Expenditures	\$40,754,949	\$43,708,983	\$40,923,365	(\$2,785,618)
2	Revenues	37,372,132	39,633,062	39,751,481	\$118,419
3	Reserves Used	(\$3,382,817)	(\$4,075,921)	(\$1,171,884)	

Summary of General Fund Revenues: YTD

Revenue Source	Anticipated Revenues	4th Qtr Actual Revenues	Percentage Collected
Property Taxes/Fines & Penalties	\$15,590,093	\$14,908,630	95.6%
Sales Taxes	\$5,354,748	\$5,309,807	99.2%
State Grants & Shared Revenues	\$3,235,813	\$3,586,462	110.8%
Security Persons/Property	\$2,488,026	\$3,016,966	121.3%
Charges for Service	\$3,323,392	\$3,421,038	102.9%
Timber Harvest	\$1,005,000	\$888,130	88.4%
Interest Earnings	\$1,878,463	\$1,873,639	99.7%
Fines & Forfeits	\$1,334,753	\$1,564,611	117.2%
Licenses & Permits	\$1,813,457	\$1,890,537	104.3%
Direct Federal Grants	\$601,016	\$533,221	88.7%
Intergvt'l Service Revenues	\$2,204,840	\$1,736,500	78.8%
All Other	\$803,461	\$1,021,940	127.2%
Total	\$39,633,062	\$39,751,481	100.3%

Summary of General Fund Revenue By Month: 2002 - 2007



Summary of Revenue Variances: Current Forecast vs Adopted Budget

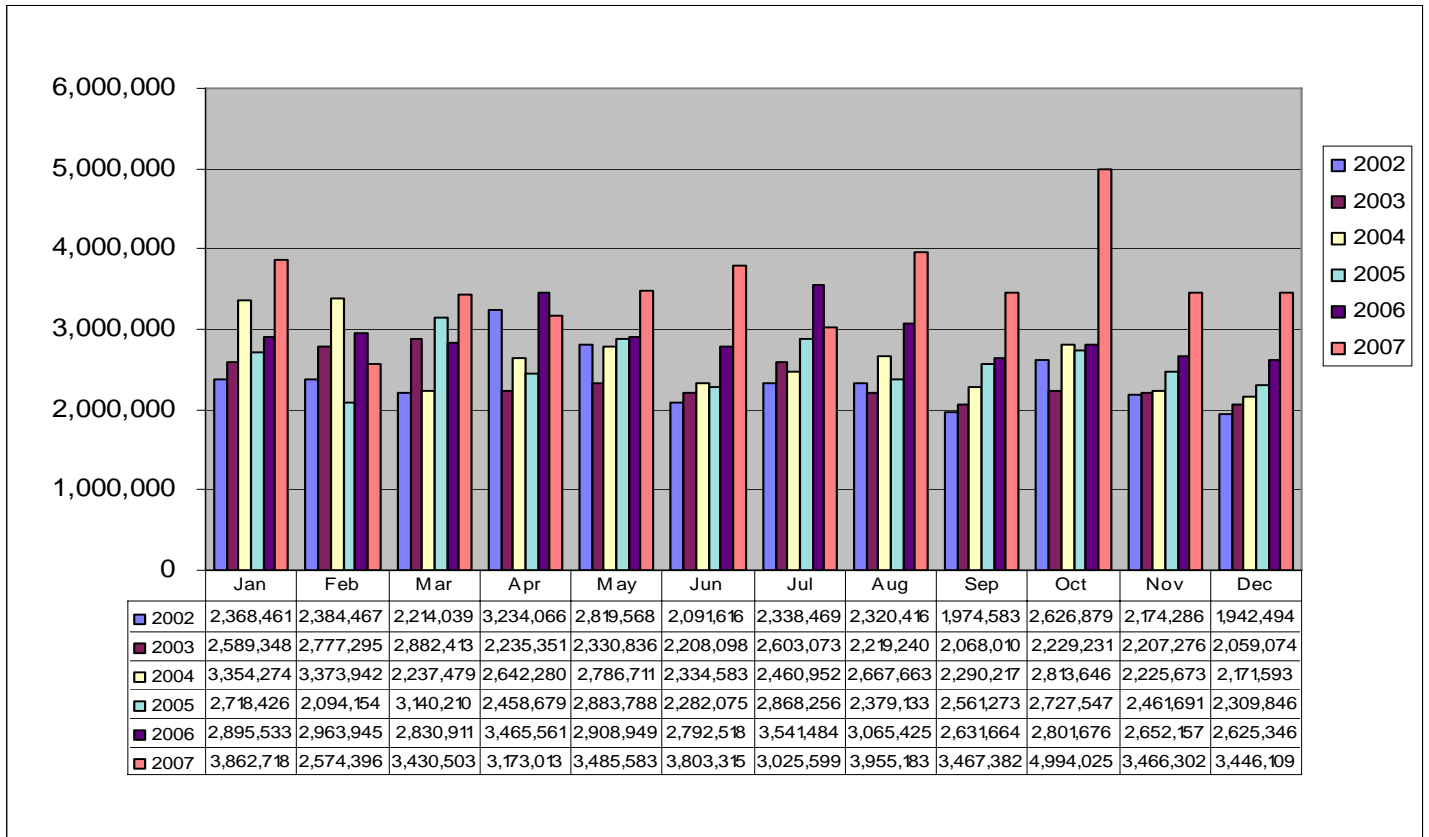
Revenue Projections			
Variance: +/- from Final Amended Budget			
Department	Revenue Source	\$\$	Subtotal
Treasurer	Timber (TAV) (State Timber Assessed Value)	\$131,456	
	Timber DNR Harvest	(159,044)	
	Property Tax	(355,948)	
	Property Tax Interest & Penalties	(355,505)	
	Excise Taxes	53,449	
	Interest Earnings	(45,680)	
	Miscellaneous	53,916	(\$667,356)
Auditor	Sales Tax	(\$44,953)	
	PUD Privilege Tax	135,647	
	State Liquor Tax Distribution	16,344	
	Audit Services	65,416	
	MV Licensing	(21,045)	
	Miscellaneous	13,507	\$164,916
Admin Services	Public Works - O&M Charges	(\$102,300)	(\$102,300)
Facility Maintenance	Public Works - O&M Charges	(\$98,400)	(\$98,400)
Sheriff	Fees & Grants	\$52,600	\$52,600
Jail	City Board Bills & DOC	\$173,800	\$173,800
Adult Probation	Fines & Fees	\$60,600	\$60,600
Offender Services	Work Crew Revenues	\$138,300	\$138,300
Jail Concessions	Inmate Merchandise Sales	\$30,000	\$30,000
Juvenile Detention	Board Bills	\$90,400	\$90,400
Juvenile Probation	State Grants	(\$164,200)	(\$164,200)
District Court	Trial Court Improvement Act	\$22,600	
	Traffic Infractions	261,400	
	DWI & DUI	36,500	
	City Contracts	152,000	
	Miscellaneous Fines	(\$59,700)	\$412,800
Clerk	Criminal Filing Fees	\$10,100	
	Passports	14,000	
	Court Appointed Attorneys	10,000	
	Misc Fines/Fees	43,400	\$77,500
Public Defense	State Assistance	\$139,000	\$139,000

Revenue Projections			
Variance: +/- from Final Amended Budget			
<u>Department</u>	<u>Revenue Source</u>	<u>\$\$</u>	<u>Subtotal</u>
St Helens Recovery	State OFM Dredging	(\$400,000)	(\$400,000)
Building&Planning	Landfill Permit Fees	\$14,500	
	Mobile Home Permits	(5,400)	
	Plumbing Permits	(5,100)	
	Building Permits	63,200	
	Septic Tank Permits	(21,750)	
	Mechanical Permits	(6,600)	
	Shoreline Permits	3,200	
	Surface Mining Permits	10,200	
	General Pipeline	(10,000)	
	Subdivision Short Plat Fees	28,400	
	Plan Check Fees	10,300	
	Fire Check Fees	105,300	
	Miscellaneous Fees & Permits	73,977	\$260,227
All other Depts	Various	(\$39,468)	(\$39,468)
Total:	Net Increase/(Decrease)		\$118,419

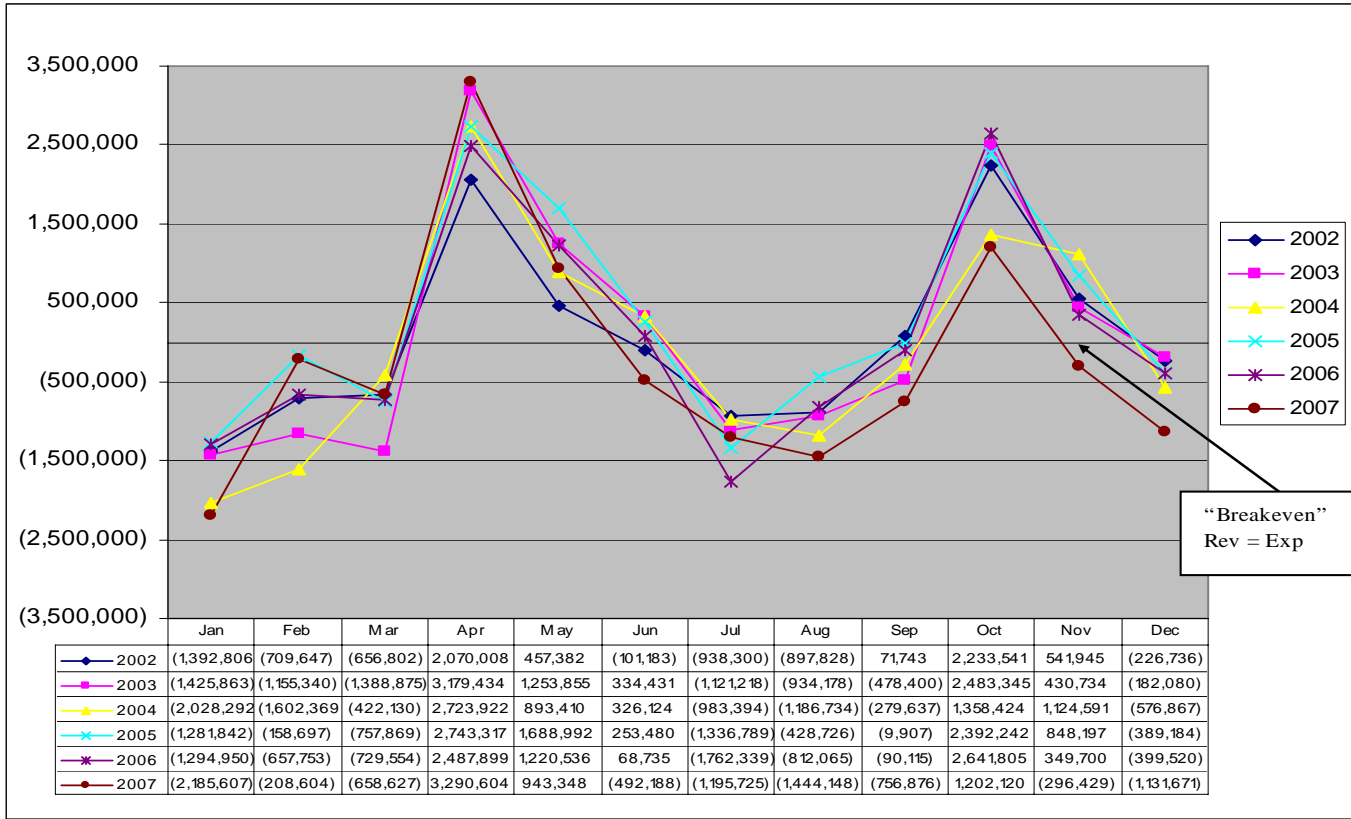
Summary of General Fund Expenditures: YTD

Expense Category	% of Total	Budget As Amended	Expended YTD 12/31/2007	Unexpended
Personnel Services	55.0%	\$26,561,542	\$25,577,690	\$983,852
Supplies	3.5%	1,709,082	1,519,037	190,045
Other Services & Charges	16.6%	7,998,176	6,571,930	1,426,246
Interfund Charges/Misc	5.0%	2,427,685	2,393,520	34,165
Transfers	9.8%	4,710,408	4,735,111	(24,703)
Capital Outlay	0.6%	302,090	126,077	176,013
Total Expenditures		\$43,708,983	\$40,923,365	\$2,785,618
Ending Fund Balance	9.5%	4,573,129		
Total Budget		\$48,282,112	93.6%	6.4%

Summary of Expenditures By Month: 2002 - 2007



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

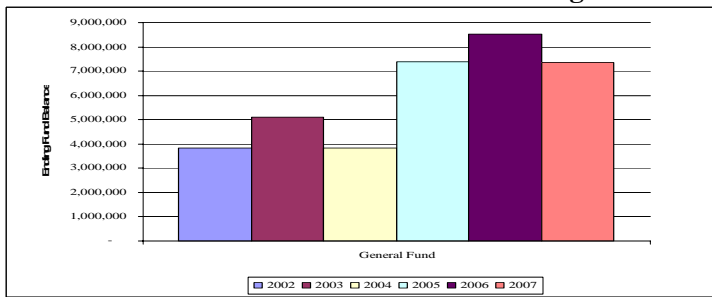


Average monthly income: 2007 \$3.3 million
 2006 \$3.0 million
 2005 \$2.9 million

Average monthly expenditures: 2007 \$3.6 million
 2006 \$2.9 million
 2005 \$2.6 million

Shortfall average annual monthly income vs expenditures:
 2007 (\$300,000)
 2006 +\$100,000
 2005 +\$300,000

**Summary of General Fund
Ending Unreserved Fund Balances**



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

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
Eight 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%

**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. In 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%)

**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)
8 year Avg 2000-2007	\$31,413,429	\$31,827,174	\$413,745

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.

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

1) Sales tax revenues represent 13.4% of total General Fund anticipated revenues. Construction activity and retail sales in Cowlitz County remained strong in 2007. Receipts were estimated at \$5.35 million significantly more than 2006 receipt of \$4.67 million and 2005 receipts of \$4.64 million. Total receipts through the fourth quarter were \$5.31 million, just \$44,950 short of estimates.

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, averaging 5.1% growth over the last 12 years.

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 taxes 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. This change is anticipated to result in additional sales tax collections for Cowlitz County. The first distributions of the additional sales tax are expected in late September 2008. However, the overall net increase or decrease in total sales tax collections, will depend on 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 2007.

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

2) General Fund property tax collections, including interest and penalties for 2007 were \$14.9 million compared to actual receipts of \$14.6 million in 2006 and \$15.2 million in 2005. 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 \$786,000,000. It must be noted that due to the increase in assessed valuation, the maximum statutory rate per \$1,000 of assessed valuation dropped from \$1.80 to \$1.68.

Property tax receipts represent 39% 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 \$13,959,145 compared to 2006 actual receipts of \$13,444,806. Interest and penalties on real and personal property collected in 2007 were \$949,485 compared to 2006 actual receipts of \$1,135,873.

On January 23, 2007, the Board of Commissioners approved a “shift” of unused Road Fund levy capacity to the General Fund in an amount not to exceed \$.0722/\$1,000 of assessed value. This resulted in the sum \$522,095 in additional general tax revenues available to the General Fund. If the shift had not occurred, the General Fund property tax receipts for 2007 would have decreased compared to 2006 by \$835,303.

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%		
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 2007, there are no such issues pending.

A lawsuit filed by Qwest in June 2003 in Kittitas County has resulted in a refund levy in 2007. The suit alleged that property owned by Qwest located in 36 of 39 counties has been overvalued by the Department of Revenue. (Qwest does not have any property subject to this lawsuit in Island, Pacific or Wahkiakum Counties.) The lawsuit challenged 2001, 2002 and 2003 property assessments for taxes payable in 2002, 2003 and 2004. Qwest paid property taxes under protest therefore the judgment or

settlement resulted in a refund of taxes paid plus interest. The amount of the refund attributable to the County General Fund is approximately \$33,975.

In 2007 the Board of Equalization (BOE) received 48 petitions concerning residential, commercial and light industrial properties with values in dispute of slightly below \$278 million. Eight petitions were withdrawn; four petitions are now pending with the State Tax Board of Appeals; one petition is pending with Cowlitz County Superior Court; values on 27 petitions were stipulated and the BOE issued decisions for values on eleven parcels resulting in a reduction of slightly over \$11 million. The reduced values resulted in minimal property tax loss to the General Fund.

The deadline for filing appeals for 2007 for residential and commercial properties is July 1 or 30 days following mailing of the notice of revaluation, whichever is later. Re-valuation notices were mailed October 26.

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%

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:	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 (\$0.17954/\$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 2007 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

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 2007 was \$888,130, down approximately 18% from 2006 receipts of \$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 2007 were forecast slightly higher than

2006 harvest levels but well below 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 received from DNR for 2007 harvest was \$166,674 down significantly from 2006 receipts of \$355,593 and 2005 receipts of \$804,782.

Timber assessed value (TAV) (private timber harvest) was forecast at nearly the same levels as last year. 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 this period were \$721,456 (compared to 2006 receipts which 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

7) Interest earnings from all sources for the General Fund for 2007 were \$1,873,639. Receipts were equal to 99.7% (\$4,824 less than anticipated amounts). Total anticipated interest earnings in 2007 were \$1,840,356 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. Earnings were good as a result of improving rates and a healthy average cash balance.

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. Interest rates on investments rose from an average low of 1.3% in 2004 to an average of 5.1% in 2007. Rates in early 2007 were approximately 5.2% but declined to 4.6% at the end of the year. This may be an area of concern in 2008.

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

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 began falling slightly in the 4th quarter. Initial interest earning estimates for 2007 were projected assuming an average monthly cash balance of \$3.0 million and interest earnings at 5.5%.

8) District Court revenues collected through the fourth quarter total \$2.1 million (125% of anticipated receipts for the year). Expected receipts for each individual revenue account are very nearly on target with anticipated amounts except Trial Court Improvement Act funds, traffic infractions, DUI/DWI penalties and revenues from contracts with the cities for Municipal Court work, which finished ahead of projections.

9) Superior Court Clerk revenues through the fourth quarter were 110% of anticipated totals for the year. Total revenues collected were \$844,976. Most individual revenue accounts were forecast correctly. A few were slightly ahead of projections: criminal filing fees, passports, collections for court appointed attorneys and other miscellaneous fines and fees.

10) Building and Planning revenues for calendar year 2007 were budgeted to be \$3.1 million. Year to date revenues and prior years collections are shown in the table below. Due to increased activity, Department revenues exceeded budget estimates by approximately \$260,000.

Effective January 1, 2007, fees for environmental health, planning and building activities increased by 4.5%. Planning fees are intended to recover at least 75% of the cost of providing the service. However, a cost/revenue study completed in 2004 determined that planning fees were not at the intended level and should be raised incrementally to meet policy goals.

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

All Divisions	Anticipated Revenues 2007	Actual Revenues YTD 12/31/2007	Percentage Collected
Building & Planning	\$3,108,668	\$3,368,895	108.4%
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 \$3.8 million. Actual revenues collected were \$4.2 million.

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	

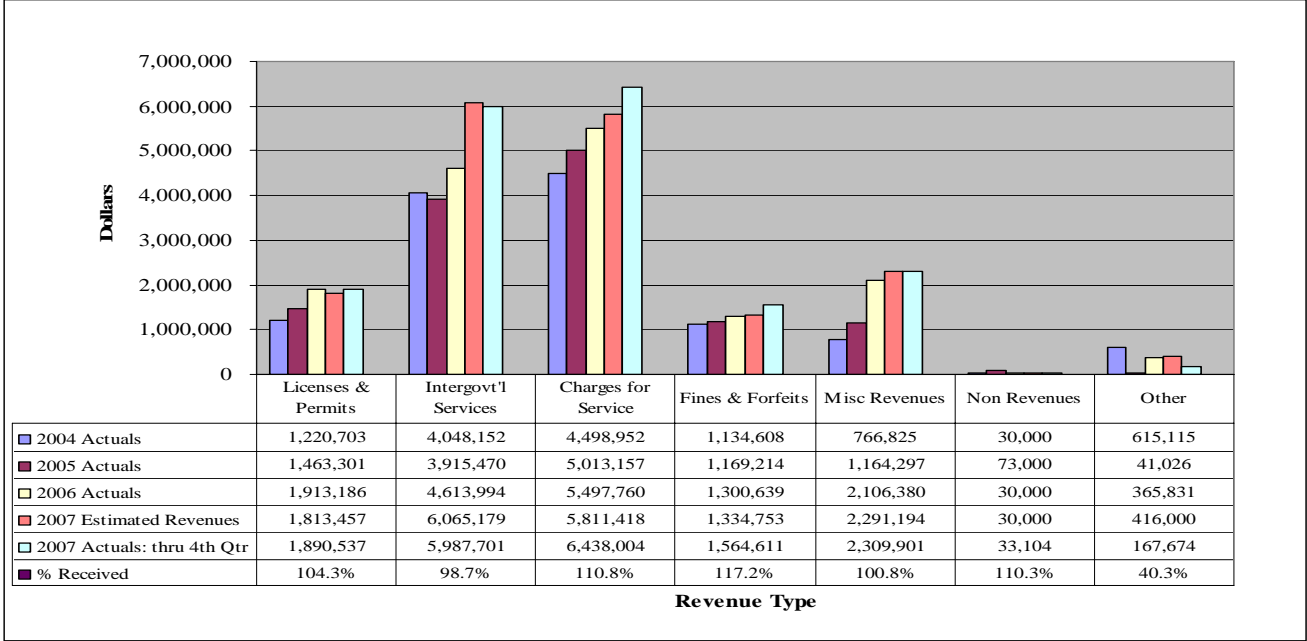
The increase in revenues for 2007 is attributed to a contract with the Washington State Department of Corrections to house probation violators. The estimated value of the contract in 2007 is \$1.1 million to \$1.4 million. Actual funds received were \$1.1 million. In addition, revenues from City contracts is up over last year due to increasing bookings and inmate days.

The following table itemizes anticipated revenues for each division as well as total revenues through the first quarter and the same period last year.

Table 8
Cowlitz County Corrections Department Revenue

Division	Anticipated Revenues	Actual Revenues YTD 12/31/2007	Percentage Collected	Actual Revenues Thru 12/31/2006
Probation Services	\$495,700	\$556,265	112.2%	\$547,497
Jail	\$2,659,998	\$2,833,851	106.5%	\$1,141,737
Offender Services	\$515,000	\$654,098	127.0%	\$550,836
Jail Concessions	\$130,000	\$159,395	122.6%	\$139,834
Total	\$3,800,698	\$4,203,609	110.6%	\$2,379,904

Chart 1
Comparison of Revenues: 2004-2007
2007 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: 2007
Anticipated Revenues (Budget Estimate – As Amended)

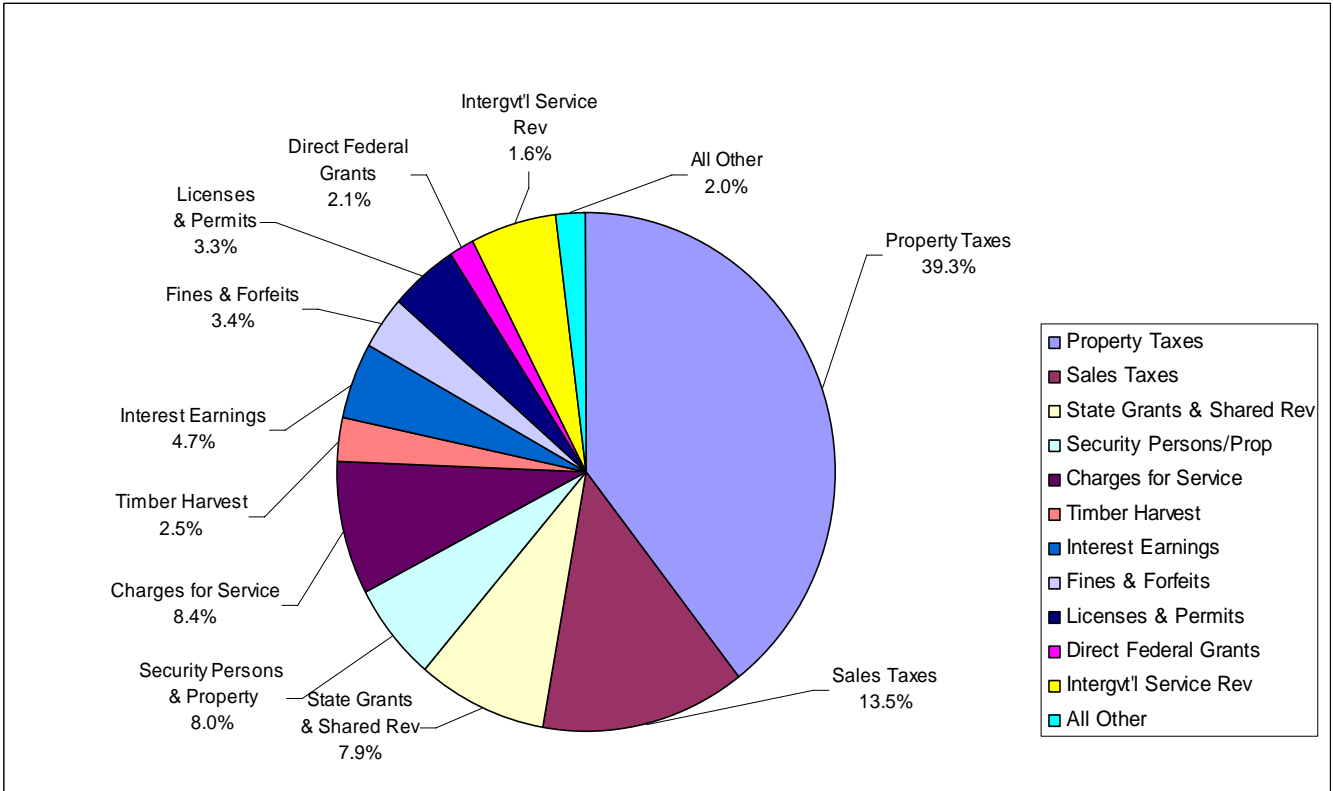


Chart 3
General Fund Revenues: 2007
Actual Receipts Through 4th Quarter

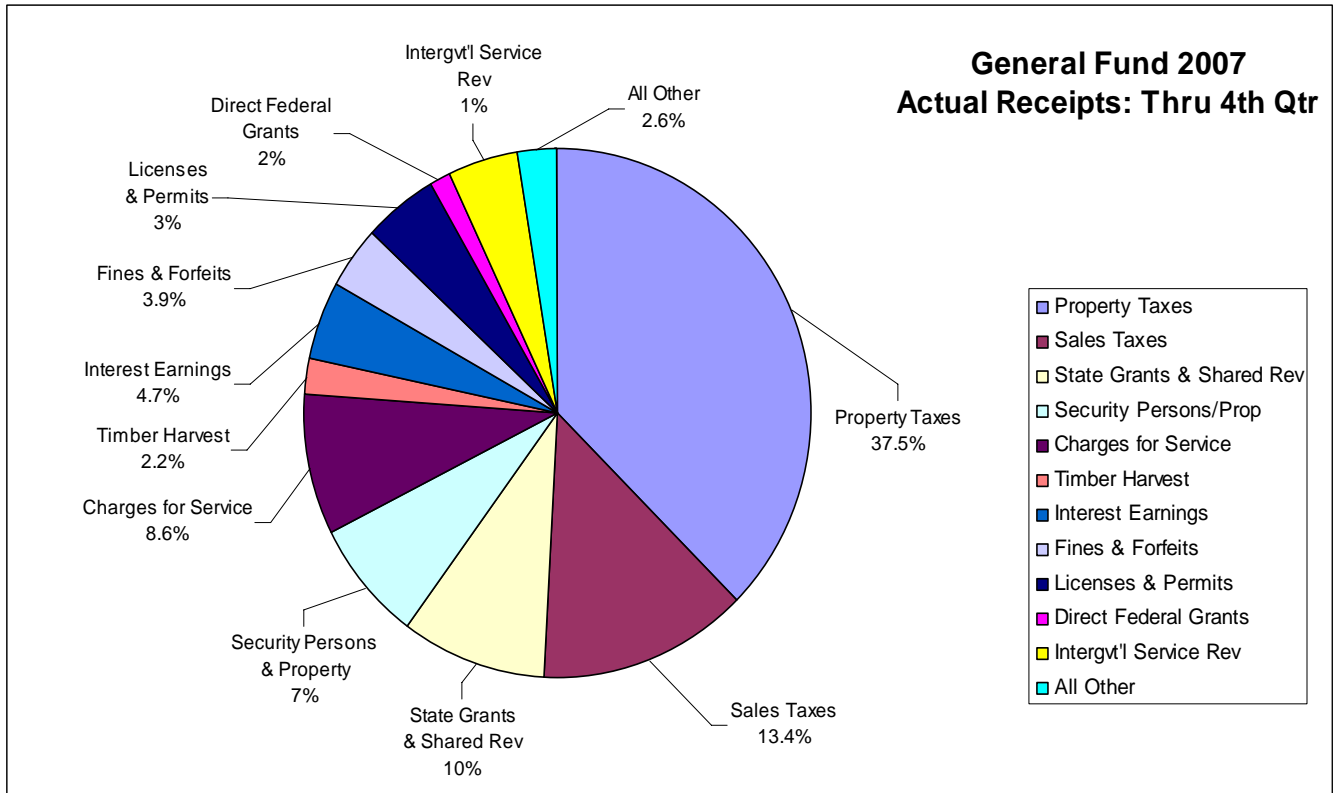


Table 9
General Fund Revenues (By Source): 2007
Anticipated Revenues & Actual Receipts Through 4th Quarter

Revenue Source	Anticipated Revenues	4 th Qtr Actual Revenues	Percentage Collected
Property Taxes/Fines & Penalties	\$15,590,093	\$14,908,630	95.6%
Sales Taxes	\$5,354,748	\$5,309,807	99.2%
State Grants & Shared Revenues	\$3,235,813	\$3,586,462	110.8%
Security Persons/Property	\$2,488,026	\$3,016,966	121.3%
Charges for Service	\$3,323,392	\$3,421,038	102.9%
Timber Harvest	\$1,005,000	\$888,130	88.4%
Interest Earnings	\$1,878,463	\$1,873,639	99.7%
Fines & Forfeits	\$1,334,753	\$1,564,611	117.2%
Licenses & Permits	\$1,813,457	\$1,890,537	104.3%
Direct Federal Grants	\$601,016	\$533,221	88.7%
Intergvt'l Service Revenues	\$2,204,840	\$1,736,500	78.8%
All Other	\$803,461	\$1,021,940	127.2%
Total	\$39,633,062	\$39,751,481	100.3%

Table 10
General Fund Revenues (By Department): 2007
Anticipated Revenues & Actual Receipts Through 4th Quarter

Department	Anticipated Revenues	Actual Revenues Collected	\$\$ Over / (Under)	% Collected
Boundary Review Board	\$400	\$400	\$ 0	100.0%
Commissioners	\$2,850	\$5,346	\$2,496	187.6%
Board of Equalization	\$0	\$0	\$ 0	
Treasurer	\$17,859,132	\$17,181,776	(\$677,356)	96.2%
Auditor	\$7,621,303	\$7,786,219	\$164,916	102.2%
Assessor	\$3,500	\$3,411	(\$ 89)	97.5%
Administrative Services	\$118,479	\$16,188	(\$102,291)	13.7%
Civil Service Commission	\$2,000	\$1,215	(\$ 785)	60.8%
Facilities Maintenance	\$331,169	\$232,751	(\$98,418)	70.3%
Family Court	\$79,120	\$64,332	(\$14,788)	81.3%
Sheriff	\$1,698,948	\$1,646,301	(\$52,647)	96.9%
CCCD-Probation Services	\$495,700	\$556,265	\$60,565	112.2%
CCCD-Jail	\$2,659,998	\$2,833,851	\$173,853	106.5%
CCCD-Offender Services	\$515,800	\$654,099	\$138,299	126.8%
CCCD-Jail Concessions	\$130,000	\$159,395	\$29,395	122.6%
Juvenile Detention	\$129,000	\$219,414	\$90,414	170.1%
Juvenile Probation	\$814,616	\$650,420	(\$164,196)	79.8%
Prosecuting Attorney	\$156,799	\$182,209	\$25,410	116.2%
Child Support Services	\$493,527	\$485,598	(\$7,929)	98.4%
Superior Court	\$122,537	\$157,185	\$34,648	128.3%
District Court	\$1,653,210	\$2,066,045	\$412,835	125.0%
Clerk	\$767,455	\$844,976	\$77,521	110.1%
P.A. Diversion Program	\$5,000	\$3,195	(\$1,805)	63.9%
Courthouse Facilitator Prog	\$51,082	\$44,056	(\$7,026)	86.2%
Office of Public Defense	\$0	\$138,996	\$138,996	
Coroner	\$12,500	\$17,718	\$5,218	141.7%
WSU Extension	\$19,640	\$748	(\$18,892)	3.8%
Museum	\$1,000	\$1,000	\$ 0	100.0%
Non-Departmental	\$194,019	\$239,954	\$45,935	123.7%
St. Helens Recovery	\$400,000	\$0	(\$400,000)	0.0%
Dept. of Building & Planning	\$3,108,668	\$3,368,895	\$260,227	108.4%
Park & Recreation	\$122,560	\$123,062	\$ 502	100.4%
Drug Court Grant Program	\$63,050	\$66,461	\$3,411	105.4%
Grand Total	\$39,633,062	\$39,751,481	\$118,419	100.3%

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%

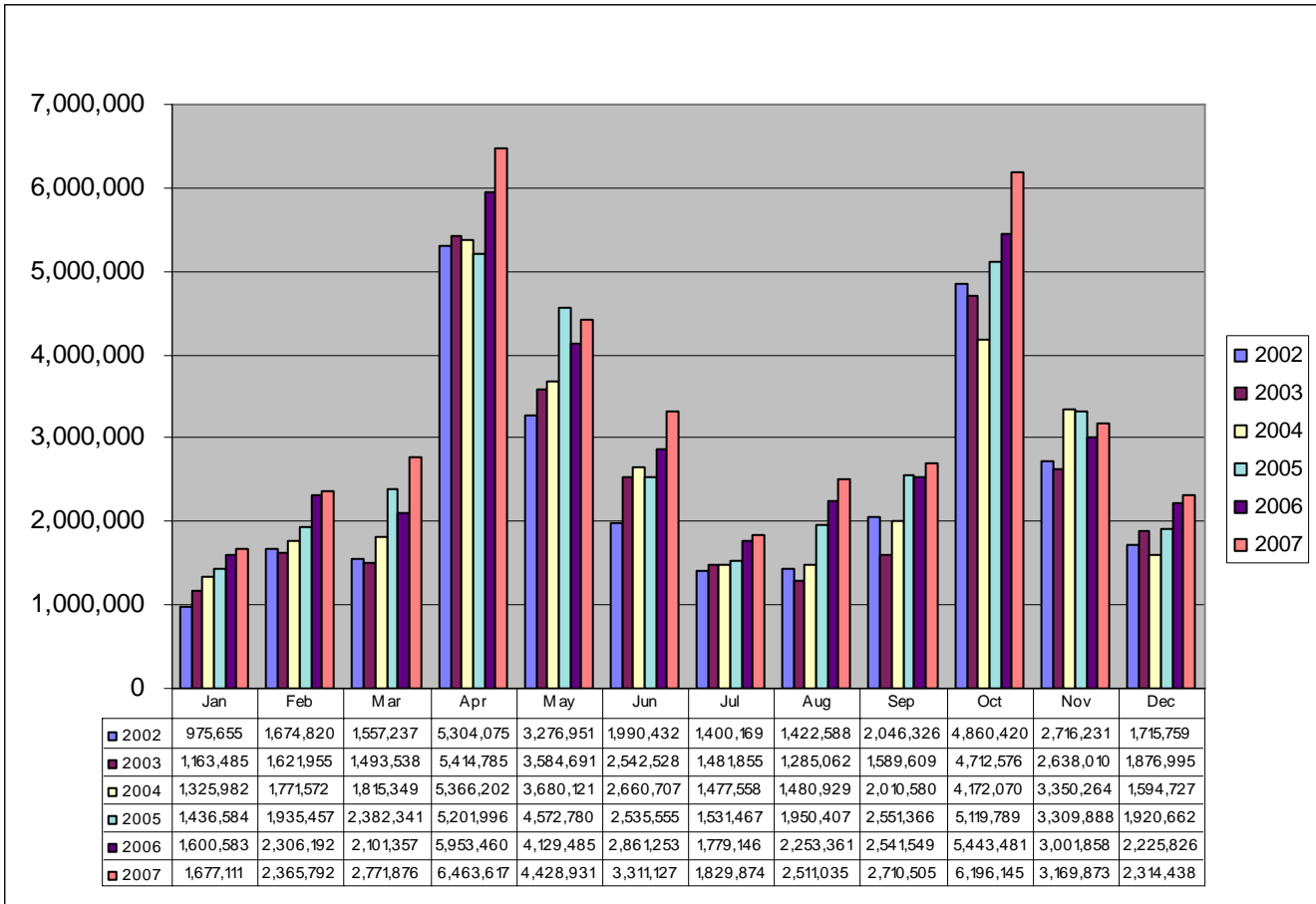
2002 revenues include four funds previously classified as Special Revenue Funds.
2004 revenues include the Law & Justice Fund previously classified as a Special Revenue Fund.

Table 12
General Fund Revenues
2005 – 2009 Comparison

Revenue Source	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Property Taxes	\$15,151,245	\$14,580,680	\$14,908,630	\$15,788,855	\$16,527,798
Sales Taxes	4,638,448	4,667,241	5,309,807	5,354,768	5,647,966
St Grants/Shared Rev	2,893,551	3,221,947	3,586,462	3,908,716	3,989,550
Sec of Persons/Prop	2,268,142	2,349,592	3,016,966	2,826,627	2,828,627
Charges for Service	2,745,015	3,148,167	3,421,038	2,485,586	2,520,636
Timber Harvest	1,467,971	1,085,386	888,130	807,260	812,395
Interest Earnings	815,617	1,729,121	1,873,639	1,642,790	1,686,790
Fines & Forfeits	1,169,214	1,300,639	1,564,611	1,549,194	1,554,455
Licenses & Permits	1,463,301	1,913,186	1,890,537	66,524	68,427
Direct Federal Grants	589,401	656,186	533,221	560,506	563,003
Intergov't Revenue	379,443	676,780	1,736,500	2,053,337	1,864,337
All Other	866,435	864,351	1,021,940	874,191	874,591
Total	\$34,447,783	\$36,193,276	\$39,751,481	\$37,918,354	\$38,938,575
Percentage Inc/(Dec) vs. Prior Year	+12.4%	+13.1%	+9.8%	(4.6%)	2.7%

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 – 2007



B. GENERAL FUND EXPENDITURES

The General Fund budget, as amended, has been approved in the amount of \$48,282,112, including an estimated ending unreserved and reserved fund balance of \$4,573,129. This compares to a budget in 2006 of \$40,489,468 including an estimated ending fund balance of \$4,216,907.

Expenditures, by major expense category, are as follows:

Table 13
General Fund Expenditures: 2007

Expense Category	% of Total	Budget As Amended	Expended YTD 12/31/2007	Unexpended
Personnel Services	55.0%	\$26,561,542	\$25,577,690	\$983,852
Supplies	3.5%	1,709,082	1,519,037	190,045
Other Services & Charges	16.6%	7,998,176	6,571,930	1,426,246
Interfund Charges/Misc	5.0%	2,427,685	2,393,520	34,165
Transfers	9.8%	4,710,408	4,735,111	(24,703)
Capital Outlay	0.6%	302,090	126,077	176,013
Total Expenditures		\$43,708,983	\$40,923,365	\$2,785,618
Ending Fund Balance	9.5%	4,573,129		
Total Budget		\$48,282,112	93.6%	6.4%

Chart 5
Cowlitz County General Fund (As Amended)
Budgeted Expenditures: 2007

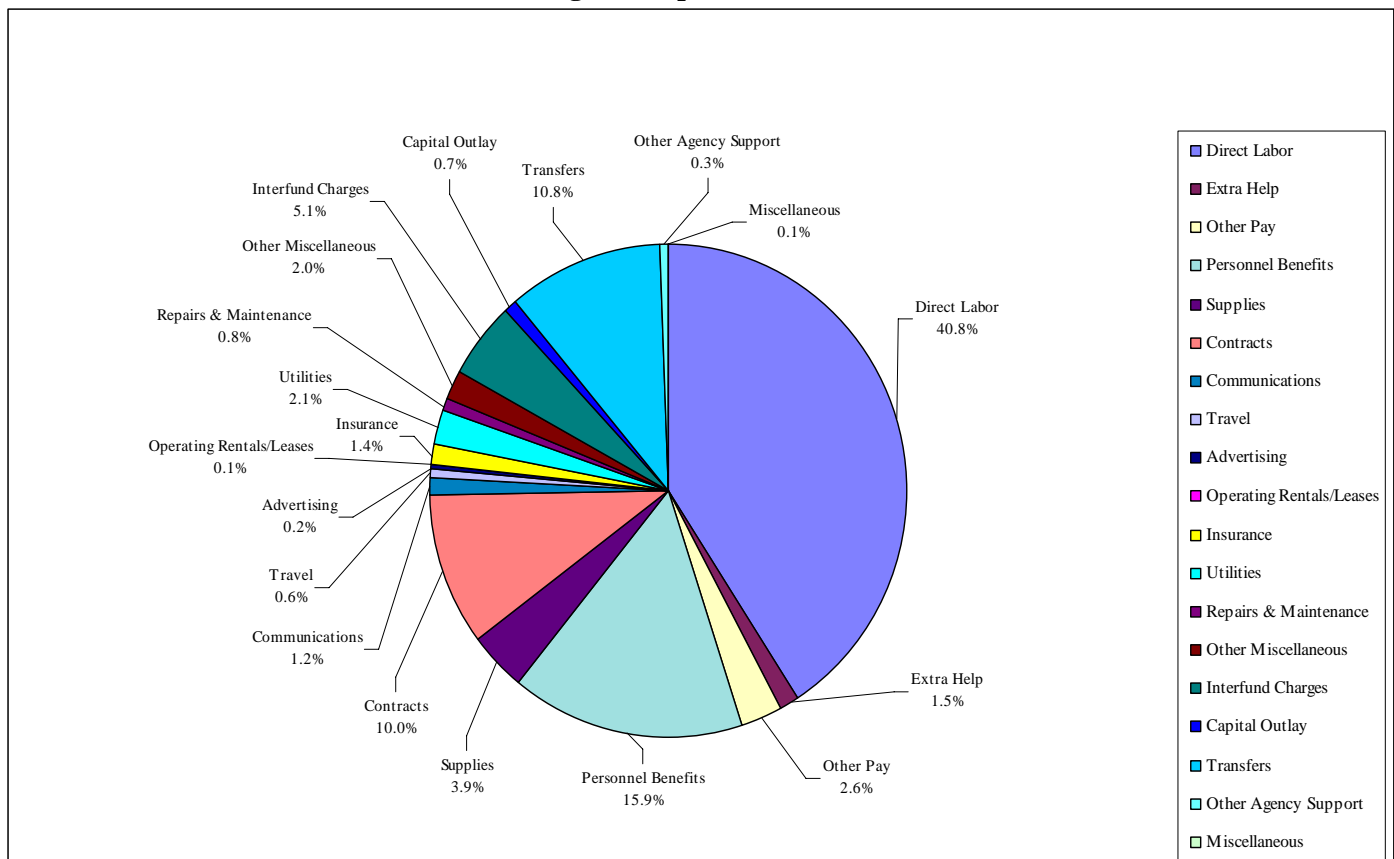


Chart 6
Cowlitz County General Fund (As Amended)
Actual Expenditures: Through 4th Quarter 2007

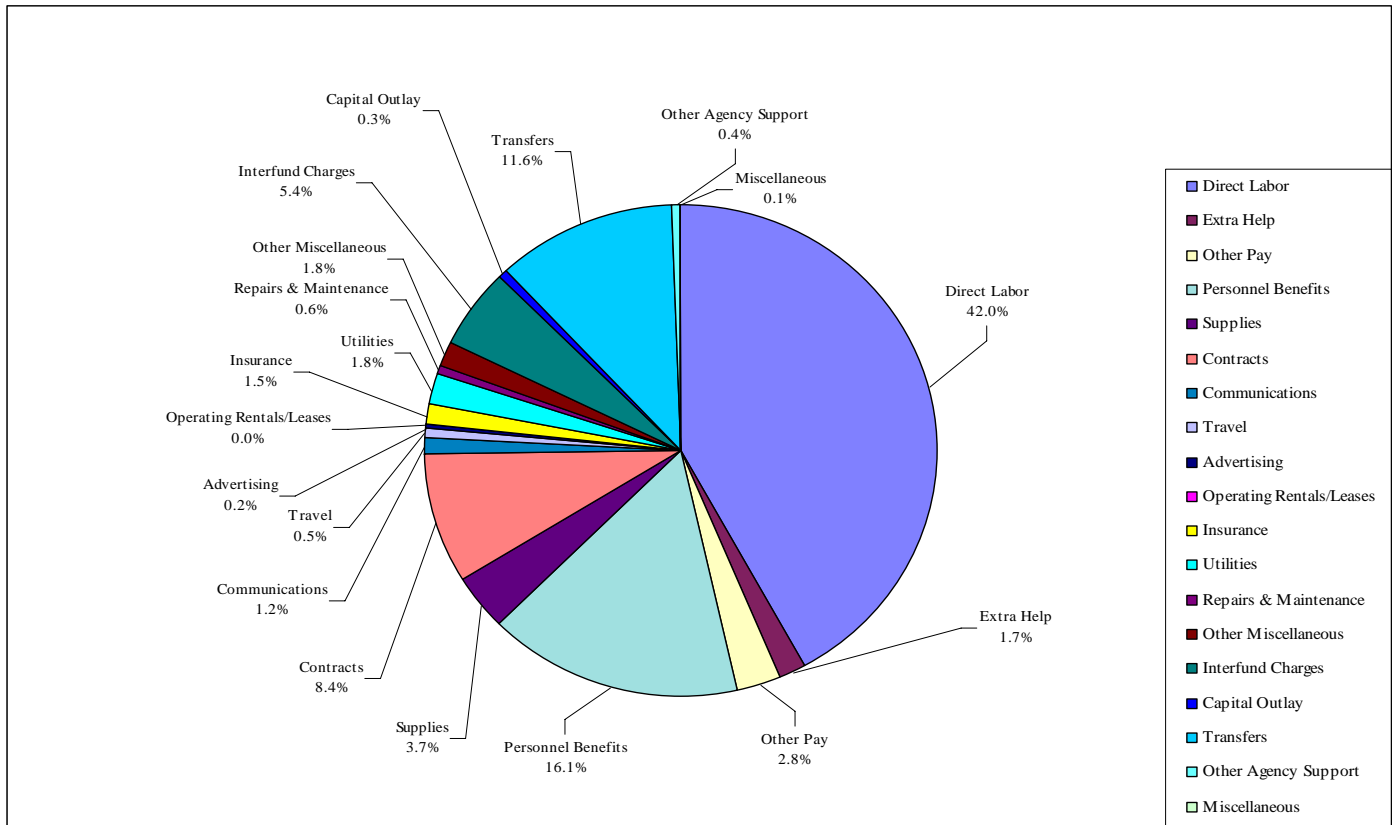


Table 14
General Fund Expenditures Detail Through 4th Quarter 2007

Expense Category	Budget (Amended)	Expended	Unexpended	% Expended
Direct Labor	\$17,846,940	\$17,181,603	\$665,337	96.3%
Extra Help	659,350	689,012	(29,662)	104.5%
Other Pay	1,126,406	1,126,596	(190)	100.0%
Personnel Benefits	6,928,846	6,580,479	348,367	95.0%
Supplies	1,709,082	1,519,037	190,045	88.9%
Contracts	4,377,475	3,455,743	921,732	78.9%
Communications	529,523	489,303	40,220	92.4%
Travel	259,636	209,247	50,389	80.6%
Advertising	78,706	73,036	5,670	92.8%
Op Rentals/Leases	24,132	9,943	14,189	41.2%
Insurance	632,441	626,170	6,271	99.0%
Utilities	896,749	732,732	164,017	81.7%
Repairs/Maintenance	342,192	227,435	114,757	66.5%
Other	857,322	748,322	109,000	87.3%
Interfund Charges	2,241,107	2,192,544	48,563	97.8%
Capital Outlay	302,090	126,077	176,013	41.7%
Transfers	4,710,408	4,735,111	(24,703)	100.5%
Agency Support	148,378	144,602	3,776	97.5%
Miscellaneous	38,200	56,373	(18,173)	147.6%
Grand Total	\$43,708,983	\$40,923,365	\$2,785,618	93.6%

Table 15
General Fund Expenditures
2005 - 2007 Comparison

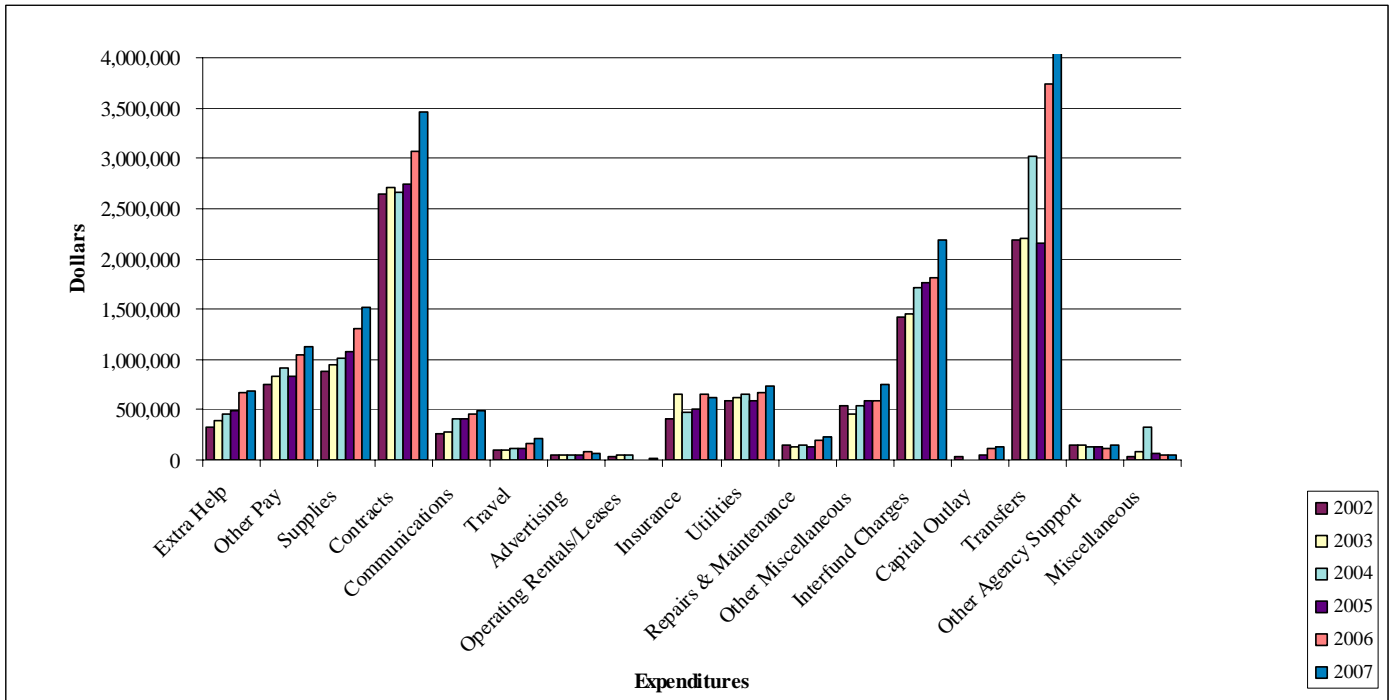
Expense Category	2005 Actual Expenditures	2006 Actual Expenditures	2007 Actual Expenditures	Inc/(Dec) Prior Year
Direct Labor	\$14,592,691	\$15,098,810	\$17,181,603	\$2,082,793
Extra Help	496,877	665,280	689,012	23,732
Other Pay	825,508	1,042,892	1,126,596	83,704
Personnel Benefits	4,551,395	5,241,704	6,580,479	1,338,775
Supplies	1,075,192	1,299,412	1,519,037	219,625
Contracts	2,747,619	3,069,004	3,455,743	386,739
Communications	409,115	453,179	489,303	36,124
Travel	110,071	159,312	209,247	49,935
Advertising	49,193	85,569	73,036	(12,533)
Op Rentals/Leases	1,347	896	9,943	9,047
Insurance	498,427	650,897	626,170	(24,727)
Utilities	595,517	673,618	732,732	59,114
Repairs/Maintenance	137,214	190,415	227,435	37,020
Other	595,299	588,403	748,322	159,919
Interfund Charges	1,770,939	1,807,529	2,192,544	385,015
Capital Outlay	53,970	115,689	126,077	10,388
Transfers	2,148,665	3,734,680	4,735,111	1,000,431
Agency Support	132,317	111,736	144,602	32,866
Miscellaneous	59,112	46,404	56,373	9,969
Grand Total	\$30,850,468	\$35,035,429	\$40,923,365	\$5,887,936
Percentage Inc/(Dec)		13.6%	16.8%	

2008: Special Revenue Fund for Building & Planning established; Community Long Range Planning remains in General Fund.

Table 16
General Fund Expenditures
2001 - 2004 Comparison

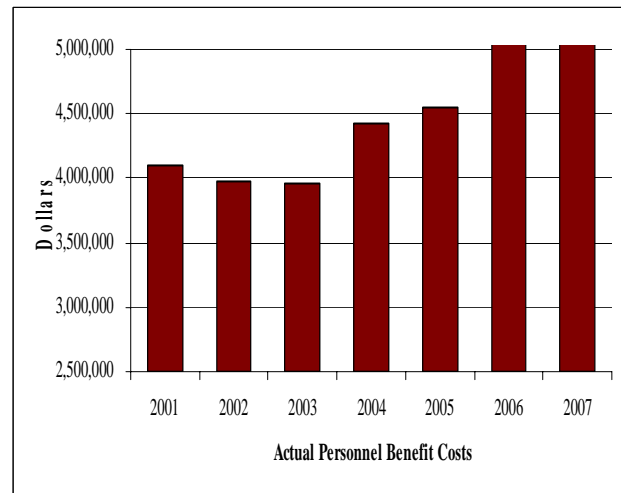
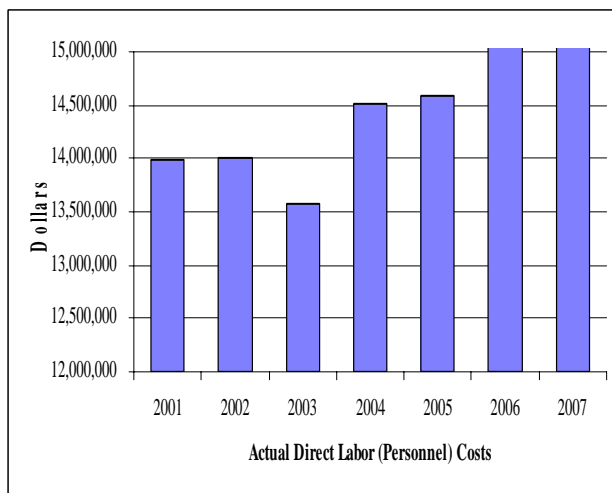
Expense Category	2001 Actual Expenditures	2002 Actual Expenditures	2003 Actual Expenditures	2004 Actual Expenditures
Direct Labor	\$13,986,479	\$14,015,092	\$13,581,931	\$14,504,238
Extra Help	351,238	334,058	391,443	461,460
Other Pay	653,663	747,928	830,951	909,803
Personnel Benefits	4,096,257	3,979,330	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: 2002 - 2007



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

Chart 8
General Fund Expenditures:
Comparison: 2001 - 2007



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 (2007 As Amended)
Department-Level Expenditure Summary

Department	Amended Budget	Expenditures Through 4th Qtr	% Expended
Boundary Review Board	\$20,880	\$17,661	84.6%
Commissioners	588,889	535,611	91.0%
Board of Equalization	4,976	1,325	26.6%
Treasurer	652,722	627,664	96.2%
Auditor	973,848	941,130	96.6%
Assessor	1,398,081	1,313,337	93.9%
Administrative Services	767,566	682,474	88.9%
Civil Service Commission	17,107	15,764	92.1%
Facilities Maintenance	1,956,900	1,847,328	94.4%
Family Court	295,348	294,885	99.8%
Sheriff	5,453,968	5,443,383	99.8%
Sheriff's Extradition	25,125	6,262	24.9%
CCCD-Probation Services	541,120	537,346	99.3%
CCCD-Jail	7,275,825	6,571,107	90.3%
CCCD-Offender Services	1,185,826	1,080,085	91.1%
CCCD-Jail Concessions	126,625	125,204	98.9%
Juvenile Detention	1,741,339	1,654,022	95.0%
Juvenile Probation	1,736,632	1,569,310	90.4%
Prosecuting Attorney	1,942,594	1,877,042	96.6%
Child Support Services	539,952	534,757	99.0%
Superior Court	2,184,543	1,849,257	84.7%
District Court	1,532,790	1,488,238	97.1%
Clerk	1,082,575	1,019,139	94.1%
P.A. Diversion Program	14,297	12,629	88.3%
Courthouse Facilitator Program	53,583	50,845	94.9%
Office of Public Defense	847,892	810,608	95.6%
Coroner	317,228	303,918	95.8%
WSU Extension	149,523	123,401	82.5%
Museum	108,888	100,690	92.5%
Non-Departmental	6,113,062	5,842,452	95.6%
St. Helens Recovery	400,000	379,888	95.0%
Dept. of Building & Planning	2,941,871	2,655,362	90.3%
Park & Recreation	587,569	490,580	83.5%
Drug Court Grant Program	129,839	120,661	92.9%
Grand Total	\$43,708,983	\$40,923,365	93.6%

Chart 9
Cowlitz County General Fund
Expenditures by Month
2002 - 2007

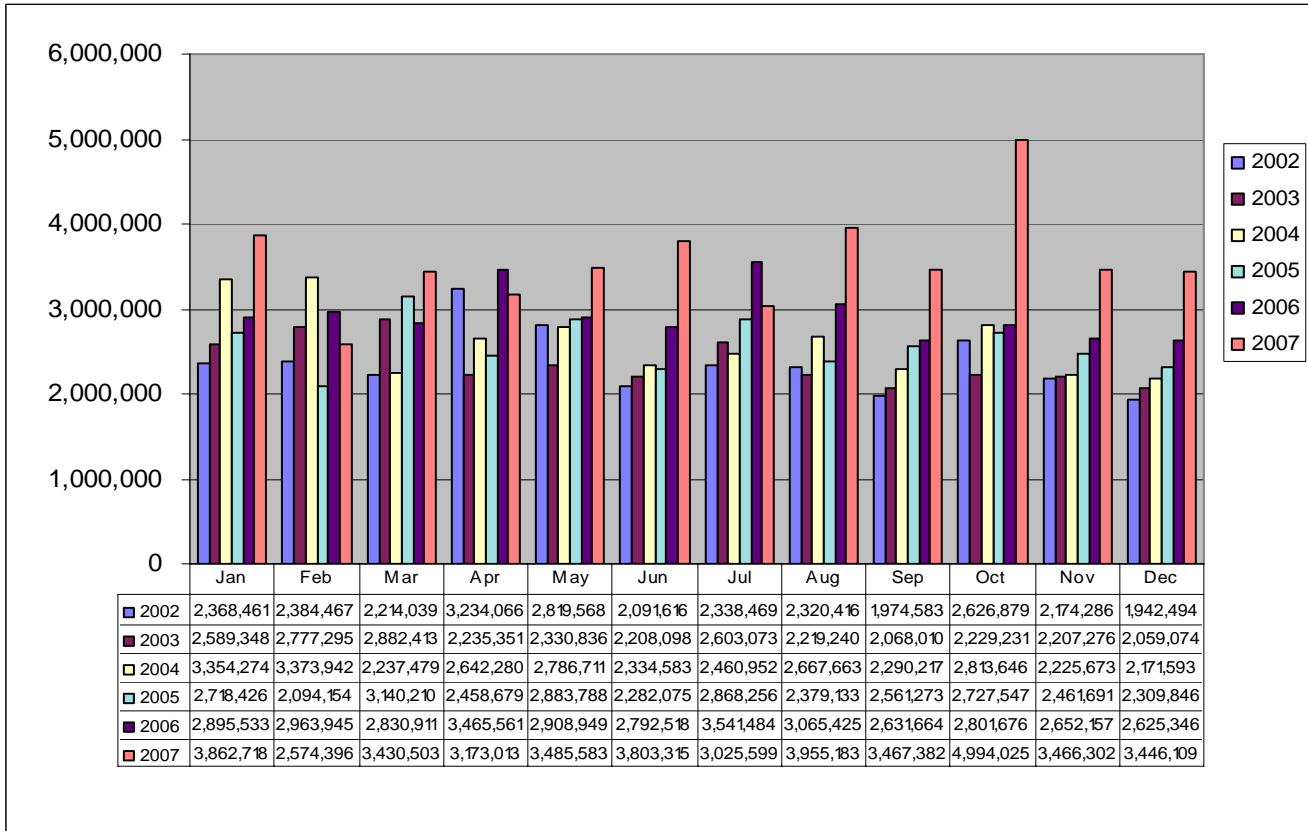
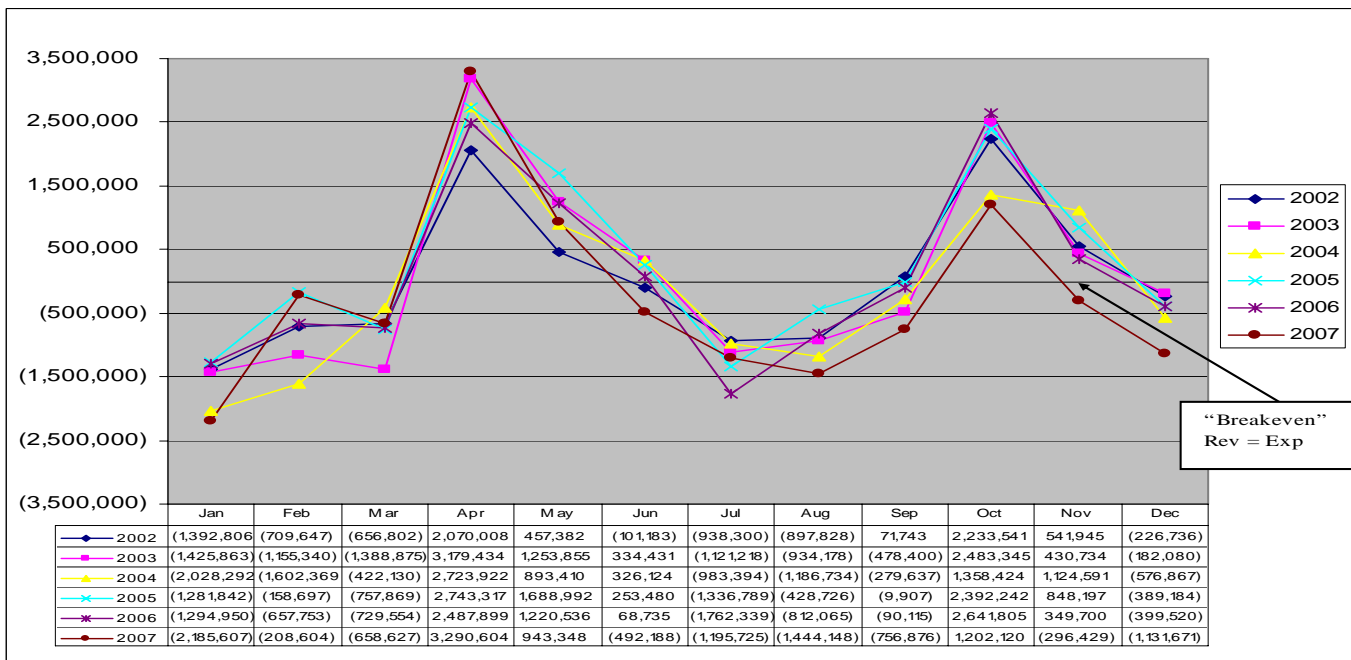


Chart 10
Cowlitz County General Fund
Difference Between Monthly Receipts and Monthly Expenditures
2002 - 2007



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 2007 is \$9,628,733. The county is below the maximum allowed by law.

The estimated unreserved beginning fund balance on January 1, 2007 was \$7,955,946. Actual adjusted cash balance was \$8,538,470.

The adjusted beginning fund balance of \$8.5 million accounts for 2006 “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, 2007 is budgeted to be \$4,573,129. Actual ending cash balances are typically higher than budgeted due to unexpended budget and revenue received greater than forecast (see page 7 of this report for further detail.)

Audited financial statements for 2007 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)
8 year Avg 2000-2007	\$31,413,429	\$31,827,174	\$413,746

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.

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 revenues in order to provide sufficient cash flow. This is approximately one-month operating capital. Under the current policy, the minimum cash reserve for 2007 should have been \$3,627,846. The minimum fund balance was maintained.

Summary of Adjusted Actual Beginning Cash Balances

Chart 11
General Fund: 2001- 2007
Beginning Actual Adjusted Cash Balances

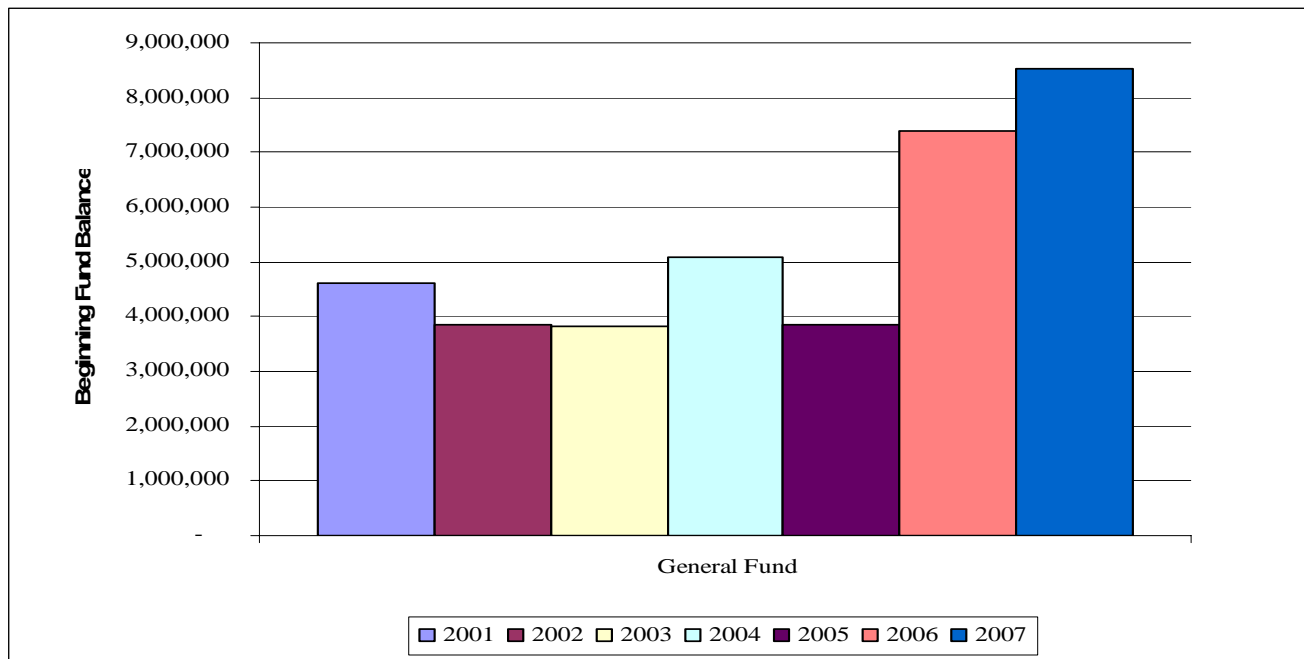


Chart 12
Comparison of Fund Balances – All Fund Types
Beginning Adjusted Fund Balances – 2007

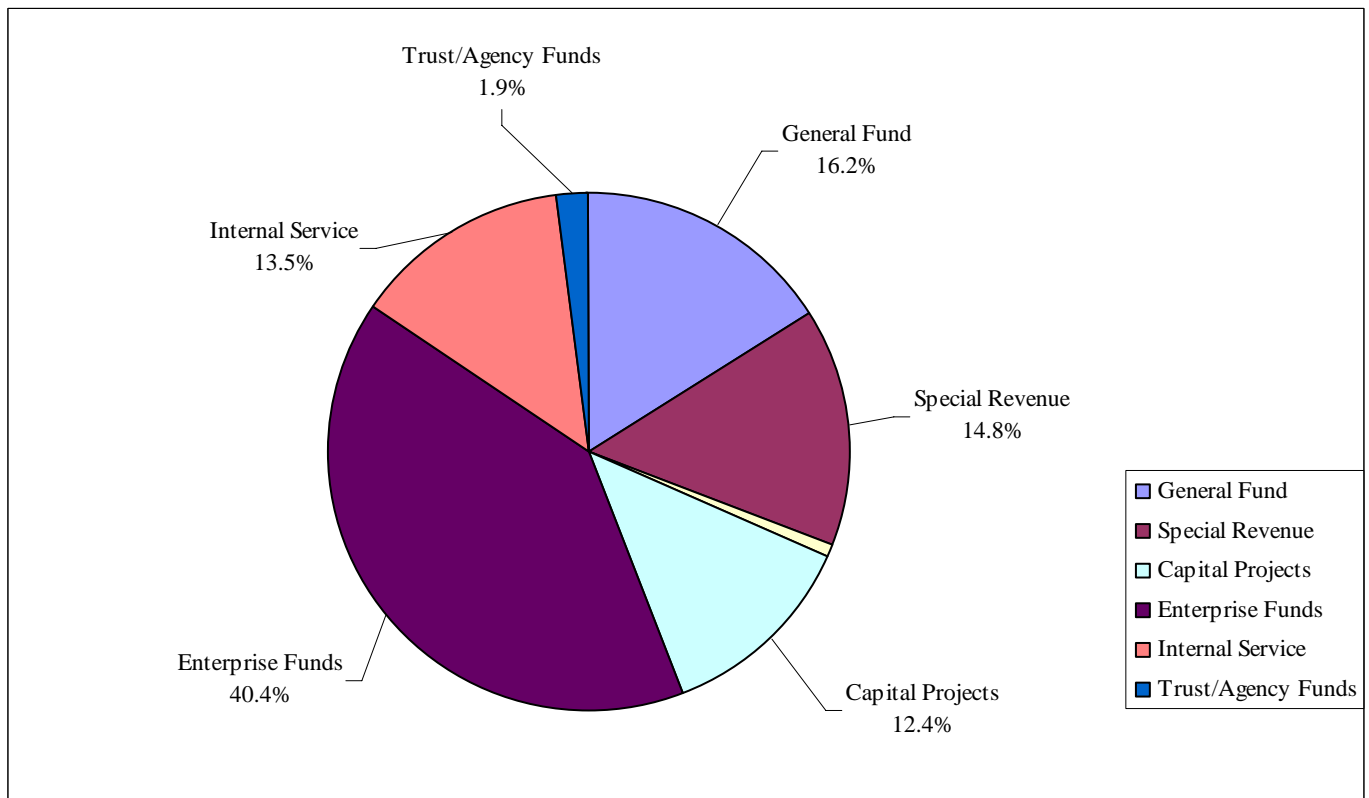


Chart 13
Cowlitz County General Fund
Cash & Investment Activity
2002 - 2007

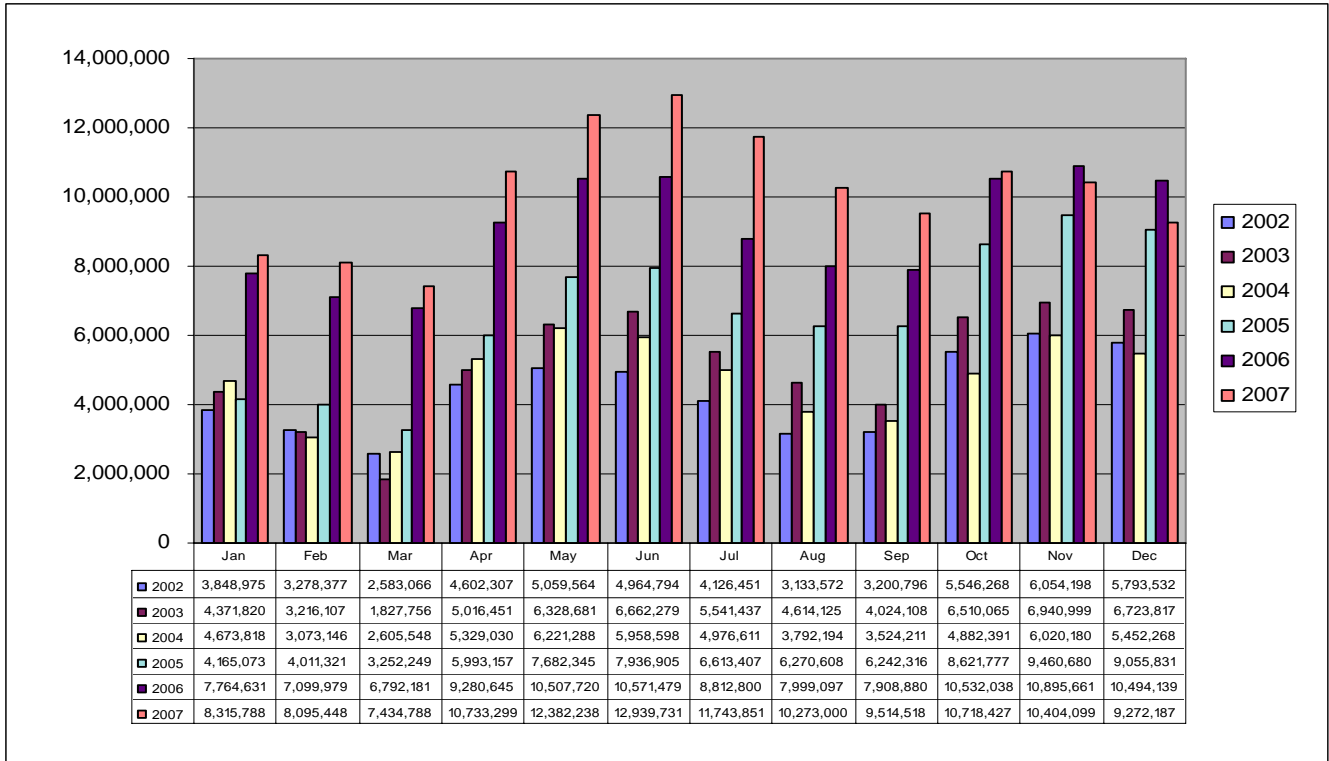


Chart 14
Cowlitz County General Fund
Trend of Actual Revenues, Expenditures & Cash Balance Adjusted for Inflation
1990-2007

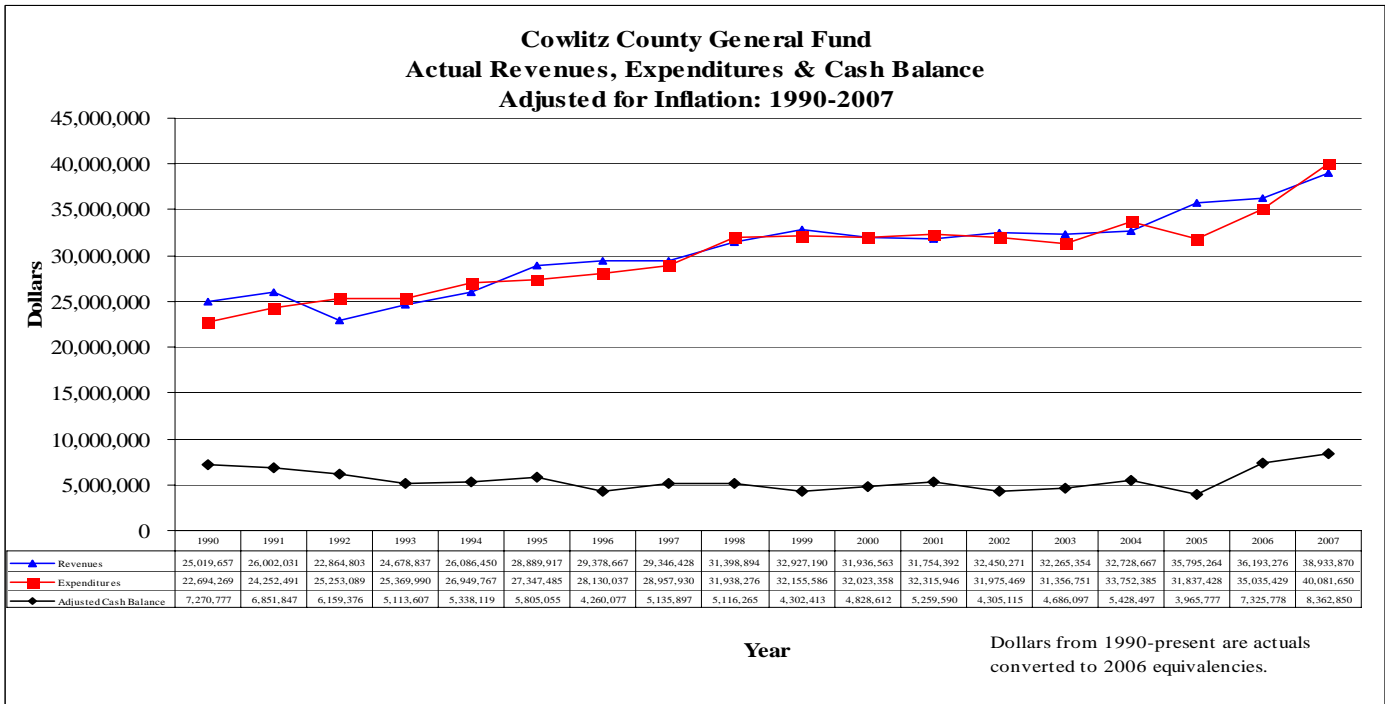
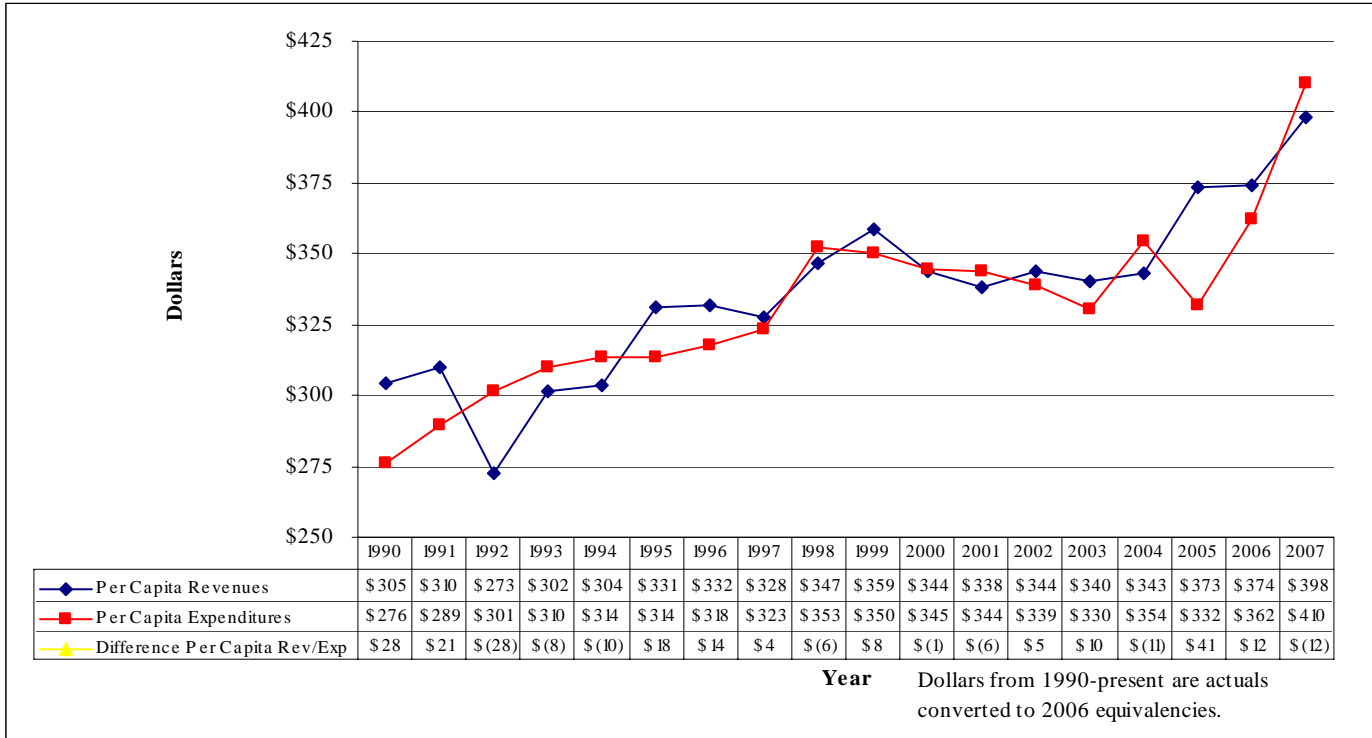


Chart 15
Cowlitz County General Fund
Trend of Per Capita Actual Revenues versus Per Capita Actual Expenditures
(Adjusted for Inflation)
1990 - 2007



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 furniture for the Commissioners' Office.
- **Property Maintenance/Acquisition:** Funds are budgeted for expenses that might be incurred for maintenance of the County's rental property as well as a contribution to the maintenance of Silver Lake Dam.
- **Grants:** Cowlitz County is the recipient of three Community Development Block Grants, one grant from the Recreation and Conservation Office (formerly Interagency for Outdoor Recreation) and one Homeland Security Equipment Grant as follows: (1) an easement acquisition program along Abernathy Creek, (2) a shorelines restoration project along Abernathy Creek, (3) a Planning Only grant for Council of Governments to conduct a housing needs assessment, (4) equipment purchases with Homeland Security funds, and (5) CDBG Float Loan to provide a short-term low, interest rate loan to R&R Trading, Inc.
- **Loan Repayments** are anticipated. Funds have been budgeted to make the final payments to the Equipment Rental & Revolving Fund for monies borrowed to make repairs to the Silver Lake Weir and from the Solid Waste Fund to purchase an Assessment system. Payments made this year are the final payments on these internal loans between County funds.
- **Health Department:** Funds have been allocated for the purchase of an uninterruptible power supply for the telephone system and repair of exterior doors.
- **Jail (Hall of Justice):** Funds are budgeted to make repairs on the third floor of the Hall of Justice.
- **Hall of Justice:** Funds are budgeted for remodel of courtrooms, the Prosecutor's Office, to improve the parking lots and HVAC systems and to pay for miscellaneous repairs.
- **Administration Building:** Funds are budgeted to remodel the Auditor's Office, Building & Planning Department and to pay for miscellaneous repairs.
- **Annex:** Funds are budgeted for an assessment of needs and cost to repair or replace the historic windows.
- **Juvenile Center:** Funds are budgeted for Heating, Ventilation and Air Conditioning (HVAC).
- **Morgue:** Funds are budgeted for design and engineering work for a new building.
- **Museum:** Funds are budgeted for an access ladder.
- **Expo Center:** Funds are budgeted for gas line replacement and concession building repairs due to fire damage.
- **Parks:** Funds are budgeted for a diesel storage facility at Riverside Park; paving at Willow Grove Park and repairs at Hoffstadt Bluffs including siding, roof, gutters and doors.
- **Public Defender Office Space:** Funds are budgeted for upgrades to rental space occupied by the Office of Public Defense.

Table 19
General Government Capital Projects Fund: 2007
Revenues

Capital Projects General Government	Anticipated Revenue	Actual Revenue	Variance +/-
		YTD 12/31/2007	YTD 12/31/2007
Adjusted Beg Fund Balance	\$1,899,540	\$2,387,326	\$487,786
REET – Excise Tax	675,000	1,767,924	1,092,924
Abernathy Creek - Restoration	252,761	16,835	(235,926)
Wa Dept of Archaeology	82,555	82,555	0
CDBG – Planning Only <i>Council of Governments</i>	40,000	23,947	(16,053)
CDBG – Float Loan Program	1,050,000	1,050,000	0
HAVA – Elections Project	179,000	88,422	(90,578)
Homeland Security <i>CCSO & DEM Equipment</i>	172,900	146,108	(26,792)
City of Kelso - Spillman	15,400	30,801	15,401
Interest Earnings	120,000	158,891	38,891
Misc – Insurance Proceeds	41,636	26,882	(14,754)
Misc – Contract Proceeds <i>Croy Street Sale</i>	40,011	466,709	426,698
Other/Transfers In: <i>Hoffstadt Concessions, Cumulative Reserve, etc</i>	135,000	166,072	31,072
Transfer from Boat Launch Fund – close fund	0	40,668	40,668
Transfer from Auditors O&M & Central Services: <i>Assessment System (Loan repay)</i>	63,415	63,415	0
Transfer from General Fund: <i>Construction</i>	500,000	500,000	0
Total Revenues:	\$5,267,218	\$7,016,555	\$1,749,337
% of Anticipated Revenue		133.2%	

Table 20
General Government Capital Projects Fund: 2007
Expenditures

Capital Projects General Government	Expenditures	Expended YTD 12/31/2007	Unexpended
Ending Fund Balance	\$704,045	\$0	\$704,045
Claim Payment-Longview	61,609	0	61,609
Equipment Purchases	279,666	110,467	169,199
Furniture Purchases	8,616	11,091	(2,475)
Telephone Lease/Maint	46,748	42,235	4,513
Debt Service			
Silver Lake Repairs	104,016	105,261	(1,245)
Assessment System	67,764	66,949	815
Property Maint/Acq	5,500	5,083	417
Grants	292,761	68,912	223,849
Health Department	50,196	3,844	46,352
Jail	75,000	80,462	(5,462)
Hall of Justice	1,194,022	220,364	973,658
Admin Building	518,000	267,756	250,244

Capital Projects General Government	Budget	Expended YTD 12/31/2007	Unexpended
Annex	15,000	15,846	(\$ 0)
Juvenile Center	6,139	8,402	(846)
Morgue	15,000	19,512	(4,512)
Museum	0	0	0
Expo Center	71,636	6,661	64,975
Parks	201,500	377,211	(175,711)
Public Defender Office	200,000	34,479	165,521
CTED-Loan to Steel Mfg	1,050,000	1,050,000	0
Unallocated Funds	300,000	0	300,000
Transfers Out	0	0	0
Total Expended:	\$5,267,218	\$2,494,535	\$2,772,683
Percent of Project Expenses:		47.4%	52.6%

Table 21
All Other Capital Projects Fund
Expenditures: 2007

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

Fund Name	Project Description	Status	Budget	Expended YTD 4th Qtr
Boat Launch	Close fund	Complete	\$41,640	\$40,668
Federal Forest Payments	Various Projects	On-going	\$136,402	67,374
Recreational Capital Imp	Various Recreation Projects	Pending	\$500,000	5,135
1999 Bond Construction	Drain #1 conveyance system & pump station	Bond Costs	\$45	0
General Capital Construction	Jail Annex	Final Items of Construction	\$1,750,000	141,872
Rural County Facilities	Various Projects	On-going	\$2,475,905	2,057,946
Road Improvement District	Port of Longview road improvements	Construction Complete; Accting Costs	\$11,305	41
Local Improvement District	Port of Longview sewer/water line improvements	Construction Complete; Accting Costs	\$1,045	22
Lexington Bridge Replacement <i>(see also Road Fund)</i>	Design & construction	On-going	\$2,410,000	0
Grand Totals			\$7,326,342	\$2,313,058

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 01/2007	Principal Balance Owing 12/31/2007
1993 Ltd G.O.*	\$ 235,000	2008	\$40,000	\$20,000
1994 Ltd G.O.* Partial refunding in 2003	\$ 1,610,000	2010	\$505,000	\$380,000
1998 Ltd G.O.* Partial refunding in 2005	\$ 2,060,000	2018	\$200,000	\$100,000
1999 Ltd G.O.* Rural Development; system charges & user fees; Partial refunding in 2005	\$ 9,930,000	2019	\$1,195,000	\$810,000
2002 Ltd G.O.** Rural Development	\$5,695,000	2024	\$5,005,000	\$4,840,000
2003 Ltd G.O.** Public Facilities District	\$6,565,000	2027	\$5,920,000	\$5,785,000
2005 Ltd G.O.* Refunding '98 & '99	\$8,565,000	2023	\$8,360,000	\$8,305,000
Subtotal LTGO:	\$34,660,000		\$21,225,000	\$20,240,000
2006 Special Sewer Revenue Bonds***	\$13,760,000	2025	\$13,760,000	\$13,290,000
Totals	\$48,420,000		\$34,985,000	\$33,530,000

**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 12/31/2007
Hoffstadt Bluffs (Capital Improvements)	1992 – 1996	Open	\$3,138,659	\$1,236,161
Assessment System	07/31/2004	07/31/2007	\$188,360	\$0
Public Works Trust Fund	Various	Various	\$	
Totals:			\$3,327,019	\$1,236,161
<i>Excludes lease purchase agreements for the telephone system, voting machines, copiers, computers, electronic monitoring equipment, 911 Communications Recording Equipment, etc. 2006 obligation was approximately \$_____.</i>				

Table 24
Accounts Receivable

Account Receivables	Origination Date	Due Date	Original Receivable	Principal Balance Owing 12/31/2007
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

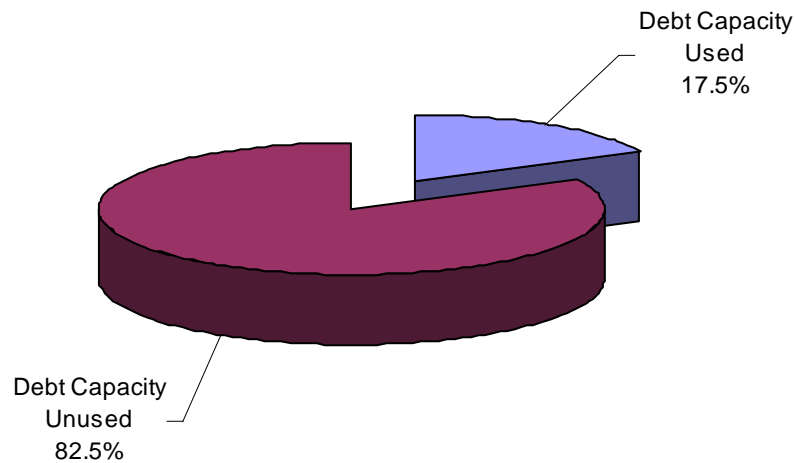
Long Term Debt Capacity. Washington State law provides a maximum debt limit for general obligations. Cowlitz County’s debt obligations are well within the statutory limits for debt capacity.

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 2007, this limit is \$115,544,791. 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 2007, this limit is \$192,574,652. 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 \$385,149,304.

Table 25
Long Term Debt Capacity

How Authorized/Uses	% of Assessed Valuation	\$\$ Limit	LTGO Capacity Used
Non-voted (General Governmental purposes)	1.5%	\$115,544,791	\$20,240,000
Voted (General Governmental purposes)	2.5%	\$192,574,652	\$0
Voted (restricted uses – utility, parks, etc)	2.5%	\$192,574,652	\$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 \$115.5 million which is statutorily available, a debt limit of not greater than \$92.4 million is recommended. Utilizing these figures, Cowlitz County has current obligations amounting to 21.9% of its recommended capacity.

IV. OTHER FUNDS – SUMMARY OF 4th QUARTER ACTIVITY

A. Special Revenue Funds

Table 26
Special Revenue Funds (By Department)
Department Level Expenditure Summary: 4th Quarter 2007

Department	Budget	Expenditures	% Expended
Affordable Housing	\$320,867	165,801	51.7%
Auditor's O&M	494,232	204,535	41.4%
Benefits Administration	889,014	283,784	31.9%
Boat Safety	53,328	43,242	81.1%
Community Mental Health	10,227,929	9,790,692	95.7%
County Drug Fund	46,680	0	0.0%
Cumulative Reserve	166,057	166,057	100.0%
Drug Task Force	853,026	619,836	72.7%
Geographic Information Services	682,674	292,924	42.9%
G.I.S. Operation & Maintenance	14,175	0	0.0%
Health Department	3,265,690	2,281,124	69.9%
Human Services	1,165,014	815,559	70.0%
Law & Justice	1,258,719	934,721	74.3%
Low Income Housing & O&M	582,456	259,815	44.6%
Noxious Weed Program	153,000	0	0.0%
P.A. Victim Witness	233,243	129,939	55.7%
Paths & Trails Reserve	167,712	318	0.2%
Road Fund	40,277,280	18,673,248	46.4%
Stadium/Convention Center	32,030	32,030	100.0%
Storm Water Fund	136,000	23,199	17.1%
Superior Court Law Library	166,047	69,163	41.7%
Tourism, Facilities, Dev & Marketing	246,388	203,919	82.8%
Veteran's Relief Fund	269,833	41,723	15.5%
Grand Total	\$61,701,394	\$35,031,629	56.8%

Table 27
Special Revenue Funds (By Department)
Anticipated Revenues & Actual Receipts: 4th Quarter 2007

Department	Anticipated Revenues¹	Actual Revenues¹	% Collected
Affordable Housing	\$167,345	154,003	92.0%
Auditor's O&M	218,600	215,300	98.5%
Benefits Administration	123,600	244,569	197.9%
Boat Safety	42,000	43,439	103.4%
Community Mental Health	9,801,274	10,317,362	105.3%
County Drug Fund	12,920	14,767	114.3%
Cumulative Reserve	127,011	156,975	123.6%
Drug Task Force	551,550	703,766	127.6%
Geographic Information Services	356,704	334,961	93.9%
G.I.S. Operation & Maintenance	3,775	9,750	258.3%
Health Department	2,944,327	2,590,055	88.0%
Human Services	869,537	651,663	74.9%
Law & Justice	782,460	797,133	101.9%
Low Income Housing & O&M	271,824	328,300	120.8%
Noxious Weed Program	153,000	141,327	92.4%
P.A. Victim Witness	100,953	134,546	133.3%
Paths & Trails Reserve	66,062	63,787	96.6%
Road Fund	37,227,280	20,719,966	55.7%
Stadium/Convention Center	27,675	33,377	120.6%
Storm Water Fund	76,000	3,056	4.0%
Superior Court Law Library	53,510	53,813	100.6%
Tourism, Facilities, Dev & Marketing	188,519	200,072	106.1%
Veteran's Relief Fund	96,186	102,210	106.3%
Grand Total	\$54,262,112	\$38,014,197	70.1%
<i>¹Excludes Beginning Fund Balance (reserved & unreserved)</i>			

B. Enterprise Funds

Table 28
Enterprise Funds (By Department)
Department Level Expenditure Summary: 4th Quarter 2007

Department	Budget	Expenditures	% Expended
911 Communications	\$2,636,257	2,433,412	92.3%
911 Communications Claims Reserve	102,628	2,656	2.6%
911 Communications – Equipment Reserves	720,952	0	0.0%
911 Communications - Radio Replc Project	1,790,028	1,257,054	70.2%
Conference Center	926,800	885,379	95.5%
Emergency Management	390,823	295,177	75.5%
Emergency Management Special Projects	37,107	369.16	1.0%
Expo Center	562,852	546,188	97.0%
Expo Reserve – Pigeon/Horses	17,917	0	0.0%
Law Enforcement Records	1,164,392	923,812	79.3%
Law Enforcement Equipment Reserve	88,135	0	0.0%
Solid Waste Post Closure Unlined Landfill	746,277	37,321	5.0%
Solid Waste Equipment, Land, Facility	15,510,971	156,637	1.0%
Solid Waste Landfill Closure	3,725,687	0	0.0%
Solid Waste Maintenance	7,665,950	7,120,630	92.9%
Solid Waste Post Closure Lined Landfill	4,310,824	0	0.0%
Water Sewer Maintenance	1,386,500	1,316,697	95.0%
Water Sewer C.I.P.	1,207,862	364,207	30.2%
Grand Total	\$42,991,962	\$15,339,539	35.7%

Table 29
Enterprise Funds (By Department)
Anticipated Revenues & Actual Receipts: 4th Quarter 2007

Department	Anticipated Revenues¹	Actual Revenues¹	% Collected
911 Communications	\$2,436,319	\$2,474,849	101.6%
911 Communications Claims Reserve	39,318	41,332	105.1%
911 Communications Equipment Reserve	27,729	272,003	980.9%
911 Communications - Radio Replc Project	1,241,481	546,467	44.0%
Conference Center	872,529	861,447	98.7%
Emergency Management	287,408	246,464	85.8%
Emergency Management Special Projects	37,107	37,007	99.7%
Expo Center	508,118	519,075	102.2%
Expo Reserve – Pigeon/Horses	525	843	160.6%
Law Enforcement Records	824,459	868,286	105.3%
Law Enforcement Records Reserve	39,648	54,198	136.7%
Solid Waste Post Closure Unlined Landfill	117,221	126,192	107.7%
Solid Waste Equipment, Land, Facility	7,135,971	4,826,282	67.6%
Solid Waste Landfill Closure	433,069	481,591	111.2%
Solid Waste Maintenance	5,065,950	5,167,115	102.0%
Solid Waste Post Closure Lined Landfill	385,743	469,780	121.8%
Water Sewer Maintenance	1,259,000	1,325,501	105.3%
Water Sewer Reserve C.I.P.	1,007,862	1,420,095	140.9%
Grand Total	\$21,719,457	\$19,738,527	90.9%
¹ Excludes Beginning Fund Balance (reserved & unreserved)			

C. Internal Service Funds

Table 30
Internal Service Funds (By Department)
Department Level Expenditure Summary: 4th Quarter 2007

Department	Budget	Expenditures	% Expended
Central Services	\$3,070,621	1,330,824	43.3%
Election Capital Reserve	250,392	0	0.0%
Election Reserve	476,564	349,781	73.4%
Equipment Rental & Revolving	4,244,250	1,906,605	44.9%
Industrial Accident Insurance	596,830	428,444	71.8%
Motor Pool	3,471,424	1,586,125	45.7%
Purchasing Services	530,477	478,982	90.3%
Risk Management	2,109,512	954,541	45.2%
Unemployment Compensation	352,268	26,260	7.5%
Grand Total	\$15,102,338	\$7,061,562	46.8%

Table 31
Internal Service Funds (By Department)
Anticipated Revenues & Actual Receipts: 4th Quarter 2007

Department	Anticipated Revenues ¹	Actual Revenues ¹	% Collected
Central Services	\$1,675,388	\$1,506,300	89.9%
Election Capital Reserve	72,392	36,457	50.4%
Election Reserve	426,564	502,096	117.7%
Equipment Rental & Revolving	2,094,250	2,294,210	109.5%
Industrial Accident Insurance	375,138	373,038	99.4%
Motor Pool	1,471,424	1,540,222	104.7%
Purchasing Services	495,700	492,264	99.3%
Risk Management	1,013,896	1,044,307	103.0%
Unemployment Compensation	65,652	71,671	109.2%
Grand Total	\$7,690,404	\$7,860,565	102.2%

¹Excludes Beginning Fund Balance (reserved & unreserved)

D. Trust/Agency Funds

Table 32
Trust/Agency Funds (By Department)
Department Level Expenditure Summary: 4th Quarter 2007

Department	Budget	Expenditures	% Expended
Lexington Flood Control	\$862,543	\$281,268	32.6%
Lexington Flood Control – Bond Debt Service	51,000	49,803	97.7%
Drain # 1 Maintenance	747,347	302,095	40.4%
Grand Total	\$1,660,890	\$633,166	38.1%

Table 33
Trust/Agency Funds (By Department)
Anticipated Revenues & Actual Receipts: 4th Quarter 2007

Department	Anticipated Revenues ¹	Actual Revenues ¹	% Collected
Lexington Flood Control	\$452,543	\$463,657	102.5%
Lexington Flood Control – Bond Debt Service	51,000	74,705	146.5%
Drain # 1 Maintenance	247,347	256,885	103.9%
Grand Total	\$750,890	\$795,247	105.9%

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