

# **COWLITZ COUNTY, WASHINGTON**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED DECEMBER 31, 2008**

### Hoffstadt Bluffs Visitor Center

The photo on the cover is of the Hoffstadt Bluffs Visitor Center.

Cowlitz County finished construction of the Hoffstadt Bluffs Visitor Center in 1995 at a cost of \$3.1 million. Located at Milepost 27 on Highway 504 near Mount St. Helens, the 19,000 square foot mortise and tenon (using pegs, holes and iron rods) structure gives visitors the first great views of the Toutle River Valley leading up to Mount St. Helens.

The large windows, vast deck and lawn frame a beautiful scene during any season. Take a seat in the Fire Mountain Grill and enjoy a great meal year round. Hoffstadt Bluffs Visitor Center is a wonderful venue for weddings and banquets with indoor seating up to 200 guests, larger groups can utilize the lawn and deck. Helicopter tours depart daily from one of our three heliports during the summer months. Visitors can also enjoy the Memories of a Lost Landscape Exhibit, which tells the story of what life was like at Mount St. Helens prior to the 1980 eruption. A paved walking path will take visitors through our memorial grove, planted in 2000 in memory of all 57 people who perished in the May 18, 1980 eruption.

Hoffstadt Bluffs Visitor Center is open year round to the general public.

COWLITZ COUNTY, WASHINGTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2008

*Kristina K. Swanson, Cowlitz County Auditor*

*Leo Kim, CPA, Chief Accountant  
Lynn Ruffe, Fiscal Accountant  
Kathy Sauer, Project Manager*



**COWLITZ COUNTY, WASHINGTON  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**TABLE OF CONTENTS  
Year Ended  
December 31, 2008**

Table of Contents	1
-------------------	---

**INTRODUCTORY SECTION**

Letter of Transmittal	7
List of Elected Officials	10
County Organization Chart	11
Map of Cowlitz County	12

**FINANCIAL SECTION**

Management's Discussion and Analysis	15
<u>Basic Financial Statements:</u>	
Description of Basic Financial Statements	27
Government-wide Financial Statements:	
Statement of Net Assets	29
Statement of Activities	30
Fund Financial Statements:	
Balance Sheet – Governmental Funds	31
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	32
Statement of Revenues, Expenditures, and Changes in Fund Balance- –Governmental Funds	33
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	34
Statement of Net Assets – Proprietary Funds	35
Statement of Revenues, Expenses, and Changes in Net Assets- Proprietary Funds	36
Statement of Cash Flows – Proprietary Funds	37
Statement of Fiduciary Net Assets (Agency Funds)	38
Notes to Financial Statements	39
<u>Required Supplemental Information:</u>	
Description of Required Supplemental Information	75
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance –Budget and Actual – General Fund	77
Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual - Other Major Funds:	
County Road Fund	78
Community Mental Health	79

<u>Nonmajor Funds:</u>	
Description of Non-major Governmental Funds	81
Combining Statement of Net Assets- Non-major Governmental Funds	83
Combining Statement of Revenues, Expenditures, & Changes in Fund Balance – Non-major Governmental Funds	84
Combining Balance Sheet- Non-major Special Revenue Funds	85
Combining Statement of Revenues, Expenditures & Changes in Fund Balance Non-major Special Revenue Funds	88
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Non-major Special Revenue Funds	91
Description Non-major Debt Service Funds	113
Combining Balance Sheet – Non-major Debt Service Funds	115
Combining Statement of Revenues, Expenditures and Changes in Fund Balance- Non-major Debt Service Funds	116
Description Non-major Enterprise Funds	117
Combining Statement of Net Assets-Non-major Enterprise Funds	119
Combining Statement of Revenues, Expenses and Change in Fund Net Assets-Non-major Enterprise Funds	120
Combining Statement of Cash Flows-Nonmajor Enterprise Funds	121
<u>Internal Service Funds:</u>	
Description of Internal Service Funds	123
Combining Statement of Net Assets	125
Combining Statement of Revenues, Expenses and Changes in Net Assets	126
Combining Statement of Changes in Cash Flows	127
<u>Agency Funds:</u>	
Description of Agency Funds	129
Combining Balance Sheet	131

## **STATISTICAL SECTION**

Statistical Section Contents and Description	135
<u>Financial Trends:</u>	
Net Assets by Component – Last Five Years	136
Changes in Net Assets- Last Five Years	137
Fund Balances of Governmental Funds	139
Changes in Fund Balances of Governmental Funds -Last Five Years	140
General Governmental Tax Revenues by Source-Last Ten Years	141
<u>Revenue Capacity:</u>	
Assessed Value of Property and Levy Rate – Last Five Years	142
Property Tax Rates – Direct and Overlapping Governments	143
Principal Taxpayers-Last Two Years	144
Property Tax Levies & Collections – Last Ten Years	145
<u>Debt Capacity:</u>	
Ratios of Outstanding Debt	146
Ratios of General Bond Debt Outstanding	147
Legal Debt Margin	148

<u>Demographic and Economic Information</u>	
Demographic Statistics	149
Principal Employers	150
<u>Operating Information</u>	
Employees by Function – Last 4 Years	151



## **INTRODUCTORY SECTION**





KRISTINA K. SWANSON  
**AUDITOR**

County Administration Building  
207 Fourth Avenue North  
Keiso, WA 98626  
TEL (360) 577-3002  
FAX (360) 414-5552  
www.co.cowlitz.wa.us/auditor

September 8, 2010

To the Commissioners and the Citizens of Cowlitz County:

The Comprehensive Annual Financial Report (CAFR) of Cowlitz County for the year ended December 31, 2008, is hereby submitted as required by the provisions of Chapter 36.22 of the Revised Code of Washington. This report is designed to present the financial position and results of operations of the various funds and account groups of Cowlitz County.

The County implemented the requirements of Governmental Accounting Standards Board (GASB) Statement #34, Basic Financial Statements – and Management’s Discussion and Analysis-for State and Local Governments, in 2002.

This report consists of management’s representations concerning the finances of Cowlitz County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. Cowlitz County has established a comprehensive internal control framework that is designed both to protect the government’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Cowlitz County’s financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, Cowlitz County’s internal controls have been designed to provide reasonable but not absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, this financial report is complete and accurate in all material respects.

We believe the necessary disclosures to enable the reader to gain an understanding of the County’s financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial and statistical. The introductory section, which is

unaudited, includes this transmittal letter, a list of elected officials, a county organization chart, and a county map. The financial section includes management’s discussion and analysis, government-wide financial statements, notes to the financial statements and combining and individual fund financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi year basis.

The Office of the Washington State Auditor conducts an annual audit of the financial statements of Cowlitz County as required by state law. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2008, are free from material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the overall financial statement presentation. The auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Cowlitz County’s financial statements for fiscal year ended December 31, 2008, are fairly presented in conformity with GAAP. However, they did issue two findings relating to internal control over the financial statements and federal awards. The County has taken steps to strengthen internal control over these areas for future reporting years. The independent auditor’s report is presented in the Auditor’s report. For the 2008 audit year, the State Auditor’s Office performed an audit on the Basic Financial Statements and not a full CAFR audit.

The examination is conducted in accordance with generally accepted auditing standards, *Governmental Auditing Standards* issued by the Comptroller of the United States, and the provisions of OMB Circular A-133, Audits of State, Local Governments and Non-Profit organizations.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of

Management and Budget (OMB) Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Information related to the single audit act, including the schedule of expenditures of federal awards and state/local financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, will be issued in a separately issued Single Audit Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements titled Management's Discussion and Analysis (MD&A). This letter of transmittal complements the MD&A and should be read in conjunction with it.

### **Profile of the Government**

Cowlitz County incorporated on April 21, 1854, and currently operates under the authority of the Washington State Constitution and Title 36 of the Revised Code of Washington (RCW). The County lies in the southwest area of Washington, separated from Oregon on the southwest by the Columbia River. The Lewis River forms the south boundary with Clark County. Cowlitz County shares a border with Skamania County to the east, Lewis County to the north and Wahkiakum County to the west.

Cowlitz County operates under an elected official form of government with sixteen elected officials, ten partisan offices, and six nonpartisan judges. The principal financial and budgetary authority is vested in the three member Board of County Commissioners. Accounting, financial reporting, and fiscal control responsibilities are those of the County Auditor. The County Treasurer manages collections, investments, and bonded debt issues and payments.

Cowlitz County provides a wide range of services including law enforcement, criminal prosecution, adjudication, detention and rehabilitation; public parks and recreation facilities; road construction and maintenance, flood and drainage control; public health care; community planning and development; zoning and code compliance; sanitary landfill and water and sewer services. Other services include property assessment, tax collection, elections, issuance of permits and licenses and other general administrative services.

The County is a member of the four member Three

Rivers Regional Wastewater Authority (TRRWA) and has issued significant debt under its name on behalf of the TRRWA and for that reason the TRRWA is reported as a discretely presented component unit of Cowlitz County in accordance with GASB 14 "The Financial Reporting Entity."

Also, the Public Facilities District, which provides funding for the regional conference/community center, is reported as a discretely presented component unit.

The County in its odd years approves a separate budget for each of the following two years. The annual budgets serve as the foundation for financial planning and control. State law (RCW 36.40) establishes the general requirements of Cowlitz County's budget process. Departments are required to submit budget estimates for the ensuing years on or before the fourth Monday of August. By early October, department heads meet with Commissioners and the OFM manager to review budget requests. On or before October 31, the Chief Administrative Officer submits a recommended County Budget to the Board. On or before the first Monday in December a final public hearing on the proposed budget is commenced. On or before December 31, the Board in a public hearing adopts the final budget. The budget is restricted to annual appropriations at the fund level for special revenue and capital project funds and at the department level for the general fund. Personnel services are controlled in total by department. Any revisions that alter the total expenditures of a department or affect the number of authorized full time employee positions, salary ranges must be approved by the Board.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Cowlitz County operates.

### **Local Economy**

Cowlitz County's 2008 unemployment rate averaged 7.89% compared to 6.3% for 2007. July 2009 unemployment was 13.1% compared to 7.6% for July 2008. State unemployment average was 5.36% for 2008.

Taxable sales for 2008 totaled \$1.279 billion, a 9.16% decrease over the \$1.408 billion for 2007.

**Cash Management**

The Cowlitz County Treasurer is empowered by state law to deposit and invest cash accumulations as directed on behalf of Cowlitz County and other taxing districts. Investments are made in certificates of deposit, bankers' acceptances, obligations of the U.S. Treasury, and the State Treasurer's Investment Pool and other authorized investments subject to guidelines established by the Office of the State Treasurer.

**Risk Management**

The County maintains insurance against most hazards except for general liability and workers' compensation where it has elected to cover losses up to \$100,000 per occurrence, amounts in excess of \$100,000 are insured by Washington Counties Risk Pool to \$15,000,000. The County also has an Unemployment Compensation Fund which is self insured by the County.

The County's insurance funds are the Industrial Insurance Fund and Risk Management Fund.

Additional information on the self insured activities of the County can be found in note 8 of the notes to the financial statements.

**Pension and Post Employment Benefits**

Substantially all County full time employees and qualifying part-time employees participate in one of the statewide public systems administered by the Department of Retirement Systems (DRS), under a cost-sharing multiple-employer defined benefit public employee retirement system. The DRS is a department of the primary government of the State of Washington, which issues a publicly available comprehensive annual financial report that includes financial statements and required information for each plan.

**Acknowledgments**

This Comprehensive Annual Financial Report could not have been prepared without the dedication and cooperation of the staff in the County Auditor and Treasurer's Offices, the Central Services Department, County Administrative Services Department and Public Works De-

partment.

Finally, acknowledgment must be given to the Board of County Commissioners who, because of their dedication to excellence in Cowlitz County, sanction the time and effort involved in the preparation and submission of this report.

Respectfully submitted,

Kristina K. Swanson  
Cowlitz County Auditor

**COWLITZ COUNTY, WASHINGTON  
2008 ELECTED OFFICIALS**

County Commissioners

District One

District Two

District Three

Kathleen A. Johnson

George L. Raiter

Axel Swanson

County Assessor

County Auditor

County Clerk

County Coroner

Prosecuting Attorney

County Sheriff

County Treasurer

Terry R. McLaughlin

Kristina K. Swanson

Roni A. Booth

Timothy J. Davidson

Susan Baur

William Mahoney

Judy Ainslie

Superior Court Judges

Court One

Court Two

Court Three

Court Four

James E. Warme

Steve Warning

Jill Johanson

James Stonier

District Court Judges

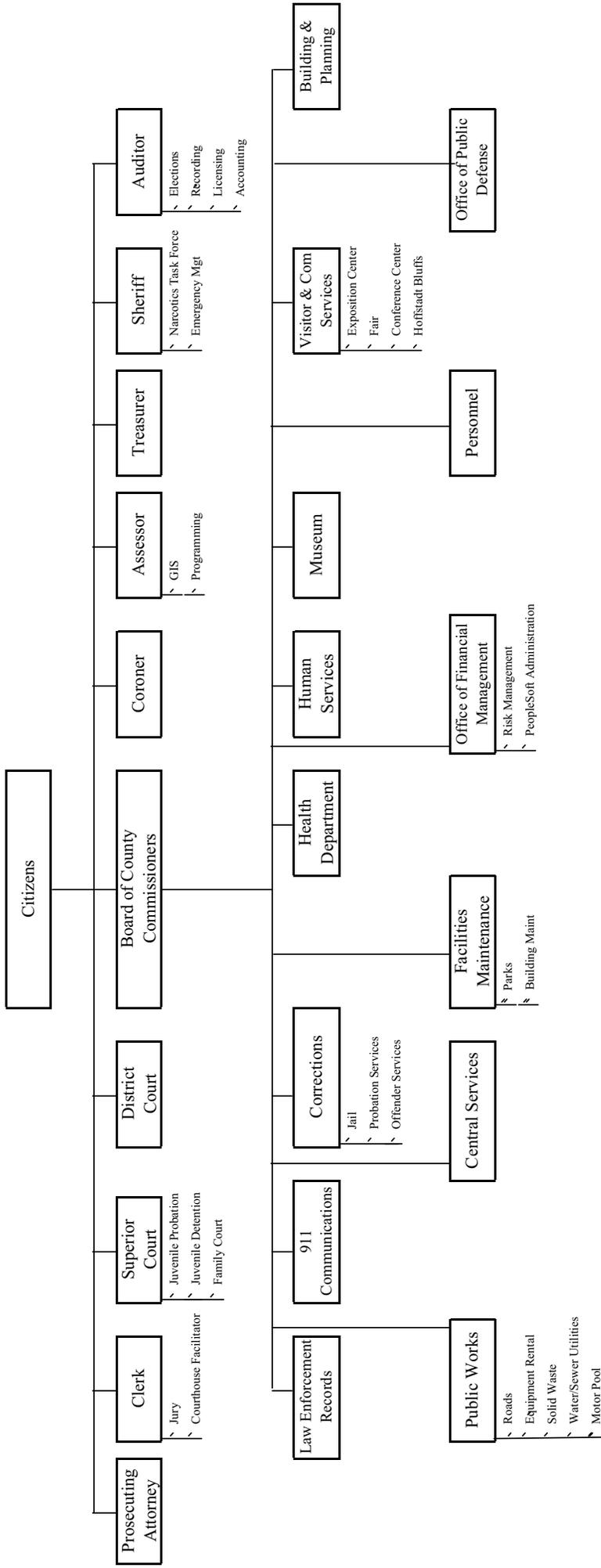
Court One

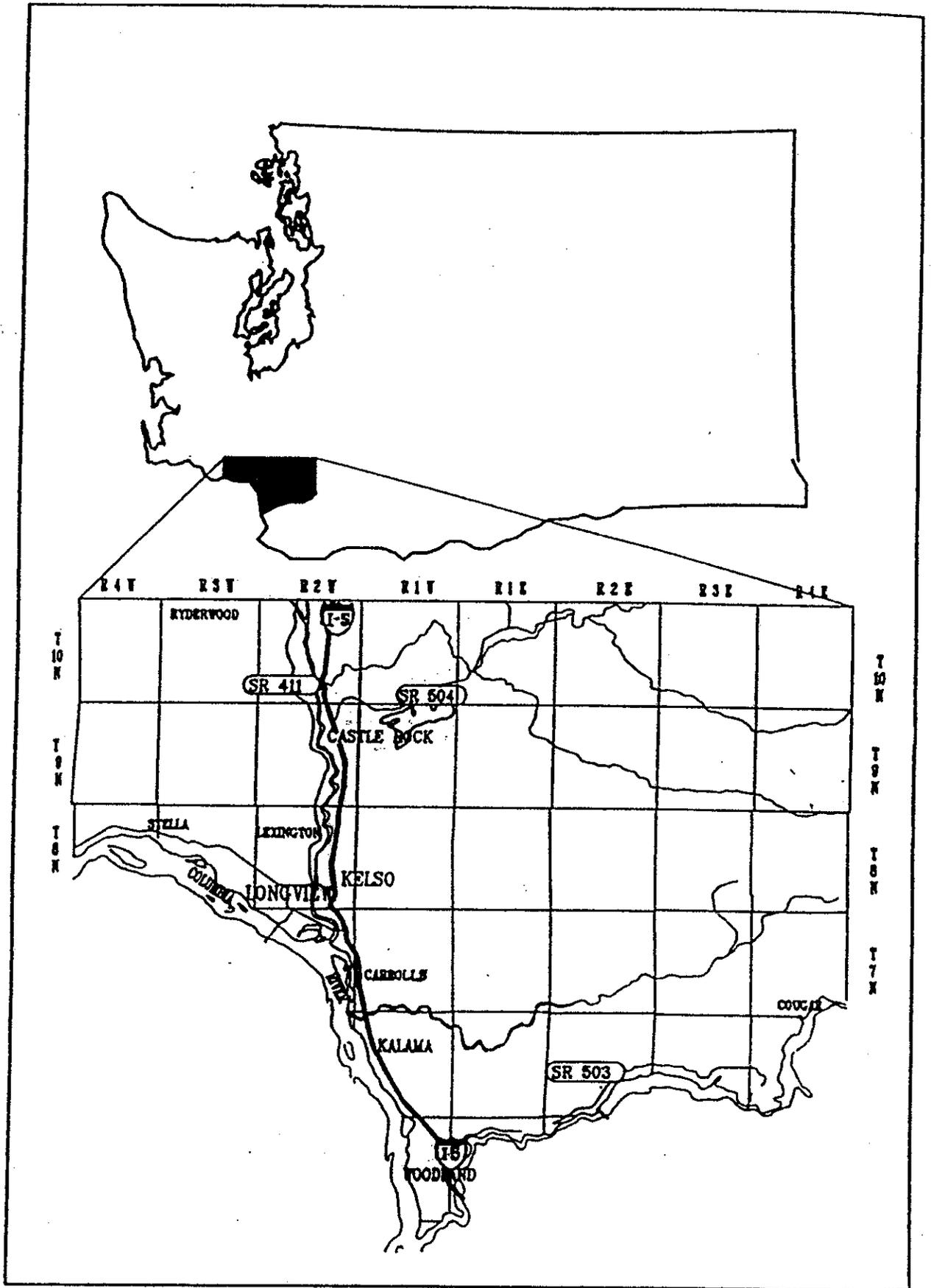
Court Two

David Koss

Ed Putka

# COWLITZ COUNTY





## **FINANCIAL SECTION**



## **Management's Discussion and Analysis**

Cowlitz County's discussion and analysis are intended to serve as an introduction to and overview of the County's basic financial statements for fiscal year ended December 31, 2008. The discussion emphasizes results for calendar year 2008 with comparison to the prior year. We encourage readers to consider information presented here in conjunction with the County's financial statements, which immediately follow this discussion.

Cowlitz County provides a wide range of services including the safety and security of persons and property; criminal prosecution, adjudication, detention and rehabilitation, public parks and recreation facilities, road construction and maintenance, flood and drainage control, public health care, community planning and developing, zoning and code compliance, sanitary landfill, and water and sewer services. Other services include property assessment, tax collection, elections, issuance of permits and licenses, and other general administrative services.

### **I. Financial Highlights**

- The total assets of Cowlitz County exceeded its liabilities by \$202.3 million. Net assets invested in capital assets (net of depreciation and related debt) accounts for 77.1% of this amount with a value of \$155.9 million. Of the remaining net assets, \$14.0 million of governmental activity net assets and \$19.1 million of business-type activity is available to meet County ongoing obligations to citizens and creditors, without legal restriction.
- Cowlitz County's total net assets decreased \$52.9 thousand in 2008. The net assets of business-type activities increased \$1.8 million and net assets of governmental activities decreased \$1.7 million from 2008 operations.
- At December 31, 2008 Cowlitz County's governmental funds reported a combining ending fund balance of \$53.5 million, a decrease of \$4.5 million compared to the prior year.
- The General Fund unreserved fund balance at December 31, 2008 was \$5.3 million, a 40.45% decrease compared to the December 31, 2007 total of \$8.9 million. The December 31, 2008 unreserved fund balance represents 13.32% of the 2008 General Fund expenditures and transfers out.
- The County Road Fund unreserved fund balance at December 31, 2008 totaled \$5.5 million, a decrease of 17.71% compared to the December 31, 2007 balance. The ending unreserved fund balance represents 35.71% of the 2008 road fund expenditures and transfers out.
- Cowlitz County's total long-term debt as of December 31, 2008 totaled \$50.5 million, a net increase of \$2.0 million over the previous year.
- At December 31, 2008 the County's remaining capacity for issuing non-voted debt is \$106 million.

### **II. Overview of the Financial Statements**

Cowlitz County's annual report consists of a series of basic financial statements including: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial

statements. This report also contains supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The *government-wide financial statements* are intended to provide readers with a broad overview of Cowlitz County's finances, in a manner similar to private-sector business. These statements provide information about where resources were allocated and about the activities of the County as a whole.

The *statement of net assets* presents information on all of the Cowlitz County's assets and liabilities, with the difference between the two reported as net assets. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. However, consideration should also be given to non-financial factors such as changes in the property tax base and the condition of roads and other assets to assess the overall health of the County.

The *statement of activities* presents information showing how the County's net assets changed during the most recent fiscal year. It separates program revenue (revenue generated by specific programs through charges for services, grants and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program). It shows to what extent each program has to rely on taxes for funding. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow flows in future fiscal periods. (E.g. uncollected taxes and special assessments, and unused vacation leave, will be included in the statement of activities as revenues and expenses, even though the cash associated with not be received or paid in 2008.)

Both of the government-wide financial statements (statement of net assets and statement of activities) distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Cowlitz County include general government, public safety, judicial, physical environment, transportation, economic development, mental and physical health and culture and recreation. The business-type activities of Cowlitz County include water and sewer services to county residences, operation of a solid waste landfill site, a 911 communication center, maintaining law enforcement records, emergency services for the County and the exposition center used to host the County fair and other community-wide events.

The government-wide financial statements include not only the County itself (known as the primary government), but also a legally separate entity - the Three Rivers Regional Wastewater Authority (TRRWA) for which the County has issued bonds to help the finance their construction projects, and a legally separate entity – the Public Facilities District (PFD) that has a five member board appointed by the Board of County Commissioners that also had some debt issued by the County for its construction project. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The TRRWA board includes Cowlitz County, the cities of Longview and Kelso and the Beacon Hill Sewer District.

The government-wide financial statements can be found within the Basic Financial Statements section of this report.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds (general fund, special revenue funds, debt service funds and capital funds), proprietary funds (enterprise funds and internal service funds), and fiduciary funds (trust/agency funds). Fund financial statements explain how services are financed in the short-term as well as what remains available for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County are most significant funds rather than the County as a whole.

Some funds are required to be established by state law and by bond covenants. The Board of Commissioners has established many other funds to help it control and manage money for particular purposes or to show that the County is meeting legal responsibilities for using certain taxes, grants and other money.

***Governmental Funds*** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. These funds are reported using the modified accrual basis of accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditure, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Cowlitz County had 32 individual governmental funds at the close of 2008 Fund Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The following funds: General Fund, Road Fund, Community Mental Health Fund, the 2003 Limited G.O. and Refunding Bond-debt service fund, the 2006 Special Sewer Revenue Bond –debt service fund, and Capital Improvements Fund, are classified as major funds, based on criteria established by GASB Statement #34. (GASB Statement #34 defines a major fund as a fund who's assets, liabilities, revenues or expenditures comprise (1) at least 10% of the total dollar amount of the same category within either all government or all enterprise funds, as appropriate, and (2) at least 5% of the total dollar amount of all governmental and enterprise funds combined for the same category. The General Fund is always considered a major fund.) Data from the other 26 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Cowlitz County adopts a biennial budget comprised of two annual budgets. A budgetary comparison statement to actual expenditures has been provided, in the section identified required

supplementary information, for the General Fund and the other major special revenue funds identified in the previous paragraph to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found within the Basic Financial Statement section of this report.

***Proprietary Funds.*** Cowlitz County maintains two different types of proprietary funds: enterprise funds and internal service funds.

*Enterprise funds* are used to report the functions presented as business-type activities in the government-wide financial statement, but provide more detail. The proprietary fund financial statements provide separate information for the Water/Sewer Utility and the Solid Waste Landfill; both are identified as major funds. The 911 Communication Center, Law Enforcement Records, Emergency Management for coordinating disaster functions and the Exposition Center that hosts the County Fair and other community-wide events are non-major enterprise funds and are presented on a combined basis in the proprietary fund financial statements.

*Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. Cowlitz County uses internal service funds to account for its fleet of vehicles, management information systems, general liability and insurance services, workers' compensation and unemployment compensation costs. The County's internal service funds also account for the operation of telephone, postage, paper supplies, printing services, and elections. Because all of these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide statements.

All Internal Service Funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found within the Basic Financial Statement section of this report.

***Fiduciary Funds*** of Cowlitz County are used to account for assets held by the county on behalf of other governmental entities held for the benefit of parties outside the government which are classified as agency funds. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to finance County operations. The statements detailing these funds provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

The basic fiduciary funds financial statements can be found within the Basic Financial Statement section of this report.

***Notes to Financial Statements*** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements in this report.

### III. Condensed Financial Information

**Government-wide Financial Analysis.** As noted earlier, net assets may serve, over time, as a useful indicator of a government's financial position. Cowlitz County, assets exceed liabilities by \$202.3 million at December 31, 2008 compared to \$202.4 million at December 31, 2007.

Prior to 2002, infrastructure (roads, bridges, drainage systems, etc.) was not included in capital assets reported for Cowlitz County. GASB Statement #34 requires that all capital assets including infrastructure be reported. Cowlitz County has elected to use the depreciation method (not the conditional assessment approach) to account for infrastructure assets. Infrastructure at December 31, 2008 net of depreciation totals \$71.9 million of Cowlitz County's capital assets net of related debt.

Cowlitz County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

#### Cowlitz County's Net Assets

	Governmental Activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 69,792,424	\$ 75,847,094	30,837,762	27,583,172	\$ 100,630,186	\$ 103,430,266
Capital assets (net of depreciation)	141,263,011	137,230,538	16,400,625	16,742,682	157,663,636	153,973,220
Total assets	\$ 211,055,435	\$ 213,077,632	47,238,387	44,325,854	258,293,822	257,403,486
Long-term liabilities	37,626,103	37,048,795	12,917,305	11,499,538	50,543,408	48,548,333
Other liabilities	4,858,264	5,705,558	574,575	779,113	5,432,839	6,484,671
Total liabilities	42,484,367	42,754,353	13,491,880	12,278,651	55,976,247	55,033,004
Net Assets:						
Invested in capital assets, net of related debt	141,263,011	137,230,538	14,665,554	16,742,682	155,928,565	153,973,220
Restricted	13,286,578	15,841,207	18,377	18,377	13,304,955	15,859,584
Unrestricted	14,021,479	17,251,534	19,062,576	15,286,144	33,084,055	32,537,678
Total net assets	\$ 168,571,068	\$ 170,323,279	\$ 33,746,507	\$ 32,047,203	\$ 202,317,575	\$ 202,370,482

At December 31, 2008 the County has positive balances in governmental and business-type activities and in total net assets. The same situation existed for 2007. Cowlitz County's net assets decreased \$52.9 thousand in 2008 to December 31, 2007.

**Statement of Changes in Net Assets.** Key elements in the net decrease of \$52.9 thousand in net assets for 2008 along with comparative amounts for 2007 follows:

### Cowlitz County –Changes in Net Assets

	Governmental Activities		Business-type activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
<b>Revenues</b>						
<i>Program Revenues</i>						
Charges for services	\$ 25,743,143	\$ 24,947,732	\$ 10,405,934	\$ 10,586,558	\$ 36,149,077	\$ 35,534,290
Operating grants & contributions	6,422,916	7,529,536	278,153	105,154	6,701,069	7,634,690
Capital grants and contributions	2,411,003	9,002,113	19,051	490,693	2,430,054	9,492,806
<i>General Revenues</i>						
Taxes	36,823,566	40,022,883	677,982	654,318	37,501,548	40,677,201
Gain (loss) on sale of assets	484,398	892,677	-	(22,768)	484,398	869,909
Interest earned on investments	1,135,932	2,791,272	698,406	1,161,481	1,834,338	3,952,753
<b>Total revenues</b>	<b>73,020,958</b>	<b>85,186,213</b>	<b>12,079,526</b>	<b>12,975,436</b>	<b>85,100,484</b>	<b>98,161,649</b>
<b>Program Expenses</b>						
General Government	11,139,284	10,712,587			11,139,284	10,712,587
Public Safety	22,454,119	20,879,749	3,837,226	3,606,186	26,291,345	24,485,935
Judicial	6,118,685	5,505,884			6,118,685	5,505,884
Physical environment	1,036,143	518,080			1,036,143	518,080
Transportation-roads	13,084,755	13,764,874			13,084,755	13,764,874
Economic environment	3,140,324	4,138,008			3,140,324	4,138,008
Health	14,558,930	13,367,874			14,558,930	13,367,874
Culture & recreation	1,312,264	1,185,766	1,446,012	1,424,963	2,758,276	2,610,729
Solid Waste			4,020,698	3,946,294	4,020,698	3,946,294
Water			841,908	863,599	841,908	863,599
Sewer			546,066	534,173	546,066	534,173
Interest on long-term debt	1,616,977	1,670,067			1,616,977	1,670,067
<b>Total Expenses</b>	<b>74,461,481</b>	<b>71,742,889</b>	<b>10,691,910</b>	<b>10,375,215</b>	<b>85,153,391</b>	<b>82,118,104</b>
Excess (deficiency) of revenues over (under) expenses	(1,440,523)	13,443,324	1,387,616	2,600,221	(52,907)	16,043,545
Transfers	(311,688)	(228,170)	311,688	228,170	-	-
<b>Change in Net Assets</b>	<b>(1,752,211)</b>	<b>13,215,154</b>	<b>1,699,304</b>	<b>2,828,391</b>	<b>(52,907)</b>	<b>16,043,545</b>
Net assets January 1	170,323,280	157,108,126	32,047,203	29,218,812	202,370,483	186,326,938
Prior period adjustment					-	-
<b>Net assets -December 31</b>	<b>\$ 168,571,069</b>	<b>\$ 170,323,280</b>	<b>\$ 33,746,507</b>	<b>\$ 32,047,203</b>	<b>\$ 202,317,576</b>	<b>\$ 202,370,483</b>

Cowlitz County revenue totaled \$85.1 million in 2008. Governmental activities provided \$73.0 million, 85.78%, while business activities provided \$12.0 million. Taxes - \$36.8 million account for 50.20% of the 2008 governmental activity revenues compared to \$40.0 million in 2007.

**Governmental activities** net assets of Cowlitz County decreased by \$1.8 million in 2008. It consists of governmental expenditures in excess of governmental revenues by \$1.4 million increased by \$312 thousand in governmental transfers out to business-type activities.

Charges for services revenue totaled \$25.7 million in 2008 compared to \$24.9 million in 2007. Charges for service revenue was up in five programs and down in five programs as shown on the Statement of Activities. Physical Environment had the greatest increase of \$518.1 thousand from \$22 thousand related to dredging activities for the St. Helens Recovery program. Governmental activity revenue from the gain on sale of capital assets totaled \$484 thousand in 2008 compared to \$892.7 thousand in 2007. Capital grants and capital contributions totaled \$2.4 million in 2008 compared to \$9.0 million in 2007. County governmental activity expenses in 2008 totaled \$74.5 million, a 3.77% increase compared to 2007.

***Business type expenses*** for Cowlitz County in 2008 totaled \$10.7 million compared to \$10.3 million in 2007. Expenses included public safety programs consisting of (911 communications, law enforcement records and emergency management) - \$3.8 million; the solid waste landfill \$4.0 million; the water sewer utility \$1.4 million in expenses and the exposition center had \$1.4 million of expenses in 2008.

***Business type activities*** net assets increased \$1.7 million in 2008. Charges for service revenues of \$10.4 million accounted for 86.67% of total business revenues.

Other business revenues consisted of \$678 thousand in 911 communication taxes. And interest earnings on investments totaled \$698 thousand in 2008 compared to \$1.2 million in 2007.

The Solid Waste Utility revenue of \$4.8 million accounted for 39.67% of the business-type revenues reported in 2008. The Solid Waste charges for service revenues totaled \$4.7 million in 2008 a decrease of \$200 thousand, 4.08%, compared to 2007. Net assets of the Solid Waste Utility totaled \$20.0 million at December 31, 2008, an increase of \$849 thousand in 2008. Interest income in 2008 totaled \$629 thousand versus \$1.1 million in 2007.

The Water-Sewer Utility charges for service revenues totaled \$1.4 million, an increase of 16.67% over 2007. The Water Sewer net assets increased \$64 thousand in 2008 to \$7.8 million.

Exposition Center operating revenues totaled \$1.1 million in 2008 compared to \$1.2 million in 2007. The County General Fund provided a \$285 thousand transfer to support operations in 2008. The Exposition Center's net assets increased \$47 thousand in 2008.

911Communications Center operating revenues totaled \$1.9 million and received \$678 thousand in 911 taxes. The 911 net assets increased \$234 thousand in 2008 to \$3.9 million.

Law Enforcement Records operating revenues for 2008 totaled \$991 thousand, an 11.47% increase compared to 2007. Operating expenses totaled \$1.1 million in 2008, a 10% increase over 2007. The Fund had an operating loss of \$136 thousand in 2008. Non-operating revenues totaled \$4 thousand. The change in net assets was \$104 thousand decrease in 2008 compared to a \$109 thousand decrease in 2007.

Emergency Management operating revenues totaled \$189 thousand in 2008. Operating loss was a \$117 thousand in 2008. Net assets were \$157 thousand at December 31, 2008 an increase of \$20 thousand in comparison to December 31, 2007.

**Financial Analysis of County Funds.** As noted earlier, Cowlitz County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of Cowlitz County's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the County's financing requirements, in particular, the unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

Governmental Funds Balance Sheet Analysis. The General Fund, the County Road Fund, Community Mental Health Fund, Debt Service 2003 Limited GO and Refunding Bond Debt Service, Debt Service -2006 Special Sewer Revenue, and the Capital Improvements Fund are the

County's major governmental funds. These funds account for 79% of the total governmental funds as of the December 31, 2008 ending fund balance.

	Balance	Percent
General Fund	\$ 5,340,364	10%
Road Fund	5,463,576	10%
Community Mental Health	2,388,176	4%
2003 Lmt. GO Refunding Bonds	5,895,000	11%
2006 Special Sewer Revenue Bonds	12,800,000	24%
Capital Improvement Fund	10,569,446	20%
Other Governmental Funds	11,083,875	21%
Total Governmental Fund Balance	\$ 53,540,437	100%

The Capital Improvements fund balance totaled \$10.6 million at December 31, 2008; this represents 20% of the governmental funds fund balance. Some of the fund balance is reserved consisting of \$2.1 million for transportation, \$1.7 million capital improvements, and 173 thousand for physical environment.

The major debt service funds combined had \$18.8 million in fund balance at December 31, 2008. This represents receivables owing from other districts for future debt principal. The fund balance for the debt service funds are on the modified accrual basis - the debt associated with those funds does not appear in the governmental funds but does appear on the entity wide statement of net assets offsetting the debt service positive fund balances.

Therefore \$18.8 million of the governmental funds December 31, 2008 total fund balance of \$53.5 million is actually restricted to paying long-term debt. Excluding the debt service fund balances the governmental funds fund balance at December 31, 2007 was \$34.7 million compared to \$37.5 million at December 31, 2007.

Approximately 49% of the governmental fund's fund balance (\$26.0 million) constitutes the unreserved fund balance, which is available for spending within the designated funds. The remainder of fund balance is not available for new spending because it is committed: 1) to pay off bonds the County issued in its name that benefited other districts who have agreed to pay the County in future years and 2) the Capital Improvements Fund as stated prior.

Governmental Funds Revenue/Expenditure Analysis. The following exhibit and chart shows the revenue and expenditure amounts for the major governmental funds and all other governmental funds in 2008:

	Revenues	Expenditures
General Fund	\$36,012,781	\$37,865,283
County Road	13,413,684	15,283,108
Community Mental Health	10,581,832	10,562,370
Debt Svc. -2003 Ltd. GO& Refunding	229,830	499,830
Debt Svc.- 2006 Special Sewer Rev. Bond	629,688	1,119,688
Capital Improvements	2,415,717	2,256,304
Other Governmental Funds	8,364,737	10,086,863

Governmental fund revenues in 2008 totaled \$71.6 million exceeding 2007 governmental fund revenues of \$82.7 million by \$11.1 million. The revenues above do not include the gain on sale of capital assets of \$515 thousand, which is presented as other financing sources. The gain on sale of capital assets is primarily from timber sales on County timberlands managed by the State of Washington.

The **General Fund** is the chief operating fund of Cowlitz County. At December 31, 2008 the unreserved fund balance of the General Fund was \$5.3 million; this represents 10% of the governmental funds' fund balances total. The General Fund's 2008 fund balance decreased \$3.6 million compared to a \$972 thousand decrease for 2007. The General Fund had \$36.0 million in revenues in 2008 compared to \$39.8 million in 2007. Property tax revenue totaled \$15.7 million compared to \$14.9 million in 2007. The 2008 General Fund sales tax revenues totaled \$4.6 million, \$700 thousand less than the \$5.3 million 2007. General Fund 2008 expenditures totaled \$37.9 million compared to \$37.2 million for 2007. Public Safety expenditures of the General Fund of \$19.0 million represent 50.13% of the General Fund expenditures.

The General Fund transfers out in 2008 to support other County funds totaled \$1.9 million compared to \$3.7 million in 2007.

The **Capital Improvements Fund's** 2008 revenues of \$2.4 million exceeded expenditures by \$159 thousand. The total of other financing sources (uses), which includes transfers in and transfers out resulted in a net decrease to the Capital Improvements fund balance of \$1.1 million for the year. The December 31, 2008 fund balance totaled \$10.7 million.

The **County Road's** fund balance decreased \$968 thousand to \$5.5 million at December 31, 2008. Total revenues in 2008 were \$13.4 million compared to \$19.7 million in 2007. Road Fund expenditures for 2008 totaled \$15.3 million compared to \$18.7 million in 2007. Road construction expenditures totaled \$3.8 million compared to \$8.6 million in 2007. Intergovernmental revenues of \$4.5 million in 2008 represents a \$6.2 million decrease over 2007 intergovernmental revenues.

The **Community Mental Health's** fund balance at December 31, 2008 totaled \$2.4 million. This was an increase of \$200 thousand in 2008 as opposed to a loss in 2007 of \$499 thousand. Revenues were \$10.6 million in 2008 compared to \$10.2 million in 2007. Expenditures were \$10.6 million in 2008 compared to \$9.7 million in 2007. The County contracts with outside parties to provide mental health, substance abuse and developmental disabilities programs.

The **2003 Lmt. GO Debt Service** fund expenditures exceeded revenues by \$270,000 decreasing fund balance to \$5.9 million. Bond principal payments are shown in the funds as expenditures and on the entity wide as a reduction of the long term debt liability.

The **2006 Spec. Sewer Revenue Debt Service** fund balance is \$12.8 million. Three Rivers Regional Wastewater Authority (TRRWA) has agreed to pay the debt on this issue which has annual principal payments beginning in 2007 through 2025.

**Proprietary Funds.** Cowlitz County’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The December 31, 2008 unrestricted fund balances and changes in unrestricted net assets of the enterprise funds for 2008 were:

	Unrestricted Fund Balance 12/31/08	Increase (Decrease) for Year
Water Sewer	\$ 1,517,672	\$ 123,665
Solid Waste	16,115,399	1,725,120
Exposition Center	15,793	31,328
911 Communications	1,078,829	439,000
Law Enforcement Records	252,973	105
Emergency Management	157,408	25,028

Net assets include restricted and unrestricted fund balance. In 2008 the enterprise funds combined net assets increased \$1.7 million from operations, representing a 5.31% increase over 2007 balances.

Enterprise Funds Net Assets Analysis. Cowlitz County has two major enterprise funds, the Solid Waste Fund and the Water Sewer Fund, that account for 83.73% of the \$33.2 million net assets for all enterprise funds at December 31, 2008.

#### **IV. Budget Analysis –General Fund Budgetary Highlights**

The net difference between the original General Fund budget for 2008 and the final amended budget was \$617 thousand increase in appropriations, a 1.48% increase over the original budget of \$41.8 million. The amended changes to appropriations for 2008 were as follows:

Increases (Decreases) To Budget	Activity
\$ 57,070	General government
31,854	Public Safety -Corrections
(20,323)	Public Safety-Juvenile probation
45,714	Public Safety – Other/Sheriff
22,547	Judicial
432,500	Economic environment
48,265	Mental & physical health
(35,000)	Capital Outlays
<u>35,000</u>	Transfers Out
617,627	

## V. Capital Assets and Long-Term Debt Administration

**Capital Assets.** Cowlitz County's investment in capital assets for its governmental and business-type activities as of December 31, 2008 totals \$157.7 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, and bridges and construction in progress.

The total increase in Cowlitz County's investment in capital assets net of depreciation was \$3.7 million in 2008. This consisted of \$4.1 million in governmental activity capital assets and a \$300 thousand decrease in business-type activity capital assets.

	COWLITZ COUNTY CAPITAL ASSETS (net of depreciation)					
	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 9,549,234	\$ 8,858,723	\$ 1,148,600	\$ 1,148,600	\$ 10,697,834	\$ 10,007,323
Buildings & Syst. Improve other than Buildings	29,941,796	31,040,857	8,166,003	8,568,568	38,107,799	39,609,425
Machinery & Equip. Infrastructure	3,136,655	2,289,850	4,654,605	3,321,187	7,791,260	5,611,037
Construction in Progress	6,521,209	6,104,845	1,891,091	1,847,537	8,412,300	7,952,382
	71,941,879	72,351,893	-	-	71,941,879	72,351,893
Total	20,172,238	16,584,370	540,956	1,856,801	20,713,194	18,441,171
	\$ 141,263,011	\$ 137,230,538	\$ 16,401,255	\$ 16,742,693	\$ 157,664,266	\$ 153,973,231

**Long-Term Debt.** At December 31, 2008 Cowlitz County has \$37.6 million in long-term debt owed from *governmental activities* (of that amount \$31.9 million consisted of bonds) and \$12.9 million in long-term debt for *business type activities*.

	COWLITZ COUNTY OUTSTANDING DEBT General Obligation and Revenue Bonds					
	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
General obligation bonds	\$29,903,690	\$31,105,143	\$0	\$19,512	\$29,903,690	\$31,124,655
Special assessment bonds with Govt. commitment	1,960,000	2,090,000			1,960,000	2,090,000
	\$31,863,690	\$33,195,143	\$0	\$19,512	\$31,863,690	\$33,214,655

## VI. Economic Factors and Budgets

The Board of Commissioners considered many factors when setting the budget, tax rates, and fees to charge for the business-type activities. One of those factors is the economy.

These and other factors are considered in preparing the Cowlitz County budget.

### Requests for Information

The financial report is designed to provide a general overview of Cowlitz County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Auditor's Office, Cowlitz County, 207 4<sup>th</sup> Avenue No., Kelso, Wa. 98626.



## **BASIC FINANCIAL STATEMENTS**

The basic financial statements and note disclosures comprise the minimum acceptable fair presentation in conformity with Generally Accepted Accounting Principles (GAAP). Basic Financial Statements include:

### **Government –wide Financial Statements**

- (1) **Government-wide Statement of Net Assets-** presents information on all County governmental and business-type assets and liabilities, with the difference reported as net assets.
- (2) **Government-wide Statement of Activities-** presents information on all County governmental and business-type revenues and expenses, with the difference reported as change in net assets.

### **Fund Financial Statements**

- (3) **Balance Sheet-Governmental Funds-** presents the balance sheet for major funds and aggregated amount for all other governmental funds.
- (4) **Reconciliation of the Balance Sheet to the Government-wide Statement of Net Assets.**
- (5) **Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds-** presents information for each major fund and aggregated amounts for all other governmental funds.
- (6) **Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.**
- (7) **Statement of Net Assets-Proprietary Funds-**presents information on all assets and liabilities, with the difference reported as change in net assets for each major enterprise fund and aggregated amounts for all other enterprise funds, as well as a separate column of information for internal service funds.
- (8) **Statement of Revenues, Expenses, and Changes in Net Assets-Proprietary Funds-**presents information for each major fund and aggregated information for all enterprise funds as well as a separate column for all internal service funds combined.
- (9) **Statement of Cash Flows-Proprietary Funds-**presents information on the sources and uses of cash for each major fund and aggregated information for all other enterprise funds and also a separate column for internal service funds combined.
- (10) **Statement of Fiduciary Net Assets-Fiduciary Funds-** presents information on agency fund assets and liabilities.
- (11) **Notes to Financial Statements**



**Cowlitz County, Washington**  
**Statement of Net Assets**  
**December 31, 2008**

	<u>Primary Government</u>			<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Three Rivers Regional Wastewater Authority</u>	<u>Public Facilities District</u>
<b>ASSETS</b>					
Cash, cash equivalents & pooled investments	\$ 39,211,061	\$ 16,214,641	\$ 55,425,702	\$ 11,958,998	\$ 7,799,441
Receivables (net)	11,372,462	949,104	12,321,566	105,634	70,412
Due from component unit	18,701,220	2,944,525	21,645,745	-	-
Internal Balances	188,926	(188,926)	-	-	-
Inventories	109,384	9,629	119,013	-	-
Prepaid items	180,976	60,601	241,577	21,295	-
Deferred charges	-	-	-	-	-
Restricted cash, cash equivalents & pooled investments:					
Customer deposits	28,395	40,604	68,999	-	-
Closure and postclosure	-	10,807,584	10,807,584	-	-
<i>Capital Assets:</i>					
Land	9,549,234	1,148,600	10,697,834	586,540	-
Depreciable assets (net)	39,599,660	14,711,069	54,310,729	48,255,855	6,433,235
Infrastructure (net)	71,941,879	-	71,941,879	-	-
Construction in progress	20,172,238	540,956	20,713,194	20,112,954	1,464,869
<b>Total Assets</b>	<b>211,055,435</b>	<b>47,238,387</b>	<b>258,293,822</b>	<b>81,041,276</b>	<b>15,767,957</b>
<b>LIABILITIES</b>					
Accounts payable & accrued exp.	2,400,202	327,616	2,727,818	980,393	184,492
Other current liabilities	2,429,667	220,659	2,650,326	80,738	75,280
Customer Deposits	28,395	26,300	54,695	-	-
<i>Noncurrent Liabilities:</i>					
Due within one year	2,004,071	135,328	2,139,399	2,380,256	75,000
Due primary gov. within one yr.	-	-	-	635,000	160,000
Due in more than one year	35,622,032	12,781,977	48,404,009	31,210,871	5,970,000
Due primary gov. more than one year	-	-	-	15,364,525	5,338,961
<b>Total Liabilities</b>	<b>42,484,367</b>	<b>13,491,880</b>	<b>55,976,247</b>	<b>50,651,783</b>	<b>11,803,733</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	141,263,011	14,665,554	155,928,565	22,125,757	793,235
Restricted for:					
Economic development	1,882,418	-	1,882,418	-	-
Health	3,437,560	-	3,437,560	-	-
Physical environment	172,783	-	172,783	-	-
Transportation-roads	7,168,576	-	7,168,576	-	-
Law Enforcement	621,122	-	621,122	-	-
Culture & recreation	4,119	18,377	22,496	-	-
Unrestricted	14,021,479	19,062,576	33,084,055	8,263,736	3,170,989
<b>Total Net Assets</b>	<b>\$ 168,571,068</b>	<b>\$ 33,746,507</b>	<b>\$ 202,317,575</b>	<b>\$ 30,389,493</b>	<b>\$ 3,964,224</b>

The notes to the financial statements are an integral part of this statement.

**Cowlitz County, Washington**  
**Statement of Activities**  
**For the Year Ended December 31, 2008**

	Net (Expense) Revenue and Changes in Net Assets						
	Primary Government						Component Units
	Program Revenues		Capital Grants and Contributions		Business-type Activities		Total
Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	Regional Wastewater Authority	Public Facilities District
	\$ 11,139,284	\$ 3,905,953	\$ 748,397	\$ (6,484,934)	\$ -	\$ (6,484,934)	
General Government	9,439,356	3,964,355	182,279	(5,292,722)	-	(5,292,722)	
Public Safety-Corrections	3,746,462	49,243	848,637	(2,848,582)	-	(2,848,582)	
Public Safety-Juvenile	9,268,301	1,261,478	384,007	(7,622,816)	-	(7,622,816)	
Public Safety-Other	6,118,685	2,928,928	189,966	(2,999,791)	-	(2,999,791)	
Judicial	1,036,143	831,796	92,017	(112,330)	-	(112,330)	
Physical Environment	13,084,755	447,207	267,028	(9,959,517)	-	(9,959,517)	
Transportation - Roads	3,140,324	2,347,884	15,091	(777,349)	-	(777,349)	
Economic Environment	14,558,930	9,899,929	3,695,494	(963,507)	-	(963,507)	
Health	1,312,264	106,370	-	(1,205,894)	-	(1,205,894)	
Culture & Recreation	1,616,977	-	-	(1,616,977)	-	(1,616,977)	
Interest on long-term debt	74,461,481	25,743,143	6,422,916	(39,884,419)	-	(39,884,419)	
Total governmental activities			2,411,003				
<i>Business-type Activities:</i>							
Water	841,908	650,674	-	-	(179,796)	(179,796)	
Sewer	546,066	749,174	3,411	-	214,132	214,132	
Garbage & Solid Waste	4,020,698	4,716,194	96,302	-	791,798	791,798	
Public Safety	3,837,226	3,115,981	140,505	-	(580,740)	(580,740)	
Culture & Recreation	1,446,012	1,173,911	37,935	-	(234,166)	(234,166)	
Total business-type activities	10,691,910	10,405,934	278,153	-	11,228	11,228	
Total Primary Government	\$ 85,153,391	\$ 36,149,077	\$ 6,701,069	\$ 2,430,054	\$ (39,884,419)	\$ 11,228	\$ (39,873,191)
<b>Component Unit</b>							
Three Rivers Reg. Wastewater	\$ 6,817,087	\$ 7,952,377	\$ -	\$ -	\$ -	\$ 1,268,581	\$ -
Public Facilities District	993,157	14,139	-	-	-	-	930,183
Total Component Units	\$ 7,810,244	\$ 7,966,516	\$ -	\$ -	\$ -	\$ 1,268,581	\$ 930,183
<b>GENERAL REVENUES:</b>							
Property Taxes				23,889,312	-	23,889,312	-
Sales Taxes				6,995,608	-	6,995,608	-
911 Taxes				-	677,982	677,982	-
Other Taxes				5,938,646	-	5,938,646	-
Investment Earnings				1,135,932	698,406	1,834,338	250,025
Gain (loss) on sale of capital assets				(311,688)	-	484,398	-
Total General Revenues & Transfers				38,132,208	1,688,076	39,820,284	250,025
Change in Net Assets				(1,752,211)	1,699,304	(52,907)	1,518,606
Net assets - January 1				170,323,279	32,047,203	202,370,482	28,870,887
Prior period adjustment							1,753,188
Net assets - December 31				\$ 168,571,068	\$ 33,746,507	\$ 202,317,575	\$ 30,389,493
				\$ -	\$ -	\$ -	\$ 3,964,224

This notes to the financial statements are an integral part of this statement.

Cowlitz County, Washington  
Balance Sheet  
Governmental Funds  
December 31, 2008

	Major Funds							Total Governmental Funds
	General	County Road	Community Mental Health	Debt Service 2003 Lmt. G.O. Bonds	Debt Service 2006 Spec. Sewer Rev. Bonds	Capital Improvements	Other Governmental Funds	
<b>ASSETS</b>								
<i>Current Assets:</i>								
Cash	\$ 5,976,576	\$ 5,938,413	\$ 2,632,487	\$ -	\$ -	\$ 9,616,281	\$ 5,836,006	\$ 29,999,763
Receivables (net)	2,787,219	1,172,649	483,078	-	-	1,134,928	5,674,950	11,252,824
Due from other funds	129,847	23,200	-	-	-	-	13,753	166,800
<i>Noncurrent Assets:</i>								
Restricted cash & investments:								
Due from component unit	4,137	644	-	5,895,000	12,800,000	-	-	18,699,781
Customer deposits & seized	13,586	-	-	-	-	-	14,809	28,395
<b>Total assets</b>	<b>\$ 8,911,365</b>	<b>\$ 7,134,906</b>	<b>\$ 3,115,565</b>	<b>\$ 5,895,000</b>	<b>\$ 12,800,000</b>	<b>\$ 10,751,209</b>	<b>\$ 11,539,518</b>	<b>\$ 60,147,563</b>
<b>LIABILITIES</b>								
Accounts payable	\$ 364,357	\$ 443,839	\$ 406,750	\$ -	\$ -	\$ 181,666	\$ 68,459	\$ 1,465,071
Payable to other governments	91,414	14,840	316,671	-	-	-	88,857	511,782
Due to other funds	73,046	373,933	3,968	-	-	59	23,223	474,229
Deferred revenue	1,698,047	515,843	-	-	-	-	15,911	2,229,801
Other current liabilities	1,330,551	322,875	-	-	-	38	244,384	1,897,848
Customer deposits and seized payable	13,586	-	-	-	-	-	14,809	28,395
<b>Total liabilities</b>	<b>\$ 3,571,001</b>	<b>\$ 1,671,330</b>	<b>\$ 727,389</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 181,763</b>	<b>\$ 455,643</b>	<b>\$ 6,607,126</b>
<b>FUND BALANCE</b>								
<i>Reserved for:</i>								
Long-term loans receivable	\$ -	\$ -	\$ -	\$ 5,895,000	\$ 12,800,000	\$ 1,130,923	\$ 4,919,910	\$ 24,745,833
Capital improvements	-	-	-	-	-	940,948	-	940,948
Transportation	-	-	-	-	-	1,705,000	-	1,705,000
Physical environment	-	-	-	-	-	172,783	-	172,783
<i>Unreserved, reported in</i>								
General Fund	5,340,364	-	-	-	-	-	-	5,340,364
Debt Service	-	-	-	-	-	-	-	-
Special revenue funds	-	5,463,576	2,388,176	-	-	-	6,163,965	14,015,717
Capital project funds	-	-	-	-	-	6,619,792	-	6,619,792
<b>Total fund balance</b>	<b>\$ 5,340,364</b>	<b>\$ 5,463,576</b>	<b>\$ 2,388,176</b>	<b>\$ 5,895,000</b>	<b>\$ 12,800,000</b>	<b>\$ 10,569,446</b>	<b>\$ 11,083,875</b>	<b>\$ 53,540,437</b>
<b>Total liabilities and fund balance</b>	<b>\$ 8,911,365</b>	<b>\$ 7,134,906</b>	<b>\$ 3,115,565</b>	<b>\$ 5,895,000</b>	<b>\$ 12,800,000</b>	<b>\$ 10,751,209</b>	<b>\$ 11,539,518</b>	<b>\$ 60,147,563</b>

The notes to the financial statements are an integral part of this statement.

**Cowlitz County, Washington**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Assets**  
**December 31, 2008**

Total fund balances as shown on the Governmental Funds Balance Sheet	\$	53,540,437
Capital assets (net) used in governmental activities are not financial resources and therefore are not reported in the funds. (amounts for internal service fund capital assets are included as part of reconciling item further down the page.)		135,454,068
Internal Service Funds are used to charge the costs of services to individual funds. The assets and liabilities of internal service funds are included in governmental activities on the statement of net assets.		13,614,044
Allocation to enterprise funds share of net (income) loss of internal service funds.		7,058
Prior Years allocation		68,438
Accrued interest receivable was less than interest receivable modified accrual		
Assets deferred in governmental funds until they are available for current year expenditure.		2,229,801
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet		<u>(36,342,778)</u>
Net assets of governmental activities	\$	<u><u>168,571,068</u></u>

The notes to the financial statements are an integral part of this statement

**Cowlitz County, Washington**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2008**

**Major Funds**

	General	County Road	Community Mental Health	Debt Service 2003 Lmt. G.O. Bonds	Special Sewer Revenue Bonds	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>								
<i>Taxes:</i>								
Property Sales	\$ 15,679,470	\$ 7,728,658	\$ -	\$ -	\$ -	\$ -	\$ 305,031	\$ 23,713,159
Timber Harvest Tax	4,575,853	-	-	-	-	1,363,524	1,056,228	6,995,605
Other	607,772	704,554	-	-	-	-	13,439	1,325,765
Licenses & Permits	360,833	84,712	-	-	-	711,626	2,002	1,159,173
Intergovernmental	74,517	-	-	-	-	-	1,525,158	1,599,675
Charges for Services	6,969,652	4,547,791	10,435,961	-	-	96,245	3,086,292	25,135,941
Fines & Forfeitures	4,938,602	222,949	-	-	-	-	1,329,559	6,491,110
Investment Earnings	1,433,235	-	-	-	-	-	156,537	1,589,772
Rents & Leases	834,272	92,562	47,850	-	-	241,113	145,465	1,361,262
Special Assesments	376,683	14,141	-	-	-	-	-	390,824
Insurance Premiums & Recoveries	-	675	-	-	-	-	294,924	294,924
See Intergovtl Category above	N/A	N/A	N/A	-	-	-	-	675
See Capital Grants above	N/A	N/A	N/A	-	-	-	-	-
Miscellaneous Revenues	161,892	17,642	98,021	229,830	629,688	3,209	450,102	1,590,384
<b>Total revenues</b>	<b>36,012,781</b>	<b>13,413,684</b>	<b>10,581,832</b>	<b>229,830</b>	<b>629,688</b>	<b>2,415,717</b>	<b>8,364,737</b>	<b>71,648,269</b>
<b>EXPENDITURES</b>								
<i>Current:</i>								
General Government	9,970,456	-	-	-	-	105,830	718,353	10,794,639
Public Safety-Corrections	8,842,735	-	-	-	-	8,215	-	8,850,950
Public Safety-Juvenile	3,524,522	-	-	-	-	-	-	3,524,522
Public Safety-Other	6,616,972	-	-	-	-	39,942	1,962,024	8,618,938
Judicial	6,024,239	-	-	-	-	-	-	6,024,239
Physical Environment	445,739	-	-	-	-	372,963	215,733	1,034,435
Economic Environment	1,114,342	-	-	-	-	1,474	2,060,731	3,176,547
Transportation	19,150	11,522,760	-	-	-	400,000	274	11,942,184
Health & Human Services	550,723	-	10,554,246	-	-	-	3,427,289	14,532,258
Culture & Recreation	717,050	-	-	-	-	114,712	276,788	1,108,550
<i>Debt Service:</i>								
Principal	-	-	8,124	270,000	490,000	-	730,000	1,498,124
Interest	-	-	-	229,830	629,688	-	588,531	1,448,049
Other	-	-	-	-	-	1,170	-	1,170
<i>Capital Outlay</i>								
<b>Total expenditures</b>	<b>37,865,283</b>	<b>15,283,108</b>	<b>10,562,370</b>	<b>499,830</b>	<b>1,119,688</b>	<b>2,256,304</b>	<b>10,086,863</b>	<b>77,673,446</b>
Excess (deficiency) of revenues over (under) expenditures	(1,852,502)	(1,869,424)	19,462	(270,000)	(490,000)	159,413	(1,722,126)	(6,025,177)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	702,482	13,872	-	-	54,200	2,279,148	3,049,702
Transfers out	(1,904,116)	(75,000)	-	-	-	(1,343,282)	(316,877)	(3,639,275)
Sale of capital assets	235,583	274,077	-	-	-	-	5,184	514,844
<b>Total other financing sources (uses)</b>	<b>(1,668,533)</b>	<b>901,559</b>	<b>13,872</b>	<b>-</b>	<b>-</b>	<b>(1,289,082)</b>	<b>1,967,455</b>	<b>(74,729)</b>
<b>Net change in fund balance</b>	<b>(3,521,035)</b>	<b>(967,865)</b>	<b>33,334</b>	<b>(270,000)</b>	<b>(490,000)</b>	<b>(1,129,669)</b>	<b>245,329</b>	<b>(6,099,906)</b>
<b>Fund balances--beginning</b>	<b>8,861,399</b>	<b>6,431,441</b>	<b>2,224,811</b>	<b>6,165,000</b>	<b>13,290,000</b>	<b>11,699,115</b>	<b>9,353,667</b>	<b>58,025,433</b>
Prior period adjustment	-	-	130,031	-	-	-	1,484,879	1,614,910
<b>Fund balances--ending</b>	<b>\$ 5,340,364</b>	<b>\$ 5,463,576</b>	<b>\$ 2,388,176</b>	<b>\$ 5,895,000</b>	<b>\$ 12,800,000</b>	<b>\$ 10,569,446</b>	<b>\$ 11,083,875</b>	<b>\$ 53,540,437</b>

The notes to the financial statements are an integral part of this statement

**Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
For the Year Ended December 31, 2008**

Net change in fund balance as shown on Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance:

Net change in fund balances-total governmental funds \$ (6,099,906)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those capital outlays that benefit the county are posted as assets and are allocated over their estimated useful lives and reported as depreciation. Also, the disposition of capital assets (net book value) are deducted from the sale of fixed assets. The amount by which capital outlays exceeded depreciation and write off of net book value of assets disposed of in current period. 3,071,921

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds while the repayment of the principal of the long-term debt consumes the current financial resource of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs premiums, discounts and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 553,485

Change in accrual interest earnings 2008 versus on modified accrual basis (342,046)

Governmental funds report revenue in current period for revenues deferred in prior periods since they were not available financing sources at the time. Government-wide statements record revenues at the time they are earned. This amount accounts for the change in deferred revenues during 2008. 176,155

Some expenses reported in the statement of activities do not require the use of current financial resources, and accordingly, are not reported as expenditures in governmental funds. This amount represents the change in accrued interest payable and accrued compensation payable for year. (8,269)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (loss) of most of these activities is reported within governmental activities. 896,449

Change in net assets-governmental activities- on the Statement of Activities (page 19) \$ (1,752,211)

The notes to financial statements are an integral part of this statement

**Cowlitz County, Washington**  
**Statement of Net Assets**  
**Proprietary Funds**  
**December 31, 2008**

	<b>Business-type Activities--Enterprise Funds</b>				<b>Governmental Activities- Internal</b>
	<b>Water Sewer</b>	<b>Solid Waste</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	
<b>ASSETS</b>					
<i>Current assets:</i>					
Cash, cash equivalents & pooled investments	\$ 1,652,018	\$ 12,196,916	\$ 2,365,707	\$ 16,214,641	\$ 9,211,298
Receivables (net)	79,348	508,044	137,503	724,895	3,496
Interest receivable	33	25,352	76	25,461	3,338
Due from other funds		481	385	866	479,263
Interfund loan receivable	-	561,594	-	561,594	-
Due from other governments	7,509	129,280	61,959	198,748	112,804
Due from component unit	-	2,944,525	-	2,944,525	1,439
Inventories	-	9,629	-	9,629	109,384
Prepaid items	4,520	10,179	45,902	60,601	180,976
Customer deposits-restricted cash and cash equivalents	21,820		4,479	26,299	
<i>Total Current Assets</i>	<u>1,765,248</u>	<u>16,386,000</u>	<u>2,616,011</u>	<u>20,767,259</u>	<u>10,101,998</u>
<i>Noncurrent assets:</i>					
Restricted cash, cash equivalents & investments:					
Customer deposits	14,305	-	-	14,305	-
Cash & equivalents for closure & postclosure	-	9,307,584	-	9,307,584	-
Deferred charges & other assets		-			
Investments for closure & postclosure	-	1,500,000	-	1,500,000	-
<i>Capital assets:</i>					
Land	122,635	389,392	636,573	1,148,600	20,795
Buildings and system	12,464,771	3,925,948	555,865	16,946,584	422,920
Improvements and other than bldgs.	-	8,270,344	2,119,708	10,390,052	-
Machinery and equipment	-	1,845,201	3,586,742	5,431,943	14,585,119
Construction in progress	540,956	-	-	540,956	-
Less accumulated depreciation	(5,091,962)	(9,925,562)	(3,039,986)	(18,057,510)	(9,219,891)
Total capital assets (net of accum depr.)	<u>8,036,400</u>	<u>4,505,323</u>	<u>3,858,902</u>	<u>16,400,625</u>	<u>5,808,943</u>
<b>Total assets</b>	<u><u>9,815,953</u></u>	<u><u>31,698,907</u></u>	<u><u>6,474,913</u></u>	<u><u>47,989,773</u></u>	<u><u>15,910,941</u></u>
<b>LIABILITIES</b>					
<i>Current liabilities:</i>					
Accounts payable	116,179	112,734	47,999	276,912	163,041
Payable to other governments	23,327	7,053	13,686	44,066	260,308
Due to other funds	40,835	43,352	30,107	114,294	58,404
Accrued interest payable	6,638	-	-	6,638	-
Claims and judgements	-	-	-	-	389,071
Limited G.O. Bonds Payable	-	-	-	-	-
Notes Payable	135,328	-	-	135,328	61,627
Other current liabilities	20,206	36,456	163,997	220,659	89,021
Customer deposits payable from restricted assets	21,820	-	4,480	26,300	-
Total current liabilities	<u>364,333</u>	<u>199,595</u>	<u>260,269</u>	<u>824,197</u>	<u>1,021,472</u>
<i>Noncurrent liabilities:</i>					
Compensated absences	32,876	71,006	270,768	374,650	185,479
Customer deposits payable from restricted assets	-	-	-	-	-
Landfill closure and postclosure costs	-	10,807,584	-	10,807,584	-
Claims and judgements	-	-	-	-	1,089,946
Limited G.O. Bonds & net of unamortized discount)	-	-	-	-	-
Notes Payable	1,599,743	-	561,594	2,161,337	-
Total non current liabilities	<u>1,632,619</u>	<u>10,878,590</u>	<u>832,362</u>	<u>13,343,571</u>	<u>1,275,425</u>
<b>Total liabilities</b>	<u><u>1,996,952</u></u>	<u><u>11,078,185</u></u>	<u><u>1,092,631</u></u>	<u><u>14,167,768</u></u>	<u><u>2,296,897</u></u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	6,301,329	4,505,323	3,858,902	14,665,554	5,747,316
Restricted-donations pigeon/horse purposes			18,377	18,377	
Unrestricted	1,517,672	16,115,399	1,505,003	19,138,074	7,866,728
<b>Total net assets</b>	<u><u>7,819,001</u></u>	<u><u>20,620,722</u></u>	<u><u>5,382,282</u></u>	<u><u>33,822,005</u></u>	<u><u>13,614,044</u></u>
			(75,497)		
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:			<u><u>33,746,508</u></u>		
<b>Net assets of business-type activities</b>					

The notes to the financial statements are an integral part of this statement

**Cowlitz County, Washington**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended December 31, 2008**

	<b>Business-type Activities-Enterprise Funds</b>				<b>Governmental</b>
	<b>Water Sewer</b>	<b>Solid Waste</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Activities- Internal Service Funds</b>
<b>OPERATING REVENUES</b>					
<i>Charges for Services:</i>					
Water	\$ 649,893	\$ -	\$ -	\$ 649,893	\$ -
Sewer	748,597	-	-	748,597	-
Garbage & Solid Waste	-	4,688,631	-	4,688,631	-
Public Safety	-	-	3,113,218	3,113,218	-
Culture & Recreation	-	-	1,140,779	1,140,779	-
Other services	-	-	-	-	7,654,124
Grant Revenue	-	-	-	-	-
<b>Total operating revenues</b>	<b>1,398,490</b>	<b>4,688,631</b>	<b>4,253,997</b>	<b>10,341,118</b>	<b>7,654,124</b>
<b>OPERATING EXPENSES</b>					
Maintenance & operations	1,065,745	2,217,689	4,866,866	8,150,300	6,278,264
Closure & postclosure care	-	1,074,114	-	1,074,114	-
Depreciation	307,656	708,492	426,696	1,442,844	1,225,434
<b>Total operating expenses</b>	<b>1,373,401</b>	<b>4,000,295</b>	<b>5,293,562</b>	<b>10,667,258</b>	<b>7,503,698</b>
<b>Operating income (loss)</b>	<b>25,089</b>	<b>688,336</b>	<b>(1,039,565)</b>	<b>(326,140)</b>	<b>150,426</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Taxes	-	-	677,982	677,982	-
Intergovernmental	3,411	96,302	178,440	278,153	198,708
Investment earnings	32,251	628,515	37,640	698,406	149,408
Interest expense	(17,106)	-	-	(17,106)	-
Debt issuance costs	(486)	-	-	(486)	-
Gain (loss) on disposition of assets	-	-	-	-	(30,446)
Write off of gas to energy construction in progress	-	-	-	-	-
Miscellaneous nonoperating revenues	1,358	27,563	35,895	64,816	24,793
<b>Total nonoperating income (expense)</b>	<b>19,428</b>	<b>752,380</b>	<b>929,957</b>	<b>1,701,765</b>	<b>342,463</b>
<b>Income before contributions and transfers</b>	<b>44,517</b>	<b>1,440,716</b>	<b>(109,608)</b>	<b>1,375,625</b>	<b>492,889</b>
Capital grants	-	-	-	-	-
Capital contributions	19,051	-	-	19,051	118,317
Transfers in	-	-	311,688	311,688	277,886
(Transfers out)	-	-	-	-	-
<b>Change in net assets</b>	<b>63,568</b>	<b>1,440,716</b>	<b>202,080</b>	<b>1,706,364</b>	<b>889,092</b>
<b>Net assets--beginning</b>	<b>7,755,433</b>	<b>19,180,006</b>	<b>5,180,202</b>	<b>12,724,952</b>	<b>12,724,952</b>
<b>Net assets--ending</b>	<b>\$ 7,819,001</b>	<b>\$ 20,620,722</b>	<b>\$ 5,382,282</b>	<b>\$ 14,431,316</b>	<b>\$ 13,614,044</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:				(7,059)	
<b>Change in net assets of business-type activities</b>				<b>\$ 1,699,305</b>	

The notes to the financial statements are an integral part of this statement.

**Cowlitz County, Washington**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2008**

	<u>Business-type Activities-Enterprise Funds</u>				<b>Governmental Activities- Internal Service Funds</b>
	<u>Water Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	
<b><u>Cash flows from operating activities</u></b>					
Cash received from customers	\$ 1,384,993	\$ 4,859,919	\$ 4,272,001	\$ 10,516,913	\$ 7,611,971
Cash payments for goods and services	(596,087)	(1,480,210)	(1,793,904)	(3,870,201)	(4,000,438)
Cash payments to employees for services	(490,782)	(817,898)	(3,139,655)	(4,448,335)	(1,761,503)
Customer deposits	6,515	-	(4,420)	2,095	-
Miscellaneous revenue	1,358	27,563	35,895	64,816	24,793
<i>Net cash provided (used) by operating activities</i>	<u>305,997</u>	<u>2,589,374</u>	<u>(630,083)</u>	<u>2,265,288</u>	<u>1,874,823</u>
<b><u>Cash flows from noncapital financing activities</u></b>					
State fair funds received	-	-	37,935	37,935	-
Repayment (pmt) of interfund loan principal	-	71,406	(71,406)	-	-
Repayment (pmt) on loan to other government	-	(2,944,525)	-	(2,944,525)	-
Operating grants received	-	65,678	140,505	206,183	195,854
Receipts from 911 tax	-	-	639,140	639,140	-
Payments of claims liability recognized prior yrs.	-	-	-	-	(435,102)
Transfers in from other County fund	-	-	329,381	329,381	277,886
<i>Net cash provided by noncapital financing activities</i>	<u>-</u>	<u>(2,807,441)</u>	<u>1,075,555</u>	<u>(1,731,886)</u>	<u>38,638</u>
<b><u>Cash flows from capital and related financing activities</u></b>					
System development fees & hookup fees	19,051	-	-	19,051	-
Acquisition and construction of capital assets	(509,363)	(424,088)	(151,007)	(1,084,458)	(1,653,883)
Principal paid on note	(94,854)	-	-	(94,854)	-
Proceeds from loans	416,135	-	-	416,135	-
Principal paid on bonds	(20,000)	-	-	(20,000)	-
Interest paid on capital debt	(15,704)	-	-	(15,704)	-
Contributed capital (to) county fund	-	-	-	-	119,112
Proceeds from sale of capital assets	-	-	-	-	81,468
<i>Net cash provided (used) for capital and related financing activities</i>	<u>(204,735)</u>	<u>(424,088)</u>	<u>(151,007)</u>	<u>(779,830)</u>	<u>(1,453,303)</u>
<b><u>Cash flows from investing activities</u></b>					
Purchase of investments	(17,755,287)	(280,373,443)	(18,415,640)	(316,544,370)	(72,133,341)
Proceeds from sale and maturities of investments	17,755,287	280,373,443	18,415,640	316,544,370	72,133,341
Interest on investments	32,714	632,060	38,174	702,948	148,336
<i>Net cash provided (used) by investment activities</i>	<u>32,714</u>	<u>632,060</u>	<u>38,174</u>	<u>702,948</u>	<u>148,336</u>
Net increase (decrease) in cash and cash equivalents	133,976	(10,095)	332,639	456,520	608,494
<i>Cash and cash equivalents, January 1</i>	1,554,167	21,514,595	2,037,547	25,106,309	8,602,804
<i>Cash and cash equivalents, December 31</i>	<u>\$ 1,688,143</u>	<u>\$ 21,504,500</u>	<u>\$ 2,370,186</u>	<u>\$ 25,562,829</u>	<u>\$ 9,211,298</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>					
Operating income (loss)	\$ 25,089	\$ 688,336	\$ (1,039,566)	\$ (326,141)	\$ 150,426
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	307,656	708,492	426,696	1,442,844	1,225,434
(Increase) decrease in accounts receivable	(12,023)	268,644	10,091	266,712	(1,658)
(Increase) decrease in due from other funds	-	500	11,998	12,498	(70,966)
(Increase) decrease in due from other governments	(1,474)	(98,656)	(4,084)	(104,214)	28,930
(Increase) decrease in due from component unit	-	800	-	800	610
(Increase) decrease in inventory	-	11,223	-	11,223	75,344
(Increase) decrease in prepaid expense	1,092	865	(5,964)	(4,007)	(116,179)
Increase (decrease) in accounts payable and other accrued liabilities	(39,090)	(99,775)	(143,845)	(282,710)	(175,579)
Increase (decrease) in due to other funds	1,975	(8,113)	27,445	21,307	(9,380)
Increase (decrease) in due to other gov	23,327	7,053	13,686	44,066	254,524
Increase (decrease) in employee leave benefits	(8,428)	8,328	41,985	41,885	11,157
Increase (decrease) in customer deposits	6,515	-	(4,420)	2,095	-
Increase (decrease) in estimated future claims payable	-	-	-	-	477,367
Provision for closure & postclosure care costs	-	1,074,114	-	1,074,114	-
Miscellaneous revenue	1,358	27,563	35,895	64,816	24,793
<i>Total adjustments</i>	<u>280,908</u>	<u>1,901,038</u>	<u>409,483</u>	<u>2,591,429</u>	<u>1,724,397</u>
<i>Net cash provided by operating activities</i>	<u>\$ 305,997</u>	<u>\$ 2,589,374</u>	<u>\$ (630,083)</u>	<u>\$ 2,265,288</u>	<u>\$ 1,874,823</u>

The notes to financial statements are an integral part of this statement

**Cowlitz County, Washington**  
**Statement of Fiduciary Net Assets**  
**December 31, 2008**

	<b>Agency Funds</b>
<b>Assets</b>	
Cash, cash equivalents & pooled & pooled investments	\$ 92,644,795
Deposits with fiscal agent	190,000
Taxes Receivable	3,846,903
Assessments receivable, current	232,574
Total assets	\$ 96,914,272
 <b>Liabilities</b>	
Due to other governments	\$ 86,870,767
Warrants payable	10,043,505
Total liabilities	\$ 96,914,272

The notes to the financial statements are an integral part of this statement.

**COWLITZ COUNTY, WASHINGTON**  
**NOTES TO FINANCIAL STATEMENTS**

**INDEX**

<b>NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>	<b>40</b>
A. REPORTING ENTITY	40
B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS	41
C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION	41
D. ASSET, LIABILITIES, AND NET ASSET OR EQUITY	43
<b>NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS</b>	<b>45</b>
<b>NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY</b>	<b>46</b>
<b>NOTE 4 – DETAILED NOTES ON ALL FUNDS</b>	<b>48</b>
A. DEPOSITS AND INVESTMENTS	48
B. PROPERTY TAXES	48
C. RECEIVABLES	49
D. CAPITAL ASSETS	51
E. TRANSFERS AND INTERFUND RECEIVABLES, PAYABLES	53
<b>NOTE 5 – INTERGOVERNMENTAL GRANTS AND ENTITLEMENTS</b>	<b>54</b>
<b>NOTE 6 – PENSION PLANS</b>	<b>54</b>
<b>NOTE 7 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFIT</b>	<b>60</b>
<b>NOTE 8 – RISK FINANCING</b>	<b>62</b>
<b>NOTE 9 – LONG-TERM DEBT AND CAPITAL LEASES</b>	<b>64</b>
<b>NOTE 10 – CONTINGENT LIABILITIES</b>	<b>73</b>
<b>NOTE 11 – OTHER DISCLOSURES</b>	<b>73</b>

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Cowlitz County conform with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting principles. The significant accounting policies are described below.

**A. REPORTING ENTITY**

Cowlitz County was incorporated on April 21, 1854. It operates under State of Washington laws applicable to second-class counties with a commissioner form of government.

Cowlitz County provides public safety, judicial services, roads, health and social services, parks, and general administrative services. It operates and owns water, sewer and solid waste facilities.

The county's combined financial statements include the assets and liabilities of all funds for which the county has a custodial or trust responsibility. The county has two discretely presented component units.

**Discretely presented component units:** The **Three Rivers Regional Wastewater Authority (TRRWA)** consisting of the City of Kelso, City of Longview, Beacon Hill Sewer District and Cowlitz County govern the wastewater utility. It is legally separate from Cowlitz County and is presented in a separate column on the government-wide financial statements. However; it is fiscally dependent on the county in that the County issues bonded debt on its behalf. Cowlitz County has three bond issues that were issued for TRRWA. The most recent is the 2006 Special Revenue Funding Bond issue for \$13.7 million; this debt issue is paid from the users of the system, which are the Cities of Kelso and Longview and Beacon Hill Sewer District. The other outstanding bond issues by the County for TRRWA are the 2002 Special Revenue Refunding Bonds with \$24.085 million outstanding and the 2003 GO Refunding Bonds with \$255 thousand outstanding at December 31, 2008. TRRWA pay the debt on all three bond issues; the County has pledged its taxes and resources in case of default by TRRWA for the 2003 and 2006 issue. In addition in 2008, the Solid Waste ELF Fund made a loan to TRRWA for \$2.9 million for a reserve fund for the 2002 Revenue Bonds. Separate financial statements for the component unit may be obtained from Cowlitz County at 207 Fourth Avenue North, Kelso, Washington 98626. Because Cowlitz County has issued material bond debt under the Cowlitz County's name for the Central Sewer Utility and occupies one of the four board positions it is presented as a discretely presented component unit of the County.

The **Public Facilities District** is a five-member board appointed by the Cowlitz County Commissioners. The members are volunteers and serve a four-year term. The district was formed in 1999 to plan, construct and design a regional conference/special events center. Construction began in the later part of 2003 on Cowlitz County Exposition grounds with modification and expansion to the existing commercial building. Cowlitz County issued \$6,565,000 in July of 2003 to pay part of the cost of the center. The Public Facilities District (PFD) has agreed to pay for the bond issue through the allocation of .033 percent share of state sales tax it receives for the duration of the bond issue. Also, the voters approved a 1% lodging tax to be used for construction and operation of the district's public facilities. In 2008, the PFD obtained a loan from the City of Longview who issued bonds for \$6,130,000. The loan is to fund improvements to the Columbia Theater for the Performing Arts in Longview. Separate financial statements are available from Cowlitz County Auditor's Office at 207 Fourth Avenue North, Kelso, Washington 98626.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

Government wide financial statements consist of the statement of net assets and the statement of activities. These statements report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from the statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit. The government-wide focus is on the county as a whole.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment.

*Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental and major individual enterprise funds are reported in separate columns on the fund financial statements.

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements of provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period except 60 days for property taxes. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual are interest earnings, and sales tax. Intergovernmental revenues such as grants are recognized as revenues when grant expenditures are incurred and grant requirements have been met. All other items are considered to be measurable and available only when the County receives cash.

Cowlitz County reports the following major governmental funds:

- *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except the other funds required to be accounted for separately.
- *County Road Fund* accounts for the design, construction and maintenance of county roads and bridges.
- *Community Mental Health Fund* accounts for state and federal grant monies received by the county that is disbursed to various local agencies for services to the community involving community mental health, substance abuse, and developmental disabilities.
- *2003 Debt Service Fund* accounts for resources accumulated and payments made for principal and interest on the 2003 Limited Tax General Obligation Improvement and Refunding Bonds.
- *2006 Debt Service Fund* accounts for resources accumulated and payments made for principal and interest on the 2006 Special Sewer Revenue Bonds. Three Rivers Regional Wastewater Authority (TRRWA) has agreed to pay the debt on this issue which has annual principal payments beginning in 2007 through 2025.
- *Capital Improvements Fund* accounts for funds used to finance major county projects, such as land acquisition, capital construction and equipment except those paid from proprietary funds.

Cowlitz County reports the following major proprietary funds:

- *Water Sewer Fund* accounts for water and sewer services to county customers.
- *Solid Waste Fund* accounts for operations of the solid waste landfill site and the maintenance of the closed portion of landfill.

Additionally, Cowlitz County reports the following fund types:

- *Special revenue funds* are governmental funds that account for specific revenue sources that are legally restricted to expenditures for specific purposes.
- *Debt service funds* account for resources accumulated for principal and interest on long-term general obligation debt of governmental funds.
- *Internal service funds* account for: data processing, fleet equipment of the county, elections, and self-insurance for liability, workers industrial accident compensation, and unemployment. Also, purchasing of telephone, postage and some printing services including the supplying of paper to the departments.
- *Agency funds* are used to account for monies held by Cowlitz County in a custodial capacity for independent districts that are required by state statute to process all monies with the county treasurer who serves as a public depository.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict or contradict guidance of the Governmental Accounting Standards Board. Governments have the option of following private-sector guidance for their business type activities and enterprise activities from December 1, 1989 forward. The county has chosen from that date forward to apply GASB pronouncements and not private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments for water, sewer, garbage, law enforcement records and 911 communications. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water sewer, solid waste, law enforcement records, 911 communications and emergency management are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of personal services, supplies, contractual services and other expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY**

***1. Cash and Cash Equivalents***

The county's cash and cash equivalents for proprietary and governmental funds are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments - See (Note 4a Deposits and Investment)

***2. Receivables and payables***

Taxes receivable consist of property taxes and related interest and penalties. See (Note 4 b Property Taxes)

Accrued interest consists of amounts earned on investments and notes.

Special Assessments are recorded when levied. The special assessments owed to Cowlitz County for the 1999 debt service bonds fund, a non-major fund, as of December 31, 2008 is \$1,614,910. The County has no delinquent special assessments at December 31, 2008.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Customer accounts receivable consist of amounts owing from private individuals or companies for goods and services including amounts owed for which billings have not been prepared.

***3. Inventories and prepaid items.***

Inventories in proprietary funds are valued using the first in first out method (FIFO), which approximates the market value. The cost of governmental fund type inventories unless significant are recorded as expenditures when purchased.

Payment for insurance and similar services extending to future accounting periods are recorded in proprietary funds as prepaid items and as expenditures in governmental type funds.

***4. Restricted net assets***

a) for economic environment totals \$3,013,341 consisting of \$2,071,871 provided from state sales tax to be used for public facilities as defined by state law codified in RCW 82.14.370, which facilitates the creation or retention of businesses and job in the County. And \$655,395 is restricted per RCW 36.22.178 for housing projects or units with housing projects for low income, operating costs for emergency shelters and rental assistance. Also, \$286,075 is restricted for emergency financial assistance to veterans and their surviving spouses.

b) for transportation \$7,168,576 consisting of Road Fund net assets of \$5,463,576 and \$1,705,000 in the capital improvements fund intended for Lexington Bridge construction and other road projects.

c) for health \$3,437,560 consisting of \$2,388,176 in Community Mental Health Fund net assets, \$844,033 of net assets for public health purposes and \$205,351 in net assets of the Human Services fund for the administrative services for mental health, drug abuse, alcoholism and developmental disabilities.

d) for culture and recreation \$4,119 which is restricted for promotion of tourism.

e) for law enforcement \$621,122 consisting of \$19,417 for boat safety purposes and the balance is to eradicate drug trafficking.

f) For physical environment \$172,783 for shorelines management.

***5. Capital Assets***

Capital assets include land, land improvements, buildings, building improvements, vehicles, and equipment. Vehicles and equipment are capitalized if the individual cost is \$5,000 or more and estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Improvements to capital assets that materially add to the value or extend the life of the asset are capitalized. Other normal maintenance and repairs are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business type activities is included as part of the capitalized value of the assets constructed.

Building, equipment and improvements are depreciated using the straight-line method. Estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings	20 - 60 years
Building Improvements	10 - 30 years
Light Vehicles	4 - 7 years
Heavy Duty Vehicles	7 - 15 years
Office equipment	5 - 10 years
Infrastructure	15-70 years

***6. Compensated Absences***

County employees may accumulate up to 248 hours of vacation pay. Accumulated unpaid employee vacation pay is payable upon resignation, termination, retirement or death. Sick Leave may accumulate up to 1,200 hours. Fifty percent of accumulated sick leave is payable upon resignation, termination, death or retirement up to a maximum of 360 hours.

Sick leave to the extent it results in termination payments, and unused vacation as of year-end, are reported along with related benefits such as social security, Medicare and pension payments where applicable in the proprietary funds and in the government wide financial statements.

**7. Long-term Obligations**

Revenue bonds and other long-term liabilities directly related to and financed from proprietary funds are accounted for in the respective proprietary funds. All other long-term debt of the County is reported in the governmental column of the government –wide statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from debt proceeds received, are reported as debt service expenditures.

**8. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**NOTE 2 – RECONCILIATION OF GOVERNMENT –WIDE AND FUND FINANCIAL STATEMENTS.**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$34,917,311 difference are as follows:

Gen'l. Obligation Bonds payable	\$ 17,260,000
Special Revenue Bonds payable	12,800,000
Less: deferred amounts for issuance/discounts	(156,310)
Special assessment bonds payable	1,960,000
Compensated absences	2,672,450
Accrued interest payable	<u>381,171</u>
Net adjustment to reduce <i>fund balance governmental funds</i> to Arrive at <i>net assets-governmental activities</i>	<b>\$ 34,917,311</b>

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.**

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances-total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: The details of the (\$1,827,750) difference are as follows:

Capital Outlays (Net of amounts transferred to Internal Svc. Funds)	\$ 5,118,841
Contributed Capital	578,539
Depreciation expense	(3,869,630)
Net adjustment to increase <i>net changes in fund balances- total Governmental funds</i> to arrive at <i>change governmental activities</i>	\$ 1,827,750

Another element in the reconciliation of long-term debt (e.g. bonds) provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized on the statement of activities. The details of (\$1,331,452) difference are as follows:

Amortization of deferred charge for issuance and discount and premium	158,548
Principal repayments:	
General obligation bonds	(870,000)
Special revenue bonds	(490,000)
Special assessment bonds	(130,000)
Net adjustments to decrease <i>fund balances-total governmental funds</i>	(1,331,452)
To arrive at <i>changes in net assets of governmental activities</i>	\$ (1,331,452)

Another element of the reconciliation states, "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences	\$ 8,269
Net adjustment to decrease <i>net changes in fund balances-total Governmental funds</i> to arrive at <i>changes in net assets of governmental Activities</i>	\$ 8,269

**NOTE 3– STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

There have been no material violations of finance-related legal or contractual provisions, and expenditures have not exceeded legal appropriations in any funds of the County.

**BUDGETARY INFORMATION**

The annual budget for Cowlitz County is adopted in accordance with state statute, codified in Revised Code of Washington, Chapter 36.40, on a basis consistent with generally accepted accounting principles. The Board of County Commissioners adopts the annual budgets for the general, special revenue and capital project funds. Budgetary constraints for debt services funds are determined by the terms of the debt instruments or enabling legislation.

The steps in the budgetary process are as follows:

- a. Prior to the first Tuesday in September the county auditor and budget director submit a proposed budget to the county commission. This budget is based on priorities established by the commission and estimates provided by county departments during the preceding months, and offset with revenue estimates provided by county departments during the preceding months, and offset with revenue estimates made by the county auditor and budget director.
- b. The commission conducts public hearings on the proposed budget in October, November, and December.
- c. The commission makes its adjustments to the proposed budget and adopts by resolution a final balanced budget no later than December 31.
- d. Amendments to the budget require a supplemental appropriation resolution approved by the Board of County Commissioners at a public meeting. Any revisions that alter total expenditures of a fund or that affect the number of permanent employee positions, salary ranges, hours or the county commission must approve other conditions of employment.

The Board of County Commissioners at the fund level adopts annual appropriations, except in the General Fund where expenditures may not exceed appropriations at the department level and the budgets constitute the legal authority for expenditures at that level. Also, total direct labor and benefits by department are controlled by the adopted budgetary amounts.

Budgets are amended during the year for increases or decreases to appropriations by resolutions, which are approved by a majority vote of the Commission after holding a public hearing. Budget amendments resulted in a net increase in General Fund budgeted appropriations for expenditures by \$582,627 and an increase in transfers out to support other County funds of \$35,000. The amounts shown in the financial statements are the final authorized amounts as revised during the year. All annual appropriations lapse at fiscal year end.

e. Deficit Net Assets

Industrial Accident Insurance had a deficit net asset balance of \$568,519 at December 31, 2008. The deficit is due to recognition of estimate for projected future years pay out on the industrial accidents incurred of \$570,000. At December 31, 2008 the Fund had \$45,340 in cash and investments to meet current payables of \$16,244.

**NOTE 4 – DETAILED NOTES ON ALL FUNDS**

**A. DEPOSITS AND INVESTMENTS**

In 2005 Cowlitz County implemented GASB 40, which concentrates disclosure of risk of investments.

The county deposits and certificates of deposit are entirely covered by federal depository insurance FDIC or by collateral held in multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

As of December 31, 2008 Cowlitz County had the following investments:

	<b>Maturities- Weighted Average Days</b>	<b>Fair Value County Investments</b>	<b>Fair Value Investments held by County as agent for other local govts.</b>	<b>Total</b>
U.S. Government Securities	438	\$ 750,000	\$ 8,350,000	\$ 9,100,000
Bankers' Acceptances	160	-	4,504,400	4,504,400
Wa. State Investment Pool	34	10,801,590	61,845,472	72,647,062
<b>Total Investments</b>		<b>\$ 11,551,590</b>	<b>\$ 74,699,872</b>	<b>\$ 86,251,462</b>

The investment of agency funds includes \$27.537 million of cash flow that by State Law the County can invest with interest earned on same accruing the County General Fund.

*Interest Rate Risk* - The County does not have a formal written investment policy that limits the investment maturities as a mean of limiting exposure to fair value losses arising from increasing interest rates. However, the County has held investments to maturity therefore not being subject to loss due to current market values.

*Credit Risk* – State law limits investments to obligations of the U.S. Government, the State Treasurer’s Investment Pool, banker’s acceptances, deposits with Washington State banks and savings and loan institutions and certain other governmental obligations. The County’s investment policy does not further limit its investment choices.

**B. PROPERTY TAXES**

The county treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities.

Property Tax Calendar

January 1	Taxes are levied and become an enforceable lien against properties
February 14	Tax bills are mailed
April 30	First of two equal installments is due
May 31	Assessed value of property established for next year’s levy at 100 percent of market value
October 31	Second installment is due.

Property taxes are recorded as a receivable in the year when levied. Property taxes collected in advance are recorded as deferred revenue and recognized in the period to which they apply. The county may levy up to \$1.80 per \$1,000 of assessed valuation for general government services and \$2.25 per \$1,000 for roads. However, any county is authorized to increase its general levy from \$1.80 to \$2.475 per \$1,000 of assessed valuation if the total levies for both the general and road district levies do not exceed \$4.05 per \$1,000 of assessed valuation. Levies are subject to the following limitations.

- a. Washington State law in RCW 84.55.0101 limits the growth of regular property taxes to 1 percent per year of the amount of regular property taxes lawfully levied for such district. (On June 13, 2006 the King County Superior Court declared Initiative 747 limiting the growth in property taxes to 1 percent unconstitutional. It has been appealed to Washington State Supreme Court)
- b. The Washington State Constitution limits the total regular property taxes to 1 percent of assessed valuation or \$10 per \$1,000 of value. If the taxes of all districts exceed this amount, junior taxing districts' levies are reduced by order of seniority, beginning with cemetery districts.

The county assessed valuation, levy and taxes for 2008 were:

<u>Purpose</u>	<u>Assessed Valuation</u>	<u>2008 Levy Rate Per \$1,000</u>	<u>Property Taxes 2008</u>
General Fund	\$ 8,470,203,553	\$1.639	\$ 13,885,823
Human Svcs/Mental Hlth	\$ 7,470,203,553	\$0.025	\$ 211,755
Veterans Relief	\$ 8,470,203,553	\$0.011	\$ 95,290
County Roads	\$ 4,448,289,482	\$1.901	\$ 8,457,390

*Maximum Levy subject to limitations mentioned in a and b above.*

In 2008 the General Fund for law enforcement purposes as permitted by state law codified in RCW 36.33.220 used \$797,437 of the road taxes. Special levies approved by the voters are not subject to the limitations listed above.

**C. RECEIVABLES**

Receivables as of year-end including "Due From Component Unit" for the government's individual major funds and non-major, internal service, and fiduciary funds in the aggregate, including the applicable allowances for non-collectible accounts, are as follows:

<u>Funds</u>	<u>Represented in 000's</u>						<u>Total</u>
	<u>Taxes</u>	<u>Accounts</u>	<u>Special Assmnts</u>	<u>Due From Govts.</u>	<u>Interest &amp; Penalties</u>	<u>Due From Component Unit</u>	
General	\$ 759	\$ 12		\$ 1,000	\$ 1,016	\$ 4	\$ 2,791
County Road	516	2		647	8	1	1,174
Community Mental Health				483			483
2003 Ltd GO Bond						5,895	5,895
2006 Sp.Rev Bond						12,800	12,800
Capital Improvements				1,130	4		1,134
Non-major govt.	16	50	1,615	3,994	4		5,679
Water/Sewer		79		8	-		87
Solid Waste		508		129	25	2,945	3,607
Nonmajor-business		138		62	-	-	200
Fiduciary	3,847		233				4,080
<b>Total Receivables</b>	<b>\$ 5,138</b>	<b>\$ 789</b>	<b>\$ 1,848</b>	<b>\$ 7,453</b>	<b>\$ 1,057</b>	<b>\$ 21,645</b>	<b>\$ 37,930</b>

The due from other government’s column includes intergovernmental loans, and notes receivable owed to the Capital Improvements Fund (rural county public facilities department) of \$1,041,095 at December 31, 2008. These notes receivable are long-term and consist of the following:

Capital Improvement Fund - Notes Receivable				12/31/08
	<u>Int. rate</u>	<u>Qtrly Pmts</u>	<u>Final Pmt.</u>	<u>Balance</u>
Port of Woodland	3.20%	\$ 6,250.50	3/31/2026	\$352,005
Port of Woodland	4.00%	5,916.21	3/31/2022	242,472
Port of Woodland	5.00%	1,654.09	3/31/2016	40,241
Port of Longview	3.00%	22,954.79	7/1/2024	262,500
City of Kalama	1.00%	7,602.15	1/31/2022	93,877
City of Castle rock	1.00%	5,309.60	1/31/2019	<u>50,000</u>
Total Notes Receivable				<u>\$1,041,095</u>

The Due from component units represents receivable for bond issued by Cowlitz County that Three Rivers Regional Wastewater and the Public Facilities District received the proceeds on and have agreed to pay the principal and interest on the debt service as it becomes due.

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also, defer revenue recognition in connection with resources that have been received, but not yet earned. At year-end, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable (General Fund)	\$ 758,784	
Interest & penalty on taxes receivable (Gen. Fd.)	939,263	
Property taxes receivable (Road Fund)	515,843	
Property taxes receivable non-major governmental funds	15,911	

## D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2008 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Primary Government</b>				
<b>Governmental Activities:</b>				
Land	\$ 8,858,723	\$ 690,511	\$ -	\$ 9,549,234
Construction in progress	16,584,370	6,073,788	2,485,920	20,172,238
Total capital assets, not being depreciated	<u>25,443,093</u>	<u>6,764,299</u>	<u>2,485,920</u>	<u>29,721,472</u>
Capital Assets, being depreciated				
Buildings	43,286,609			43,286,609
Improvements other than buildings	4,716,571	1,085,699		5,802,270
Machinery and equipment	16,213,124	1,828,871	1,121,523	16,920,472
Infrastructure	104,359,052	1,998,619		106,357,671
Total capital assets being depreciated	<u>168,575,356</u>	<u>4,913,189</u>	<u>1,121,523</u>	<u>172,367,022</u>
Less accumulated depreciation for:				
Buildings	12,245,752	1,099,061		13,344,813
Improvements other than buildings	2,426,721	238,894		2,665,615
Machinery and equipment	10,108,279	1,297,195	1,005,581	10,399,893
Infrastructure	32,007,159	2,408,633		34,415,792
Total accumulated depreciation	<u>56,787,911</u>	<u>5,043,783</u>	<u>1,005,581</u>	<u>60,826,113</u>
Total capital assets being depreciated, net	<u>111,787,445</u>	<u>(130,594)</u>	<u>115,942</u>	<u>111,540,909</u>
Governmental capital assets, net	<u>\$ 137,230,538</u>	<u>\$ 6,633,705</u>	<u>\$ 2,601,862</u>	<u>\$ 141,262,381</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated				
Land	\$ 1,148,600			\$ 1,148,600
Construction in progress	1,856,801	\$ 596,795	\$ 1,912,640	540,956
Total capital assets, not being depreciated	<u>3,005,401</u>	<u>596,795</u>	<u>1,912,640</u>	<u>1,689,556</u>
Capital assets, being depreciated:				
Buildings and system	16,908,289	38,925		16,947,214
Improvements other than building	8,537,673	1,852,380		10,390,053
Machinery and equipment	4,914,624	523,289	5,971	5,431,942
Total capital assets, being depreciated	<u>30,360,586</u>	<u>2,414,594</u>	<u>5,971</u>	<u>32,769,209</u>
Less accumulated depreciation for:				
Buildings and system	8,339,721.00	441,490		8,781,211
Improvements other than buildings	5,216,486	518,962		5,735,448
Machinery and equipment	3,067,087	482,401	8,007	3,541,481
Total accumulated depreciation	<u>16,623,294</u>	<u>1,442,853</u>	<u>8,007</u>	<u>18,058,140</u>
Total capital assets, being depreciated, net	<u>13,737,292</u>	<u>971,741</u>	<u>(2,036)</u>	<u>14,711,069</u>
Business-type activities capital assets, net	<u>\$ 16,742,693</u>	<u>\$ 1,568,536</u>	<u>\$ 1,910,604</u>	<u>\$ 16,400,625</u>

Depreciation expense was charged to the functions of the primary government as follows:

**Governmental activities:**

General Government	\$ 142,177
Public Safety-Corrections	645,089
Public Safety-Juvenile	223,986
Public Safety-Other	99,502
Judicial	33,500
Transportation	2,466,650
Economic Environment	3,983
Health	33,289
Culture & Recreation	220,487
Capital assets held by the government's Internal Service funds are charged to the various functions based on their usage of the assets	1,210,941
	<u>\$ 5,079,604</u>

**Business-type activities:**

Water	\$ 167,874
Sewer	139,782
Solid Waste-Landfill	708,432
Public Safety (911 Communications)	292,181
Public Safety (Law Enforcement Records)	104,319
Expo Center	30,196
Total depreciation expense-business-type activities	<u>\$ 1,442,784</u>

**Discretely Presented Component Unit – Three Rivers Regional Wastewater Authority**

Capital asset activity for the year ended December 31, 2008 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated:				
Land	\$ 586,540			\$ 586,540
Construction in progress	16,780,055	3,358,044	\$ 25,145	20,112,954
Total capital assets not being depreciated	<u>17,366,595</u>	<u>3,358,044</u>	<u>\$ 25,145</u>	<u>20,699,494</u>
Capital Assets, being depreciated:				
Buildings & system	66,622,387	25,145		66,647,532
Improvements other than buildings	7,297			7,297
Machinery and equipment	757,444	164,344		921,788
Total capital assets being depreciated	<u>67,387,128</u>	<u>189,489</u>		<u>67,576,617</u>
Less: accumulated depreciation for				
Buildings & system	(17,036,485)	(1,619,816)		(18,656,301)
Improvements other than buildings	(7,297)			(7,297)
Machinery and equipment	(629,173)	(27,992)		(657,165)
Total accumulated depreciation	<u>(17,672,955)</u>	<u>(1,647,808)</u>	<u>-</u>	<u>(19,320,763)</u>
Total capital assets, being depreciated net	<u>49,714,173</u>	<u>(1,458,319)</u>		<u>48,255,854</u>
Central Sewer-capital assets net	<u>\$ 67,080,768</u>	<u>\$ 1,899,725</u>	<u>\$ 25,145</u>	<u>\$ 68,955,348</u>

Commitments The Three Rivers Regional Waste Water Authority had six construction projects ongoing at the end of 2008. The costs through December 2008 were \$20,133,870 consisting of a bio-solids project, \$17,635,712; software \$81,085; N Plant Clarifier Replacement \$2,301,105, the Kelso PS Motor/VFD Replacement \$45,376, Hypotank Replacement \$65,759 and RDP Stairs

\$4,833. The remaining commitment for those projects totals \$1.017 million. Existing funds of the utility will pay for the projects.

**Discretely Presented Component Unit – Public Facilities District**

Capital asset activity for the year ended December 31, 2008 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated:				
Construction in Progress	\$ 135,173	\$ 1,329,696	\$ -	\$ 1,464,869.00
Total capital assets not being depreciated	135,173	1,329,696	-	\$ 1,464,869
Capital Assets, being depreciated:				
Buildings	5,923,278			5,923,278
Improvements other than building	566,565			566,565
Machinery and Equipment	662,587			662,587
Total capital assets, being depreciated	7,152,430	-	-	7,152,430
Less: accumulated depreciation for:				
Buildings	(296,163)	(118,466)		(414,629)
Improvements other than buildings	(95,273)	(38,109)		(133,382)
Machinery and Equipment	(122,275)	(48,910)		(171,185)
Total accumulated depreciation	(513,711)	(205,485)	-	(719,196)
Total capital assets, being depreciated net	\$ 6,638,719	\$ (205,485)	\$ -	\$ 6,433,234
Public Facilities District capital assets net	\$ 6,773,892.00	\$ 1,124,211.00	\$ -	\$ 7,898,103

Commitments The Public Facilities District, a component unit, has expended \$7,220,718 for a community convention center. Funding for the project is from the 2003 bond issue and \$600,000 from the County’s 1999 bond issue. Debt on the bond issue will be paid from the state sales tax revenue the public facilities district receives.

**E. TRANSFERS, INTERFUND RECEIVABLES AND PAYABLES**

**Interfund transfers** are funds provided to support other funds with no obligation for repayment and consisted of the following for 2008:

	Transfers Out - 2008					Total
	General Fund	Roads	Capital Improv.	Debt Svc 1999 Ltd. GO Bonds	Non-major Govt.	
<b>Transfers in:</b>						
General Fund	\$ -		\$ -	\$ -		\$ -
Road Fund (weed ctrl)			702,482			702,482
Community Mental Hlth.	13,872					13,872
Capital Improvements					54,200	54,200
Nonmajor Governmental	1,377,510	75,000	640,801	98,750	87,087	2,279,148
Governmental	1,391,382	75,000	1,343,283	98,750	141,287	3,049,702
Nonmajor-Enterprise	234,848				76,840	311,688
Internal Service Funds	277,886					277,886
Total Transfers	\$ 1,904,116	\$ 75,000	\$ 1,343,283	\$ 98,750	\$ 218,127	\$ 3,639,276

**Interfund receivables and payables consisted of the following as of December 31, 2008:**

Receivable Fund	Payable Fund	<u>Amount</u>
General	Road	77,444
	Nonmajor governmental funds	1,308
	Internal service funds	18,711
	Water Sewer	5,185
	Solid Waste	11,339
	Nonmajor enterprise funds	15,860
		<u>129,847</u>
Road	General	11,303
	Nonmajor governmental funds	1,138
	Water Sewer	3,648
	Solid Waste	1,100
	Internal service funds	6,011
	<u>23,200</u>	
Solid Waste	General	314
	Road	96
	Capital Improvements	36
	Nonmajor enterprise	35
	Internal service funds	481
	<u>385</u>	
Nonmajor Enterprise Funds	Nonmajor governmental funds	385
		<u>385</u>
Internal Svc Funds	General	59,576
	Road	296,392
	Capital Improvements	
	Nonmajor governmental funds	12,558
	Water Sewer	32,002
	Solid Waste	30,820
	Nonmajor enterprise funds	14,211
Internal service funds	33,704	
	<u>479,263</u>	
Nonmajor Governmental Fds.	General	1,563
	Nonmajor governmental funds	12,097
	Solid Waste	93
	<u>13,753</u>	
	Total	<u>\$ 646,929</u>

**NOTE 5-INTERGOVERNMENTAL GRANTS AND ENTITLEMENTS**

The accompanying Schedules of Financial Assistance provide a listing of all federal, state, and entitlement assistance programs in which the county participates.

**NOTE 6 – PENSION PLANS**

Substantially all county full-time and qualifying part-time employees participate in one of the following statewide local government retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, Wa. 98504-8380. The following disclosures are made pursuant to GASB Statement 27, *Accounting for Pensions by State and Local Government Employers* and No. 50, *Pension Disclosures an Amendment of GASB Statements No. 25 and No 27..*

**A. PUBLIC EMPLOYEES RETIREMENT SYSTEMS (PERS) Plans 1 and 2 and 3****Plan Description**

PERS is a cost sharing multiple employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component.

Membership in the system includes elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges currently in a judicial retirement system); employees of legislative committees; community and technical colleges, college and university employees not participating in national higher education retirement programs; judges of district and municipal courts; and employees of local governments.

PERS participants who joined the system by September 30, 1977, are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercise an option to transfer their membership to Plan 3. PERS participants joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

PERS defined retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PERS retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

PERS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement at any age after 30 years of service, or at age 60 with five years of service, or at age 55 with 25 years of service. The annual benefit is two percent of the average final compensation (AFC) per year of service, capped at 60 percent. (The AFC is based on the greatest compensation during any 24 eligible consecutive compensation months.) Plan 1 members who retire from inactive status prior to the age of 65 may receive actuarially reduced benefits. The benefit is actuarially reduced to reflect the choice of a survivor option. A cost-of-living allowance (COLA) is granted at age 66 based upon years of service times the COLA amount, increased by three percent annually. Plan 1 members may also elect to receive an additional COLA amount provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at three percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at the age of 65 with 5 years of service, with an allowance of two percent of the AFC per year of service. (The AFC is based on the greatest compensation during any eligible consecutive 60-month period.) Plan 2 members who retire prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a three percent reduction applies; otherwise an actuarial reduction will apply. The benefit is actuarially reduced to reflect the choice of a survivor option. There is no cap on years of service credit; and a cost-of-living allowance is granted (indexed to the Consumer Price Index), capped at 3 percent annually.

Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. The defined benefit portion

provides a benefit calculated at 1 percent of the average final compensation per year of service. (The AFC is based on the greatest compensation during any eligible consecutive 60-month period.) Effective June 7, 2006 Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service, if twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan. Vested Plan 3 members are eligible to retire with full benefits at age 65, or at age 55 with 10 years of service. Plan 3 members who retire prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a three percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced to reflect the choice of a survivor option. There is no cap on years of service credit, and Plan 3 provides the same cost-of-living allowance as Plan 2.

The defined contribution portion can be distributed in accordance with an option selected by the member, either a lump sum or pursuant to other options authorized by the Employee Retirement Benefits Board.

*Judicial Benefit Multiplier*

Beginning January 1, 2007 through December 31, 2007, judicial members of PERS may choose to participate in the Judicial Benefit Multiplier Program (JBM). Justices or judges in PERS Plan 1 and 2 were able to make a one-time irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5% multiplier. The benefit would be capped at 75% of AFC. Judges in PERS Plan 3 can elect a 1.6% of pay per year of service benefit, capped at 37.5% of average compensation.

Members who choose to participate in JBM would: accrue service credit at the higher multiplier beginning with the date of their election, be subject to the benefit cap of 75% of AFC, pay higher contributions, stop contributing to the Judicial Retirement Account (JRA), and be given the option to increase the multiplier on past judicial service. Members who did not choose to participate would: continue to accrue service credit at the regular multiplier; continue to participate in JRA, if applicable; never be a participant in the JBM program; and continue to pay contributions at the regular PERS rate.

Newly elected or appointed justices and judges who choose to become PERS members on or after January 1, 2007, or who have not previously opted into PERS membership, were required to participate in the JBM Program. Members required into the JBM program would: return to prior PERS Plan if membership had previously been established; be mandated into Plan 2 and not have a Plan 3 transfer choice, if a new PERS member; accrue the higher multiplier for all judicial service; not contribute to JRA; and not have the option to increase the multiplier for past judicial service.

There are 1,190 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2007:

Retirees and Beneficiaries Receiving Benefits	71,244
Terminated Plan Members Entitled to but not yet Receiving Benefits	26,583
Active Plan Members Vested	105,447
Active Plan Members Non-vested	<u>52,575</u>
	255,849

Funding Policy

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee

contribution rates for Plan 1 are established by statute at six percent for state agencies and local government unit employees and 7.5 percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan, and member contributions finance the defined contribution portion. The Employee Retirement Benefits Board sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the employee’s age. As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program. The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current year covered payroll, as of December 31, 2008, were as follows.

Members not participating in JBM:

	<u>PERS Plan 1</u>	<u>PERS Plan 2</u>	<u>PERS Plan 3</u>
Employer*	8.31%	8.31%**	8.31%***
Employee	6.00%	5.45%	*****

- \* The employer rates include the employer administrative expense fee currently set at 0.16%.
- \*\* The employer rate for state elected officials is 12.39% for Plan 1 and 8.31% for Plan 2 and Plan 3.
- \*\*\* Plan 3 defined benefit portion only.
- \*\*\*\* The employee rate for state elected officials is 7.5% for Plan 1 and 5.45% for Plan 2.
- \*\*\*\*\*Variable from 5% minimum to 15% maximum based on rate selected by the PERS 3 member.

Members participating in JBM:

	<u>PERS Plan 1</u>	<u>PERS Plan 2</u>	<u>PERS Plan 3</u>
Employer-State Agency*	10.81%	10.81%	10.81%**
Employer- Local Govt.	8.31%	8.31%	8.31%**
Employer-State Agency	9.76%	11.13%	7.50%***
Employee- Local Govt.	12.26%	13.63%	7.50%***

- \* The employer rates include the employer administrative expense fee currently set at 0.16%.
- \*\*Plan 3 defined benefit portion only.
- \*\*\*Minimum rate.

The county and the employees made the required contributions. The county’s required contributions for the years ended December 31 were:

	<u>PERS Plan 1</u>	<u>PERS Plan 2</u>	<u>PERS Plan 3</u>
2008	\$ 115,159	\$ 1,367,661	\$ 270,106
2007	\$ 105,266	\$ 1,007,104	\$ 176,736
2006	\$ 63,453	\$ 528,888	\$ 66,496

**B. LAW ENFORCEMENT OFFICERS AND FIRE FIGHTERS (LEOFF) Plans 1 and 2**

Plan Description

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF participants who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 are Plan 2 members. Membership in the system includes all full-time, fully compensated, local law enforcement officers, firefighters and, as of July 24, 2005, those emergency medical technicians who were given the option and chose LEOFF Plan 2 membership. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers, who were first included prospectively effective July 27, 2003, being an exception.

Effective January 1, 2003, the LEOFF Plan 2 Retirement Board was established by Initiative 790 to provide governance of LEOFF Plan 2. The Board’s duties include adopting contribution rates and recommending policy changes to the Legislature for LEOFF Plan 2 retirement plan.

LEOFF defined benefit retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays through state legislative appropriations. LEOFF retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

Plan 1 members are vested after completion of five years of eligible service. Plan 1 members are eligible for retirement with five years of service at the age of 50. The benefit per year of service is as follows:

<u>Term Of Service</u>	<u>Percent of Final Average</u>
20+ years	2.0%
10 but less than 20 years	1.5
5 but less than 10 years	1.0

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months’ salary within the last 10 years of service. A cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

LEOFF Plan 2 members are vested after an employee completes five years of eligible service. Plan 2 members may retire at the age of 50 with 20 years of service, or at the age of 53 with five years of service, with an allowance of 2 percent of the final average salary per year of service. The FAS is based on the highest consecutive 60 months. Plan 2 members who retire prior to the age of 53 receive reduced benefits. Benefits are actuarially reduced for each year that the benefit commences prior to age 53 and to reflect the choice of a survivor option. If the member has at least 20 years of service and is age 50, the reduction is three percent for each year prior to age 53. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

There are 374 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2007:

Retirees and Beneficiaries Receiving Benefits	9,085
Terminated Plan Members Entitled to but not yet Receiving Benefits	633
Active Plan Members Vested	12,904
Active Plan Members Non-vested	<u>3,708</u>
Total	26,330

Funding Policy

Starting on July 1, 2000 Plan 1 employers and employee contribute zero percent as long as the plan remains fully funded. Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plan. LEOFF Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. All employers are required to contribute at the level required by state law. The Legislature, by means of a special funding arrangement, appropriated money from the state General Fund to supplement the current service liability and fund the prior service costs of LEOFF Plan 2 in accordance with the requirements of the Pension Funding Council \* LEOFF Plan 2 Retirement Board. However, this special funding situation is not mandated by the state constitution and this funding requirement could be returned to the employers by a change of statute.

The required contribution rates expressed as a percentage of covered payrolls, as of December 31, 2008 were:

	<u>LEOFF Plan I</u>	<u>LEOFF Plan II</u>
Employer	.16% *	5.46% **
Employee	.0%	8.83%
State	N.A.	3.53%

\* The employer rate includes .16% administrative fee.

\*\* The employer rate for ports and universities is 8.99%.

The County and the employees made the required contributions. The county’s required contributions for the years ended December 31, were:

	<u>LEOFF Plan I</u>	<u>LEOFF Plan II</u>
2008	\$ 136	\$ 157,017
2007	\$ 295	\$ 143,867
2006	\$ 451	\$ 114,449

**C. Public Safety Employees’ Retirement System (PSERS) Plan 2**

Plan Description

PSERS is a cost-sharing multiple-employer retirement system comprised of a single defined benefit plan, PSERS Plan 2. PSERS was created 2004 Legislature and became effective July 1, 2006.

PSERS Plan 2 membership includes full-time employees of a covered employer on or before July 1, 2006 who met at least one of PSERS eligibility criteria, and elected membership during the election period July 1, 2006 to September 30, 2006; and those full-time employees, hired on or after July 1, 2006 by a covered employer, that meet at least of PSERS eligibility criteria.

A *covered employer* is one that participates in PSERS. Covered employers include: State of Washington agencies: Department of Corrections, Department of Natural Resources, Parks and Recreation, Gambling Commission, Washington State Patrol, and Liquor Control Board; Washington state counties; and Washington state cities except for Seattle, Tacoma and Spokane.

To be eligible for PSERS, an employee must work on a full-time basis and:

- have completed a certified criminal justice training course with authority to arrest, conduct criminal investigations, enforce the criminal laws of Washington, and carry a firearm as part of the job: OR
- have primary responsibility to ensure the custody and security of incarcerated or probationary individuals; OR

- function as a limited authority Washington peace officer, as defined in RCW 10.93.020: OR
- have primary responsibility to supervise eligible members who meet the above criteria.

PSERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PSERS retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

PSERS Plan 2 members are vested after the completion of five years of eligible service. PSERS Plan 2 members may retire at the age of 65 with five years of service, or at the age of 60 with at least ten years of PSERS service credit, with an allowance of two percent of the average final compensation (AFC) per year of service. The AFC is the monthly average of the member’s 60 consecutive highest-paid service credit months, excluding any severance pay such as lump-sum payments for deferred sick leave, vacation or annual leave. Plan 2 retirees prior to the age of 60 received reduced benefits. If retirement is at age 53 or older with at least 20 year of service, a 3 percent per year reduction for each year between the age at retirement and age 60 applies. There is no cap on years of service credit; and cost-of living allowance is granted (indexed to the Seattle Consumer Price Index) capped at 3 percent annually.

There are 71 participating employers in PSERS. Membership in PSERS consisted of the following as of the latest actuarially valuation date for the plan of June 30, 2007: 2,755 active plan members non-vested. There were no retirees/beneficiaries receiving benefits, no terminated plan members entitled to but not receiving benefits and no active plan members vested.

**Funding Policy**

Each biennium, the state Pension Funding Council adopts PSERS Plan 2 employer and employee contribution rates. The employer and employee contribution rates for Plan 2 are developed by the Office of the State Actuary to fully fund Plan 2. All employers are required to contribute at the level established by the Legislature. The methods used to determine the contribution requirements are established under state statute in accordance with chapter 41.37 and 41.45 RCW.

The required contribution rates expressed as a percentage of current –year covered payroll, as of December 31, 2008, for PSERS Plan 2 were as follows:

<u>Employer</u>	<u>Employee</u>
9.43%	6.57%

\* The employer rate includes an employer administrative fee of .16%.

The County and the employees made the required contributions. The County’s required contributions were as follows:

	<b>PSERS Plan 2</b>
December 31, 2008	\$311,496
December 31, 2007	\$254,054
December 31, 2006	\$ 53,186

**NOTE 7 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFIT**

The County has adopted implementation of GASB Statement No. 45 (GASB 45) Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension, effective December 31, 2007.

**LEOFF I OPEB**

Plan Description

The County provides all health insurance benefits for retired public safety employees who are vested in LEOFF I. All County LEOFF I employees may become eligible for these benefits if they reach normal retirement age while working for the County.

There are 26 participants eligible to receive these benefits. There is currently one LEOFF I members employed at the County who has not yet retired. This participant does not receive LEOFF I medical benefits. The benefits are 100 percent provided by the County in order to meet State statutory requirements under the LEOFF I system, whereby the County pays their medical and dental premiums and out-of-pocket medical costs for life.

Funding Policy

The County has the authority to establish and amend contribution requirements. The required contribution is based on the projected pay-as-you-go financing requirements. Since the County’s healthcare plan is experience rated, the annual required contributions can fluctuate. For the fiscal year ending December 31, 2008, the County’s combined plan contributions were \$384,383.

Annual OPEB Cost and Net OPEB Obligation

The County’s annual other post-employment benefit cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount determined in accordance within the parameters of GASB 45 using the alternative method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded liabilities (or funding excess) over a period of thirty years. The following table shows the components of the County’s annual OPEB cost for the fiscal year ending December 31, 2008, the amount actually contributed to the plans, and changes in the County’s net OPEB obligation:

Annual required contribution	\$ 742,936
Interest on net OPEB obligation	20,664
Adjustments to the annual required contribution	<u>(60,454)</u>
Annual OPEB cost (expense)	703,146
Contributions made	<u>384,383</u>
Increase in the net OPEB obligation	318,763
Net OPEB obligation, beginning of year	<u>459,204</u>
Net OPEB obligation, end of year	<u><u>\$ 777,967</u></u>

The County’s annual OPEB cost, the contribution, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligation for 2008 were as follows:

<b>Fiscal year</b>	<b>Percentage of</b>			
<b>Ending</b>	<b>Annual OPEB</b>	<b>Annual OPEB</b>		
<b>December 31</b>	<b>Cost</b>	<b>Contribution</b>	<b>Cost</b>	<b>Net OPEB</b>
<b>2008</b>	<b>\$</b>	<b>\$</b>	<b>Contributed</b>	<b>Obligation</b>
2008	\$ 742,936	384,383	51.74%	\$ 358,553

Funding Status and Funding Progress

As of December 31, 2007, the most recent valuation date, the liability for benefits was \$7,772,118. Valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about the future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to

continual revision as actual results are compared with past expectations and new estimates are made about the future.

#### Methods and Assumptions

We have used the alternative measurement method permitted under GASB Statement No. 45. A single retirement age of 56.22 was assumed for all active members to determine the actuarial accrued liability. Termination and mortality rates were assumed to follow the LEOFF 1 termination and mortality rates used in the September 30, 2006 actuarial valuation report issued by the Office of the State Actuary (OSA). Healthcare costs and trends were determined by Milliman and used by OSA in the state-wide LEOFF 1 medical study performed in 2007. The results were based on grouped data with four active groupings and four inactive groupings. The actuarial cost method used to determine the actuarial accrued liability was Projected Unit Credit. These assumptions are individually and collectively reasonable for the purposes of this valuation.

### **NOTE 8 - RISK FINANCING**

#### **A. WASHINGTON COUNTIES RISK POOL**

Cowlitz County is a member of the Washington Counties Risk Pool. Revised Code of Washington (RCW) Chapter 48.62 authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, or joint hiring for risk management services to the same extent that they may individually purchase insurance, self-insure or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provision of RCW 39.34, the Interlocal Cooperation Act. The Risk Pool was formed on August 18, 1988 when several counties in the State of Washington signed an Interlocal Agreement to pool their self-insurance losses and jointly purchase insurance, and administrative services. Thirty counties have belonged to the Pool and twenty-eight counties are currently members of the pool.

The pool allows member counties to jointly purchase property and excess liability insurance, to establish a plan of self-insurance, and to provide and/or obtain related services such as risk management etc. All Pool joint self-insurance liability coverage's, including public officials' errors and omissions, and the property insurance program, are on an "occurrence" basis. The Pool provides the following forms of group purchased insurance coverage for its members: "following form" excess liability, and property that includes vehicles, mobile equipment, EDP equipment, and equipment breakdown, etc.

Members make an annual contribution to fund the Pool. The Pool acquires third-party liability reinsurance that is subject to a "per-occurrence" self-insured retention of the greater of \$100,000 or the member-selected deductible and "following form" excess insurances from unrelated underwriters. Based upon their individual deductible selections, members are responsible for the first \$10,000 to \$500,000 of each claim, while the Pool is responsible for the remaining self-insured retention up to \$100,000. Insurance carriers cover all losses above the (\$100,000 to \$500,000) self-insured retention to the maximum limits or each policy.

Since the Pool is a cooperative program, there is a joint liability among the participating members. This contingent liability is established if a program's assets are insufficient to cover the program's liabilities. Effects of the Pool are financed through retroactive assessments of the responsible members. The Pool's to date reassessments receivable balance as of December 31, 2008 is \$0.

The Pool also acquires member-option property insurance from unrelated underwriters that is subject to a member-selected, "per-occurrence" deductible of between \$5,000 and \$50,000.

Members are responsible for the entire deductible amount of each claim Insurance carriers covers all losses over the member deductibles to maximum limits of each policy.

Each new member pays the Pool an admittance fee. This amount covers the member's share the organizational expenses and the cost of analyzing their loss data and risk profile. Members contract to remain in the Pool for a minimum of five years, and may terminate their membership at the conclusion of any Pool fiscal year if the county has timely provide the required twelve month notice. The Interlocal Governmental Agreement is renewed automatically each year after the initial 5-year period. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were a signatory to the interlocal governmental agreement.

The Pool is fully funded by its member participants. Claims are filed by members and handled by the Pool's claims staff. Reserves are established for both reported and unreported insured events and include estimates of the undiscounted future cash payments of losses and related claim adjustment expenses.

The Pool is governed by a board of directors, which is comprised of one designated representative from each participating member. An executive committee is elected from the member-designated directors and alternate directors at the annual meeting. Also at the annual meeting, the Pool's officers (president and secretary-treasurer) are elected from the executive committee persons. The offices and the executive committee are responsible for conducting the business affairs of the Pool.

### **Claims and Judgments**

1) The County Risk Management Fund provides monies to cover the \$100,000 deductible on general liability insurance and automobile liability. Amounts in excess are covered as described in Note 9 through the Risk Insurance Pool. The County based the liability on information provided in year-end information form the Insurance Risk Pool and management judgment. Total claims liability - \$939,017 as of December 31, 2008.

2) The Industrial Insurance Safety Fund provides payments for workers compensation. The estimated claims payable at December 31, 2008 based on information provided from State Industrial Tables - \$570,000.

### **B. SELF-INSURANCE**

The County maintains insurance against most normal hazards. For general liability and workers compensation the County has elected to retain for losses up to \$100,000 per occurrence. General liability losses in excess of the retention are insured through the Washington Counties Risk Pool to \$500,000. The county risk manager and independent claims managers process claims. Based on the claims manager's estimates, the estimated ultimate loss report for general liability prepared by the Risk Pool and with management's judgment. Estimated Claims at December 31, 2008 were \$939,017 for general liability and \$570,000 for workers compensation.

The county’s changes in aggregate liability were as follows:

	<u>Risk Management</u>	<u>Industrial Insurance</u>	<u>Total</u>
Claims Payable 12-31-06	\$ 877,536	\$ 321,000	\$ 1,198,536
Provision for 2007	260,708	465,391	726,099
Increase (Decrease) in Provision for Prior Years	(11,115)	(14,400)	(25,515)
Less:			
Payment of Claims in Current Yr. Events	8,872	57,566	66,438
Payment of Claims in Prior Yr. Events	235,505	160,425	395,930
Claims Payable 12-31-07	<u>882,752</u>	<u>554,000</u>	<u>1,436,752</u>
Provision for 2008	276,624	150,349	426,973
Increase (Decrease) in Provision for Prior Years	(50,729)	179,942	129,213
Less:			
Payment of Claims in Current Yr. Events	22,131	63,645	85,776
Payment of Claims in Prior Yr. Events	177,499	250,646	428,145
Claims Payable 12-31-08	<u>\$ 909,017</u>	<u>\$ 570,000</u>	<u>\$ 1,479,017</u>

Since 1988, when Cowlitz County joined the risk pool, settlements by the County have not exceeded the annual insurance coverage.

The county is required by the State to set aside, for protection of the Workers compensation fund, \$100,000. The Industrial Insurance Fund has \$45,340 at December 31, 2008 available to help meet the projected future estimate of claims to be paid out of \$570,000. This results in a December 31, 2008 negative net assets balance of \$568,519

The Risk Management Fund has \$1,308,949 at December 31, 2008 in net cash and investments to meet actual and projected claims to be paid of \$939,017.

Claims settlements and loss expenses are accrued in the Risk Management Fund for the estimated settlement value of both reported and unreported claims (up to the aggregate stop-loss). This fund is responsible for collecting interfund premiums from insured funds and departments, for paying claim settlements and for purchasing certain insurance policies. Interfund premiums are assessed on the basis of claims experience and are reported as revenues and expenses or expenditures.

Also the county self-insures the Unemployment Compensation Fund. At December 31, 2008 the fund has a net assets balance of \$335,348 compared to \$326,472 at December 31, 2007.

**NOTE 9 – LONG-TERM DEBT AND CAPITAL LEASES**

**A. LONG-TERM DEBT**

Note 9 summarizes long-term debt as follows: 1) General Obligation Bonds and General Obligation Notes 2) is a schedule summarizing debt service requirements to maturity on general obligation bonds and notes and information on claims and judgments payable 3) Discretely Presented Component Units – Three Rivers Wastewater Authority, and Public Facilities District and their long-term debt 4) is a summary of changes in general long-term debt and proprietary long-term debt and 5) presents the County’s legal debt margin.

***1. General Obligation Bonds***

**A. Bonds and Other Long-Term Liabilities**

**Debt Outstanding**  
December 31,  
2008

**General Obligations Bonds:**

\$2,060,000 **1998 Limited Tax General Obligation Bonds** issued August 1, 1998 to assist the Port of Woodland construction of a rail line and related improvements. Interest varies from 4.0% to 4.4% with annual principal installments of \$65,000 to \$100,000 through November 1, 2008. The debt is serviced by sales and use tax authorized for distressed counties. If this sales tax falls short of the annual debt service requirements the Port guarantees repayment to the County. The County is generally obligated in event of default by Port of Woodland.

**\$ 0**

\$7,080,000 **1999 Limited Tax General Obligation Bonds** issued August 1, 1999. Interest varies from 4.0% to 5.5% with annual principal installments of \$295,000 to \$865,000. Final maturity is November 1, 2023. The debt is to finance the street improvements for the City of Longview, a bridge for Port Kalama’s industrial park, restrooms for Port of Woodland, and improvements to the commercial building at the County Exposition Center. That debt is paid from sales tax authorized for distressed counties. **Some projects financed from this issue have the debt service paid by districts other than the County and represents \$700,000 of the \$805,000 outstanding.** That debt is paid from assessments collected by the following districts and consist of a conveyance and pumping system for Drainage Improvement District No. 1, a conveyance pump and emergency generator for Lexington Flood District, a pump station for Consolidated Diking District No. 2. The County is generally obligated in event of default from the revenue sources; however, should the distressed sales tax the county has dedicated to certain projects be insufficient the district’s benefiting from proceeds have agreed to provide for their portion of the debts.

**\$ 275,000**

\$5,695,000 **2002 Limited General Obligation Bonds** issued September 10, 2002. Interest varies from 2.5% to 5.0% with annual principal installments of \$235,000 to \$435,000 through April 1, 2024. The debt is serviced from the state sales tax authorized for distressed counties. Also, the county pledged its resources to the payment of the bonds to obtain a more favorable rate of interest. And the County has purchased an insurance policy insuring the payment of principal and interest when due on the bonds. The issue provided \$2 million for a new rail line to Port of Longview; other projects were the wastewater treatment improvements to the cities of Castle Rock and Kalama, upgrade to City of Longview’s water distribution system, a commercial building for the Port of Woodland, a shipping berth and commercial building for Port of Kalama and carried out other portions of the County’s Facilities Plan.

**\$ 4,665,000**

\$235,000 **1993 Limited Tax Obligation Bonds** issued October 1 1993 to finance the relocation of a water main on state right of way. Interest varies from 2.8% to 4.5% on principal installments of \$10,000 to \$20,000 through December 31, 2008. The **debt is paid from users of the County Water System** and is backed by County property taxes.

**\$ 0**

\$6,565,000 **2003 Limited Tax General Obligation Bonds** issued July 8, 2003 to provide construction of a regional center for special events and conventions. Interest varies from 2% thought 4.35% on principal payment so f \$115,000 to \$490,000 though October 1, 2027. **The debt will be paid from sales and hotel taxes received by the Cowlitz County Public Facilities District, a component unit of Cowlitz County.**

**\$ 5,640,000**

\$860,000 **2003 GO Refunding Bonds** issued July 8, 2003 to refund the 1994 limited general obligation bond debt of \$830,000 of Three Rivers Wastewater Plant, a component unit of the County. Interest varies from 2% to 3% on future principal payments of \$110,000 to \$130,000 through October 1, 2010. **This debt is paid by Three Rivers Regional Wastewater Plant a component unit of Cowlitz County.**

**\$ 255,000**

\$2,850,000 in R.I.D. #10 and L.I.D. #16 **1999 Special Assessment Bonds** issued August 1, 1999 interest varies from 4% to 5.25% on principal installments of \$105,000 to \$135,000 through November 1, 2009. The bonds are for sewer and road improvements on Port of Longview property. The Port of Longview is the debtor on all special assessments owing. The County has pledged its resources to pay principal and interest on the debt in case of default by the Port. In 2005 the 2005 Refunding Assessment Bond refunded \$1,825,000 of the debt.

**\$ 135,000**

\$8,565,000 **2005 Limited GO Refunding Bonds** issued September 9, 2005 to refund certain of the Limited Tax General Obligation Bonds 1998 and Limited Tax General Obligation Bonds 1999 and pay the administrative costs of refunding, issuance and sale of bonds. The 2005 bonds have interest rates of 3% to 4.25% on principal installments of \$50,000 to \$855,000 through November 1, 2023.

This remaining debt is paid from the following: principal paid from assessments is \$1,825,000 to be paid through 2019; other governments are to pay \$3,200,000 of the principal leaving \$3,335,000 as the County’s portion of this debt.

**\$ 8,250,000**

\$13,760,000 **Special Sewer Revenue Bonds 2006** issued June 1, 2006 to provide construction improvements to the wastewater treatment plant. Interest varies from 4.25% to 5.25% with future principal payments of \$470,000 to \$1,090,000 through March 1, 2025. The debt is paid from revenues collected by the Three Rivers Regional Wastewater Authority (TRRWA), a discretely presented component unit of the County. In the event the TRRWA does not provide sufficient funds for payment of the debt Cowlitz County has pledged its full faith and credit to deposit into the bond fund.

**\$ 12,800,000**

**2. DEBT SERVICE REQUIREMENTS TO MATURITY**

Annual debt service requirements to maturity for **general obligation bonds** are as follows:

Year Ending	Governmental Activities	
	Principal	Interest
<b>December 31</b>		
2009	900,000	675,899
2010	955,000	741,646
2011	855,000	701,268
2012	905,000	662,511
2013	955,000	620,824
2014-2018	5,460,000	2,390,713
2019-2023	5,155,000	1,095,776
2024-2027	2,075,000	175,825
<b>Total</b>	<b>\$ 17,260,000</b>	<b>\$ 7,064,462</b>

1/ Enterprise debts paid from Water/Sewer user fees.

Annual debt service requirements for **special assessments bonds** are as follows:

<b>Special Assessment Debt</b>		
<b>Year Ending</b>		
<b>December 31</b>	<b>Principal</b>	<b>Interest</b>
2009	135,000	105,230
2010	140,000	98,750
2011	150,000	91,050
2012	160,000	82,800
2013	165,000	74,000
2014-2018	980,000	222,288
2019-2019	230,000	12,075
<b>Total</b>	<b>\$ 1,960,000</b>	<b>\$ 686,193</b>

Annual debt service requirements for the **special sewer revenue bonds 2006**, which are paid from revenues collected by Three Rivers Regional Wastewater Authority and backed by the Counties full faith and credit, are as follows:

<b>Special Sewer Revenue Bonds</b>		
<b>Year Ending</b>		
<b>December 31</b>	<b>Principal</b>	<b>Interest</b>
2009	510,000	608,438
2010	530,000	586,337
2011	555,000	563,281
2012	575,000	539,269
2013	605,000	514,194
2014-2018	3,445,000	2,139,656
2019-2023	4,450,000	1,140,975
2024-2025	2,130,000	107,750
<b>Total</b>	<b>\$ 12,800,000</b>	<b>\$ 6,199,900</b>

**Water-Sewer Notes Payable to State of Washington –**

The County entity received \$653,050 of Public Works Trust Fund money from Wa. State Department of Community Development. The funds were for improvements to the Toutle Wastewater Treatment Facility. An advance was received in June 2000 of \$102,072 and an additional \$510,360 was received in May 2002 with the final payment of \$40,618 received February 2004. The loan was authorized for \$680,460; however total received was \$653,060. Interest is 2 percent per annum through June 30, 2003, and 1% per annum thereafter with annual principal payments through June 30, 2020 of \$34,623. Principal balance at December 31, 2008 is \$415,471.

Also the Water-Sewer fund has a loan of \$1,084,158 from the Wa. State Department of Community Development. The funds were for improvements to the Ryderwood Water Treatment Plant. The note included a financing fee of \$21,258 that was deducted by the state. The loan has a 1% interest rate. Eighteen equal annual principal payments of \$60,231 are due beginning October 1, 2006 with final maturity October 1, 2023. Principal balance at December 31, 2008 is \$903,465.

In 2008 the Water-Sewer fund received three loans from Wa. State Department of Community Development totaling \$416,135. The funds were for improvements to County Water Systems Reservoir Coating, Water-Sewer Umbrella Plan and Toutle Sewer Lift Station Rehab Project. The Reservoir Coating loan is for \$322,035, .50% with annual principal payments of 16,949 through July 1, 2027. The Toutle Sewer and Umbrella Plan loans totaled \$94,100, no interest, with annual payments of \$94,100 through July 1, 2012.

Annual debt service requirements payable to the State on the water-sewer notes are as follows:

<b>Water Sewer - Notes Payable - St. of Wa.</b>		
<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2009	135,328	14,433
2010	135,328	13,766
2011	135,328	12,733
2012	135,328	11,700
2013	111,803	10,666
2014-2018	559,014	37,833
2019-2023	455,146	13,039
2024-2028	67,797	847
Total	<u>\$ 1,735,072</u>	<u>\$ 115,017</u>

**Solid Waste Enterprise Fund -Landfill Closure and Post closure Care Costs**

State and federal laws and regulations require municipal solid waste landfills to place a cover on their landfills and perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure costs will be paid near or after designated areas of the landfill are filled, the County is required to report a portion of these closure and post closure care costs as an expense and as a liability in each period that the landfill accepts waste.

The \$10.8 million reported as landfill closure and post closure care liability at December 31, 2008 represents the cumulative amount reported to date based on the use of 75 percent of the estimated refuse capacity of the landfill. The county will recognize the remaining estimated costs of closure and post closure care of \$3.4 million as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post closure care at the end of 2008. The estimated life for the landfill is 5 years, with final closure in September 2012. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

Cowlitz County is required by state regulations to accumulate funds over the remaining life of the landfill to provide for the closure and post closure care. The County is in compliance with these requirements. At December 31, 2008 the County had \$10.8 million in cash and investments held for these purposes. The amounts are reported as restricted cash and investment on the balance sheet.

**3. Discretely presented component unit – Three Rivers Regional Wastewater Authority (TRRWA)**

In 2008, the Solid Waste ELF Fund made a loan to TRRWA for \$2.9 million for a reserve fund for the 2002 Revenue Bonds.

On June 1, 2006 Cowlitz County issued \$13,760,000 in Special Sewer Revenue Bonds for TRRWA construction improvements. TRRWA will pay the annual debt service to the County for these bonds.

Also two bond issues were issued by Cowlitz County for improvements to the Regional Wastewater Sewer Plant in 1994 and 2002. Both bond issues are paid by the users of the Regional Wastewater Plant consisting of the cities of Kelso, Longview and the Beacon Hill Sewer District and Cowlitz County. The 2002 Special Revenue Refunding issue had insurance policy purchased when the users issued the bonds to insure payment of the debt in case of default. Should the users of the system not comply with the bond covenants the County will precede to cause such noncompliance to be corrected and take such actions, as it deems necessary, including seeking an order of specific performance from an appropriate court. In 2003 the County issued refunding

bonds that refunded the 1994 bonds. The Regional Wastewater Plant now pays the primary government for their share of the 2003 refunding issue.

<b>Debt Outstanding</b>	
<b>Component Unit – Three Rivers Regional Wastewater Authority – General Obligation Bonds</b>	<b>December 31, 2008</b>
\$35,400,000 <b>2002 Special Revenue Refunding Bonds</b> - issued September 5, 2002 to pay the costs of the Central Sewer’s portion of the County’s outstanding Limited Tax General Obligation Bonds-1999. Interest varies from 2.5% to 5.5% on principal installments of \$2.1 million to \$2.79 million through November 1, 2019. Revenues from user fees collected by the Cities of Kelso, Longview and Beacon Hill Sewer District will service the debt on this issue. Up front money provided by the Central Sewer has paid for an insurance policy to fund the debt in case of default by the users. The debt was issued in the County’s name; however, bond resolution legally transferred debt to Regional Wastewater Utility.	<b>\$ 24,085,000</b>
<b>Component Unit – Three Rivers Regional Wastewater Authority – Notes Payable:</b>	
\$7,000,000 <b>1999 Public Works Trust Fund Loan</b> from State of Washington - \$6,300,000 issued August 23, 1999 and \$700,00 issued May 12, 2004.for improvements to the sewer facilities. Interest is 1% per annum with future annual principal payments of \$375,329 beginning June 30, 2005 through June 30, 2019.	<b>\$ 4,128,618</b>
\$3,000,000 <b>2001 Public Works Trust Fund Loan</b> from State of Washington - \$2,850,000 issued May 26, 2001 and \$150,00 issued May 10, 2004 for improvements to treatment plant. Interest is .05% per annum with future annual principal payments of \$158,333 beginning June 30, 2005 through June 2020 and 8,333 principal payments in June 2021.	<b>\$ 2,058,333</b>
\$510,00 <b>2006 Public Works Trust Fund Loan</b> from State of Washington - \$382,500 issued August 7, 2006 by TRRWA to replace two clarifiers and associated piping . Interest is .05% per annum with future annual principal payments of \$95,625 beginning June 30, 2008 through June 30, 2011.	<b>\$ 182,211</b>
\$776,287 <b>2006 City of Longview Loan</b> to TRRWA from Public Works Trust Fund Money received by City. \$750,000 received by TRRWA Sep 21, 2006. Interest is .05% per annum with future annual principal payments of \$187,500 beginning June 30, 2007 through June 30, 2010.	<b>\$ 694,572</b>
\$2,983,838 <b>2008 Public Works Trust Fund Loan</b> from State of Washington by TRRWA to replace two clarifiers and associated piping. Interest is 0.5% per annum with future annual principal payments of \$157,044 beginning July 1, 2009 through July 1, 2027.	<b>\$ 2,983,838</b>
<b>Component Unit –Three Rivers Regional Wastewater Authority – Due to Primary Government</b>	<b>Debt Outstanding 12/31/2008</b>
\$2,944,525 from Cowlitz County Solid Waste ELF Fund on August 28, 2008 to provide a reserve fund for the 2002 Revenue Bonds. Interest is a variable rate equal to the monthly average rate of return on the State of Washington Local Government Investment Pool. The loan shall mature on the date that is five years after the date of the loan is made.	<b>\$ 2,944,525</b>
\$13,760,000 from Cowlitz County that issued bonds on June 1, 2006 to provide construction improvements to the wastewater treatment plant. Interest varies from 4.25% to 5.25% with future principal payments of \$470,000 to \$1,090,000 beginning March 1, 2007 through March 1, 2025.	<b>\$ 12,800,000</b>
\$860,000 from Cowlitz County which issued bonds on July 8, 2003 to refund the 1994 Regional Wastewater Bonds of \$830,000. Interest varies from 2 to 3% on future principal payments of \$110,000 to \$130,000 through October 1, 2010.	<b>\$ 255,000</b>

Annual Debt Service for **Component Unit** –Three Rivers Regional Wastewater Authority follows:

<b>Discretely Presented Component Unit -Three Rivers Regional Wastewater Authority</b>						
<b>Year</b>	<b>Bonds*</b>		<b>Notes- Due State Wa &amp; City</b>		<b>Due to Primary Govt.</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2009	1,745,000	1,191,700	792,301	64,548	635,000	615,775
2010	1,805,000	1,134,987	792,301	64,481	660,000	590,238
2011	1,870,000	1,069,556	792,301	58,944	555,000	563,281
2012	1,945,000	994,756	731,564	54,414	575,000	539,269
2013	2,030,000	914,525	731,564	47,869	605,000	514,194
2014-2018	11,900,000	2,800,325	3,657,818	156,291	3,445,000	2,139,656
2019-2023	2,790,000	153,450	1,839,835	41,167	4,450,000	1,140,975
2024-2027			709,891	8,475	2,130,000	107,750
<b>Total</b>	<b>\$ 24,085,000</b>	<b>\$ 8,259,299</b>	<b>\$ 10,047,575</b>	<b>\$ 496,189</b>	<b>\$ 13,055,000</b>	<b>\$ 6,211,138</b>

\*Final Yr on Bond Pmts 2019

In addition, TRRWA obtained a loan from the Solid Waste Fund in 2008 for \$2,944,525 which will mature over the next five years without a specified amortization schedule.

**Discretely Presented Component Unit – Public Facilities District**

In 2008, the PFD obtained a loan from the City of Longview who issued bonds for \$6,130,000. The loan is to fund improvements to the Columbia Theater for the Performing Arts in Longview.

On July 8, 2003 Cowlitz County issued \$6,565,000 of Limited Tax General Obligation Improvement Bonds to pay part of the costs of a regional convention center for the Public Facilities District that is currently under construction. Sales tax revenue that the Public Facilities District receives of .033 percent was imposed on March 20, 2002, which is a share of state sales tax collected, will help pay for the Limited General Obligation Bonds.

<b>Component Unit – Public Facilities Dist. –Due to Primary Government</b>	<b>Debt Outstanding December 31, 2008</b>
\$6,565,000 from Cowlitz County, that issued bonds on July 8, 2003 to provide funding for construction of a 39,000 square foot regional events conference/convention center. Interest varies from 2% to 4.35% on future principal payments of \$135,000 to \$490,000 through October 1, 2027.	\$5,640,000

<b>Component Unit – Public Facilities Dist. - Notes Payable:</b>	<b>Debt Outstanding December 31, 2008</b>
\$6,130,000 from City of Longview, that issued bonds on December 27, 2007 to provide funding for improvements to Columbia Theater for the Performing Arts in Longview received by the District January 8, 2008. Interest varies from 4.0 % to 5.0% with future annual principal payments of \$85,000 to \$510,000 beginning December 01, 2008 through June 01, 2032.	\$6,045,000

Annual Debt service for amounts Due to Primary Government for the Component Unit – Public Facilities District follows:

<b>Component Unit -Public Facilities District</b>		
<b>Due to Primary Government</b>		
	Principal	Interest
2009	160,000	215,743
2010	170,000	211,343
2011	180,000	206,243
2012	195,000	200,393
2013	210,000	193,568
2014-2018	1,295,000	851,963
2019-2023	1,790,000	576,210
2024-2027	1,640,000	164,952
	<u>\$ 5,640,000</u>	<u>\$ 2,620,415</u>

Annual debt service requirements payable to the City of Longview on the Public Facilities notes are as follows:

<b>Component Unit -Public Facilities District</b>		
<b>Due to City of Longview</b>		
	Principal	Interest
2009	75,000	254,625
2010	85,000	251,425
2011	95,000	247,825
2012	105,000	243,825
2013	120,000	239,325
2014-2018	795,000	1,104,625
2019-2023	1,200,000	896,325
2024-2028	1,710,000	601,503
2024-2032	1,860,000	170,280
	<u>\$ 6,045,000</u>	<u>\$ 4,009,758</u>

**4. CHANGES IN LONG-TERM DEBT**

***Changes in Governmental Activities General Long Term Debt***

	<b>Balance 1/1/2008</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 12/31/2008</b>	<b>Due Within One Year</b>
General Obligation Bonds	\$ 18,130,000		(870,000)	\$ 17,260,000	\$ 900,000
Special Assessment Bonds with governmental commitment	2,090,000		(130,000)	1,960,000	135,000
Special Revenue Bonds	13,290,000		(490,000)	12,800,000	510,000
Less: deferred amounts:					
for issuance discounts	(209,291)		35,058	(174,233)	
for premium on 2005 issue	145,832		(9,211)	136,621	
on refunding on 2005 issue	(251,398)		132,700	(118,698)	
	<u>33,195,143</u>	<u>-</u>	<u>(1,331,453)</u>	<u>31,863,690</u>	<u>1,545,000</u>
Notes Payable	-	700,000	(52,500)	647,500	70,000
Other post employee benefits	-	1,162,350	(384,383)	777,967	
Compensated Absences	2,664,179	2,917,053	(2,908,782)	2,672,450	
Comp. Absences - Int Svc.	174,322	139,367	(128,210)	185,479	
Claims/Judgements-Int Svc.	1,436,752	556,186	(513,921)	1,479,017	389,071
Total Gen'l Long-Term Debt	<u>\$ 37,470,396</u>	<u>\$ 5,474,956</u>	<u>\$ (5,319,249)</u>	<u>\$ 37,626,103</u>	<u>\$ 2,004,071</u>

In 2006 Cowlitz County issued \$13,760,000 in special sewer revenue bonds on behalf of Three Rivers Regional Wastewater Authority (TRRWA). TRRWA has pledged its net revenues for payment of the debt and constitutes a lien on the net revenues TRRWA. Also the bonds are further secured by a limited tax general obligation of the County.

- Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for the internal service funds at 12/31/08 consisting of claims payable of \$1,436,752 and compensated absences of \$174,322 are included in governmental activities changes in general long-term debt.

**Changes in Business Type Activities Long-Term Debt**

	Balance 1/1/2008	Additions	Reductions \$ -	Balance 12/31/08	Due Within One Year
Limited General					
Obligation Bonds	\$ 20,000		(20,000)	\$ -	\$ -
Less: deferred discount	(488)		488	-	-
	19,512	-	(19,512)	-	-
Notes Payable State of Wa.	1,413,789	416,135	(94,854)	1,735,070	135,328
Compensated Absences	332,814	328,954	(287,119)	374,649	
Capital Lease	-		-	-	
Landfill Closure & Postclosure Care	9,733,470	1,074,114		10,807,584	
	\$ 11,499,585	\$ 1,819,203	\$ (401,485)	\$ 12,917,303	135,328

**Changes in Long-Term Debt Discrete Component Unit (Three Rivers Regional Wastewater Authority)**

	Balance 1/1/2008	Additions	Reductions	Balance 12/31/2008	Due Within One Year
Limited General					
Obligation Bonds	\$ -			\$ -	
Special Revenue					
Refunding Bonds	25,780,000		(1,695,000)	24,085,000	1,745,000
Less: deferred amounts:					
for discounts	(3,381)		1,127	(2,254)	
for issuance costs	(2,402,172)		206,043	(2,196,129)	
for premium	1,389,898		(117,456)	1,272,442	
Total bonds payable	24,764,345	-	(1,605,286)	23,159,059	1,745,000
Notes Payable-Other Govts.	7,838,543	2,983,838	(774,810)	10,047,571	792,301
Due to Primary Government	13,670,000	2,944,528	(615,000)	15,999,528	635,000
Less: deferred amounts:					
for issuance	(190,689)		11,054	(179,635)	
for premiums	412,201		(23,896)	388,305	
Compensated Absences	159,693	152,014	(135,883)	175,824	
Total Component Unit	\$ 46,654,093	\$ 6,080,380	\$ (3,143,821)	\$ 49,590,652	\$ 3,172,301

**Changes in Long-Term Debt Component Unit (Public Facilities District)**

**CHANGES IN LONG-TERM DEBT COMPONENT UNIT (PUBLIC FACILITIES DISTRICT)**

	<u>Balance 1/1/2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2008</u>	<u>Due Within One Year</u>
Due to Primary Government	\$ 5,785,000		\$ (145,000)	\$ 5,640,000	\$ 160,000
Notes Payable	-	6,130,000	(85,000)	6,045,000	75,000
Less deferred amounts:					
For issuance discounts	(93,208)	(54,679)	6,848	(141,039)	
Long Term Liabilities	5,691,792	6,075,321	(223,152)	11,543,961	235,000

**5. LEGAL DEBT MARGIN**

State law sets the County’s limitation on external long-term debt and the remaining debt that may be incurred is as follows:

<u>PURPOSE OF INDEBTEDNESS</u>	<u>REMAINING CAPACITY</u>
General Government (No vote required)	\$ 106,001,875
General Government (Vote required)	\$ 199,920,641

**6. CAPITALIZED LEASES**

In government wide statement of net assets, capital lease purchases are recorded at present value at the time of acquisition with the associated liability. As of December 31, 2008 there are no capitalized leases with any outstanding balances owing.

**NOTE 10 – CONTINGENT LIABILITIES**

Cowlitz County has recorded in its financial statements all material liabilities, including an estimate for situations, which are not yet resolved, but where, based on available information, management believes it is probable that the County will have to make payment. In the opinion of management the County’s insurance policies and/or self insurance reserves are adequate to pay all known or pending claims.

Cowlitz County participates in a number of federal and state assisted programs. The grants are subject to an annual audit, principally the federal programs. The audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the contracts. At this time there are no known disallowed expenditures and if any disallowed expenditures should result it is estimated that such amounts, if any to be immaterial.

**NOTE 11 – OTHER DISCLOSURES**

**A. PRIOR PERIOD ADJUSTMENTS**

The Community Mental Health Fund and Human Service Fund had a prior period adjustment of \$130,031 due to a grant adjustment from DSHS resulting in an increase in the fund balance for Community Mental Health and a decrease in the fund balance for Human Services for the \$130,031.

In 2008, the \$1,614,910 in deferred revenues reported in the 1999 GO Bond Fund that is representative of assessments receivables was moved to fund balance to be consistent in the recording of long term receivables in the debt service and capital improvement funds.

**B. SUBSEQUENT EVENTS**

The U.S. Securities and Exchange Commission's Rule 15c2-12 provides that, where applicable, municipalities must submit, along with other financial information, notice of certain events material to their bonds. During the last year insurers of the County's bonds have been downgraded on numerous occasions due to the weak economy. The following summarizes these latest events which have been reported, as required, to the Municipal Securities Information Repositories.

In March of 2008, the County's Bond Insurer FGIC for the 2002 Revenue Bonds was downgraded to Baa3 from AAA. On July 15, 2008, the County entered into a loan agreement with Three Rivers Regional Wastewater Authority (TRRWA) for \$3,000,000 from the County's Solid Waste Fund so that TRRWA may provide for the Reserve Requirements for the Bonds issued by TRRWA by a deposit into the Reserve Account for the Bonds.

In June of 2009, Standard & Poor's (S&P) lowered its rating on MBIA to A from AA which affects the 2006 Bonds. Over the next five years, TRRWA will need to establish a reserve account for \$1,120,633.

On March 3, 2009, the County authorized a loan for interim financing for the County General Fund. Revenues for the year have fallen short of expectations therefore a short term loan was needed to provide cash flow. The Government Capital Projects Fund can provide the temporary assistance. The assistance would be in the form of a loan which would accrue interest each month at the same rate as if the funds had been invested with the State Investment Pool and such amount would be repaid, in full, not later than December 31, 2009. The County has not drawn any funds as of September 14, 2009.

## **REQUIRED SUPPLEMENTAL INFORMATION**

The Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – General Fund presents budget information, along with actual results, on separate statements for the General Fund and each major special revenue fund which had a legally adopted budget. Also, departmental information is included for expenditures of the General Fund, in accordance with the County’s legally adopted budget.



**Cowlitz County, Washington**  
**Schedules of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2008**

	<b>General Fund</b>			
	<b>2008</b>			
	<b>Budgeted Amounts</b>		<b>Variance with</b>	
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	<b>Final Budget</b>
<i>Revenues:</i>				
Taxes	\$ 22,130,358	\$ 22,130,358	\$ 21,223,928	\$ (906,430)
Licenses & Permits	66,524	66,524	74,517	7,993
Intergovernmental	6,593,059	7,185,377	6,969,652	(215,725)
Charges for services	5,312,213	5,312,213	4,938,602	(373,611)
Fines and forfeits	1,549,194	1,549,194	1,433,235	(115,959)
Interest	1,642,790	1,642,790	834,272	(808,518)
Miscellaneous	399,351	399,351	538,575	139,224
<i>Total revenues</i>	<u>37,693,489</u>	<u>38,285,807</u>	<u>36,012,781</u>	<u>(2,273,026)</u>
<i>Expenditures:</i>				
General government	10,260,806	10,317,876	9,970,456	347,420
Public safety-corrections	9,763,998	9,795,852	8,842,735	953,117
Public safety-juvenile	3,715,936	3,695,613	3,524,522	171,091
Public safety-other	6,781,317	6,827,031	6,616,972	210,059
Judicial	6,299,497	6,322,044	6,024,239	297,805
Physical environ. (animal cont./soil cons.)	96,633	96,633	445,739	(349,106)
Economic environment	1,445,848	1,878,348	1,114,342	764,006
Transportation (airport)	19,000	19,000	19,150	(150)
Mental & physical health	528,853	577,118	550,723	26,395
Culture & recreation	779,912	779,912	717,050	62,862
Debt Service - Principal	-	-	-	-
Capital outlay	200,000	165,000	39,355	125,645
<i>Total Expenditures</i>	<u>39,891,800</u>	<u>40,474,427</u>	<u>37,865,283</u>	<u>2,609,144</u>
Excess (deficiency) of revenues over expenditures	<u>(2,198,311)</u>	<u>(2,188,620)</u>	<u>(1,852,502)</u>	<u>(4,882,170)</u>
<i>Other financial sources (uses):</i>				
Proceeds-sale fixed assets	194,865	194,865	235,583	40,718
Transfers In				
Transfers (out)	(1,956,771)	(1,991,771)	(1,904,116)	87,655
<i>Total Other financial sources (uses):</i>	<u>(1,761,906)</u>	<u>(1,796,906)</u>	<u>(1,668,533)</u>	<u>128,373</u>
Net change in fund balances	(3,960,217)	(3,985,526)	(3,521,035)	464,491
Fund balance, January 1	8,500,000	8,500,000	8,861,399	361,399
Prior Period Adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 4,539,783</u>	<u>\$ 4,514,474</u>	<u>\$ 5,340,364</u>	<u>\$ 825,890</u>

**Cowlitz County, Washington**  
**Schedules of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2008**

<b>County Road</b>				
<b>2008</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<i>Revenues:</i>				
Taxes	\$ 8,528,641	\$ 8,528,641	\$ 8,517,924	\$ (10,717)
Licenses & Permits	-	-	-	-
Intergovernmental	13,007,028	13,007,028	4,547,791	(8,459,237)
Charges for services	78,500	78,500	222,949	144,449
Fines and forfeits	-	-	-	-
Interest	100,000	100,000	92,562	(7,438)
Miscellaneous	412,500	412,500	32,458	(380,042)
<i>Total revenues</i>	<u>22,126,669</u>	<u>22,126,669</u>	<u>13,413,684</u>	<u>8,712,985</u>
<i>Expenditures:</i>				
General government	-	-	-	-
Public safety-corrections	-	-	-	-
Public safety-juvenile	-	-	-	-
Public safety-other	-	-	-	-
Judicial	-	-	-	-
Physical environ. (animal cont./soil cons.)	-	-	-	-
Economic environment	-	-	-	-
Transportation (airport)	12,473,724	12,473,724	11,522,760	950,964
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Debt Service - Principal	-	-	-	-
Capital outlay	9,470,003	9,470,003	3,760,348	5,709,655
<i>Total Expenditures</i>	<u>21,943,727</u>	<u>21,943,727</u>	<u>15,283,108</u>	<u>6,660,619</u>
Excess (deficiency) of revenues over expenditures	<u>182,942</u>	<u>182,942</u>	<u>(1,869,424)</u>	<u>2,052,366</u>
<i>Other financial sources (uses):</i>				
Proceeds-sale fixed assets	250,000	250,000	274,077	24,077
Transfers In	500,000	500,000	702,482	202,482
Transfers (out)	(75,000)	(75,000)	(75,000)	-
<i>Total Other financial sources (uses):</i>	<u>675,000</u>	<u>675,000</u>	<u>901,559</u>	<u>(226,559)</u>
Net change in fund balances	857,942	857,942	(967,865)	(1,825,807)
Fund balance, January 1	2,350,000	2,350,000	6,431,441	4,081,441
Prior Period Adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 3,207,942</u>	<u>\$ 3,207,942</u>	<u>\$ 5,463,576</u>	<u>\$ 2,255,634</u>

**Cowlitz County, Washington**  
**Schedules of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2008**

<b>Community Mental Health</b>				
<b>2008</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-
Intergovernmental	9,893,727	9,893,727	10,435,961	542,234
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest	90,000	90,000	47,850	(42,150)
Miscellaneous	500	500	98,021	97,521
<i>Total revenues</i>	<u>9,984,227</u>	<u>9,984,227</u>	<u>10,581,832</u>	<u>597,605</u>
<i>Expenditures:</i>				
General government	-	-	-	-
Public safety-corrections	-	-	-	-
Public safety-juvenile	-	-	-	-
Public safety-other	-	-	-	-
Judicial	-	-	-	-
Physical environ. (animal cont./soil cons.)	-	-	-	-
Economic environment	-	-	-	-
Transportation (airport)	-	-	-	-
Mental & physical health	10,736,206	10,736,206	10,554,246	181,960
Culture & recreation	-	-	-	-
Debt Service - Principal	500	500	8,124	(7,624)
Capital outlay	-	-	-	-
<i>Total Expenditures</i>	<u>10,736,706</u>	<u>10,736,706</u>	<u>10,562,370</u>	<u>174,336</u>
Excess (deficiency) of revenues over expenditures	<u>(752,479)</u>	<u>(752,479)</u>	<u>19,462</u>	<u>423,269</u>
<i>Other financial sources (uses):</i>				
Proceeds-sale fixed assets	-	-	-	-
Transfers In	13,872	13,872	13,872	-
Transfers (out)	-	-	-	-
<i>Total Other financial sources (uses):</i>	<u>13,872</u>	<u>13,872</u>	<u>13,872</u>	<u>-</u>
Net change in fund balances	(738,607)	(738,607)	33,334	771,941
Fund balance, January 1	738,607	738,607	2,224,811	1,486,204
Prior Period Adjustments	-	-	130,031	130,031
Fund balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,388,176</u>	<u>\$ 2,388,176</u>



## Non-Major Special Revenue Funds

These funds account for revenues derived from specific taxes, grants, or other sources, which are designated to finance particular activities of Cowlitz County. The county's twenty-one special revenue funds with descriptions are as follows:

**Paths and Trails** – a fund for the development of paths and trails in the county pursuant to RCW 47.30. Revenue is from required 1/2 of 1% of motorized fuel funds received.

**Stormwater** – fund established for development of a stormwater management plan in compliance with Federal Law (the Clean Water Act) for areas surrounding the Kelso-Longview urban area including educating the public on illegal discharges, reducing pollutants entering the storm drainage system through inspections and an enforcement strategy.

**Building and Planning** – A fund to accumulate building permit revenues and account for programs providing enforcement of building, plumbing, mechanical, and zoning codes; and comprehensive planning services; fire prevention and investigation.

**Noxious Weed** – A fund established to levy and use tax assessments and inter-governmental revenues to control noxious weeds.

**Stadium/Convention Center** – a fund established pursuant to RCW 67.28 to account for monies received from the motel/hotel transient tax of which 2% is restricted to construction or operation of stadium, convention or performing arts center facilities or to pay for distributing information to promote tourism.

**Superior Court Law Library** – a fund to acquire and maintain the county's law library.

**Veterans Relief** – a fund to finance emergency financial assistance to veterans and their surviving spouses.

**Graphic Information Systems** – a fund that provides a computerized mapping system for the county area.

**Human Services** – a fund to pay for county employees for the administration and services for mental health, substance abuse, and developmental disabilities.

**Health Department** - a fund to provide for enforcement of state rules promulgated by the state board of health and secretary of health; supervise the maintenance of health and sanitary measures for the protection of public health; and provide for the control and prevention of any dangerous, contagious or infectious diseases within the jurisdiction of the local health department.

**Treasurer's Operation and Maintenance** – a fund to account for costs of foreclosure, and the recovery of foreclosure costs.

**Auditor's Operation and Maintenance** – a fund established pursuant to RCW 36.22.170 to account for the preservation, recording, and indexing of historical documents financed by a document-recording surcharge.

**Prosecuting Attorney Victim Witness** – program to encourage and facilitate testimony by victims of crimes and witnesses to crimes and to assist victims in the restitution and adjudication process.

**Tourism Development** – a fund established to promote tourism in the county. Some of the funding comes from a 2% excise tax on hotels, motels and trailer camps used for temporary lodging. Funds also provide for capital outlay related to tourism.

**Drug Task Force** – a fund to account for federal grant monies spent controlling drug traffic.

**Boat Safety** – a fund to account for a portion of vessel registration fees collected and redistributed by the state for county boating safety education and enforcement.

**Cowlitz County Drug Fund** – a fund to account for money received from criminal defendants on court orders to contribute to the fund used for the investigation and or prosecution of suspected drug-related offenses.

**Affordable Housing** – a fund established per state law codified in RCW 36.22.178 from a surcharge on each document recorded in the county auditor's office. The funds are for use by the county and cities within the county for housing projects or units within housing projects for the low income.

**Low Income Housing and O&M** – a fund established for the counties share of the revenues from RCW 36.22.178 from the surcharge on each document recorded in the county auditor's office. The funds are for use by the county for housing projects, units within housing projects for the low income, operating costs for emergency shelters, and rental assistance.

**Law & Justice Funding** – funds are for criminal justice purposes and currently are used to help pay for additional law and justice employees. Revenue comes from a one tenth of 1% sales tax that became effective April 1, 2005.

**Benefits Administration** – fund provides health care benefits to county sheriff employees hired prior to October 1, 1977. It pays for all medical bills of those retirees including Medicare B Premiums. And it pays any medical expenses of the active sheriff employees that were hired prior to October 1977 that the employer provided medical insurance does not cover. Also, it provides for the salary of the disability board secretary.

**Cumulative Reserve** – a fund established for emergencies, purchases, public works and improvements, bond payments and grants.

**Cowlitz County, Washington  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2008**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,124,177	\$ 711,829	\$ 5,836,006
Taxes Receivable	15,911	-	15,911
Accounts Receivable	46,518	-	46,518
Interest Receivable	3,186	810	3,996
Due from other funds	13,753	-	13,753
Prepaid Expense	-	-	-
Receivables	443,615	5,164,910	5,608,525
Restricted Cash Desposits	14,809	-	14,809
<i>Total Assets</i>	5,661,969	5,877,549	11,539,518
<b>LIABILITIES AND FUND BALANCES</b>			
<u>Liabilities</u>			
Accounts Payable	68,459	-	68,459
Retainage Payable	-	-	-
Due to other funds	23,223	-	23,223
Due to other Governments	88,857	-	88,857
Deferred Revenue	15,911	-	15,911
Other Accrued Liabilities	244,384	-	244,384
Customer Deposits-Confiscated	14,809	-	14,809
<i>Total Liabilities</i>	455,643	-	455,643
<u>Fund Balances</u>			
Reserved for interfund loans	-	-	-
Reserved for long-term loans receivable		4,919,910	4,919,910
Unreserved fund balance	5,206,326	957,639	6,163,965
<i>Total Fund Balances</i>	5,206,326	5,877,549	11,083,875
<i>Total Liabilities and Fund Balances</i>	5,661,969	5,877,549	11,539,518

**Cowlitz County, Washington**  
**Combining Statement of Revenues, Expenditures & Changes Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2008**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>			
Taxes	\$ 1,376,700	\$ -	\$ 1,376,700
Licenses & permits	1,525,158	-	1,525,158
Intergovernmental	3,086,292	-	3,086,292
Charges for services	1,329,559	-	1,329,559
Fines & forfeits	156,537	-	156,537
Special assessments	-	294,924	294,924
Interest	72,495	72,970	145,465
Miscellaneous	248,713	201,389	450,102
<i>Total revenues</i>	7,795,454	569,283	8,364,737
<b>Expenditures:</b>			
General government	718,353	-	718,353
Public safety	1,962,024	-	1,962,024
Physical environment	215,733	-	215,733
Transportation	274	-	274
Economic environment	2,060,731	-	2,060,731
Mental & physical health	3,427,289	-	3,427,289
Culture & recreation	276,788	-	276,788
Capital outlays	107,140	-	107,140
Debt service - principal	-	730,000	730,000
Debt service - interest	-	588,531	588,531
<i>Total expenditures</i>	8,768,332	1,318,531	10,086,863
Excess (deficiency) of revenues over expenditures	(972,878)	(749,248)	(1,722,126)
<b>Other financing sources (uses):</b>			
Bond proceeds	-	-	-
Premium on refunding bonds	-	-	-
Payment to refunded bond escrow	-	-	-
Sale of capital assets	5,184	-	5,184
Transfers in	1,539,597	739,551	2,279,148
Transfers (out)	(218,127)	(98,750)	(316,877)
<i>Total other financing sources (uses)</i>	1,326,654	640,801	1,967,455
Net Change in Fund Balances	353,776	(108,447)	245,329
Fund Balance, January 1	4,982,581	4,371,086	9,353,667
Prior period adjustment	(130,031)	1,614,910	1,484,879
<i>Fund Balance, December 31</i>	\$ 5,206,326	\$ 5,877,549	\$ 11,083,875

**Cowlitz County, Washington**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2008**

	<b>Paths &amp; Trails</b>	<b>Stormwater</b>	<b>Noxious Weed</b>	<b>Bldg &amp; Planning</b>	<b>Stadium Convention Center</b>	<b>Superior Court Law Library</b>	<b>Veterans Relief</b>	<b>Graphic Information Systems</b>	<b>Human Services</b>
\$	221,432	\$ 46,990	\$ 184,467	\$ 361,256	\$ 7,403	\$ 85,653	\$ 287,907	\$ 362,896	\$ 228,061
	-	-	-	-	-	-	4,939	-	10,972
	-	-	-	14,557	-	-	-	-	-
	312	-	-	-	-	-	1	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	56,286	-	-	-	-	-	-	37,903
<b>Total assets</b>	<b>\$ 221,744</b>	<b>\$ 103,276</b>	<b>\$ 184,467</b>	<b>\$ 375,813</b>	<b>\$ 7,403</b>	<b>\$ 85,653</b>	<b>\$ 292,847</b>	<b>\$ 362,896</b>	<b>\$ 276,936</b>

**Assets**

Cash, cash equivalents & pooled investments  
 Taxes receivable  
 Accounts receivable  
 Interest receivable  
 Due from other funds  
 Prepaid Expense  
 Due from other governments  
 Restricted Cash Deposits  
 Total assets

**Liabilities**

Accounts Payable	\$ -	\$ 6,103	\$ 2	\$ 1,059	\$ -	\$ -	\$ 1,829	\$ 539	\$ 1,409
Retainage payable	-	-	-	-	-	-	-	-	-
Due to other funds	274	1,357	3,707	1,867	-	-	4	201	13,600
Due to other governments	-	-	-	-	-	-	-	-	14,368
Deferred Revenue	-	-	-	-	-	-	4,939	-	10,972
Other accrued liabilities	-	1,900	3,974	59,683	-	398	-	8,517	31,236
Customer Deposits-Confiscated	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>274</b>	<b>9,360</b>	<b>7,683</b>	<b>62,609</b>	<b>-</b>	<b>8,118</b>	<b>6,772</b>	<b>9,257</b>	<b>71,585</b>

**Fund Balances**

Reserved for interfund loans	221,470	93,916	176,784	313,204	7,403	77,535	286,075	353,639	205,351
Unreserved fund balance	-	-	-	-	-	-	-	-	-
<b>Total fund balance</b>	<b>221,470</b>	<b>93,916</b>	<b>176,784</b>	<b>313,204</b>	<b>7,403</b>	<b>77,535</b>	<b>286,075</b>	<b>353,639</b>	<b>205,351</b>

<b>Total liabilities and fund balance</b>	<b>\$ 221,744</b>	<b>\$ 103,276</b>	<b>\$ 184,467</b>	<b>\$ 375,813</b>	<b>\$ 7,403</b>	<b>\$ 85,653</b>	<b>\$ 292,847</b>	<b>\$ 362,896</b>	<b>\$ 276,936</b>
---	-------------------	-------------------	-------------------	-------------------	-----------------	------------------	-------------------	-------------------	-------------------

Cowlitz County, Washington  
 Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 December 31, 2008

	Health Dept.	Treasurer's Oper. & Mtce.	Auditor's Oper. & Mtce.	PA Victim Witness	Tourism Develop	Drug Task Force	Boat Safety	County Drug	Affordable Housing
Cash, cash equivalents & pooled investments	\$ 625,153	\$ 219,855	\$ 276,615	\$ 145,586	\$ 13,531	\$ 531,160	\$ 19,417	\$ 88,309	\$ 109,083
Taxes receivable	-	-	-	-	-	-	-	-	-
Accounts receivable	31,961	-	-	-	-	-	-	-	-
Interest receivable	-	1,835	-	-	2	3	-	-	1,027
Due from other funds	13,753	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-
Due from other governments	301,683	-	-	-	-	47,743	-	-	-
Restricted Cash Deposits	-	-	-	-	-	14,809	-	-	-
<b>Total assets</b>	<b>\$ 972,550</b>	<b>\$ 221,690</b>	<b>\$ 276,615</b>	<b>\$ 145,586</b>	<b>\$ 13,533</b>	<b>\$ 593,715</b>	<b>\$ 19,417</b>	<b>\$ 88,309</b>	<b>\$ 110,110</b>

**Assets**

Cash, cash equivalents & pooled investments  
 Taxes receivable  
 Accounts receivable  
 Interest receivable  
 Due from other funds  
 Prepaid Expense  
 Due from other governments  
 Restricted Cash Deposits  
 Total assets

**Liabilities**

Accounts Payable  
 Retainage payable  
 Due to other funds  
 Due to other governments  
 Deferred Revenue  
 Other accrued liabilities  
 Customer Deposits-Confiscated  
 Total liabilities

\$ 22,690	\$ -	\$ 179	\$ -	\$ 8,845	\$ 4,726	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-
-	1,076	-	-	-	1,116	-	-	-	-
12,985	-	95	-	-	54,160	-	-	-	-
92,842	-	1,409	5,650	569	5,508	-	-	-	-
128,517	1,076	1,683	5,650	9,414	80,319	-	-	-	-

**Fund Balances**

Reserved for interfund loans  
 Unreserved fund balance  
 Total fund balance

844,033	220,614	274,932	139,936	4,119	513,396	19,417	88,309	110,110
844,033	220,614	274,932	139,936	4,119	513,396	19,417	88,309	110,110

Total liabilities and fund balance

\$ 972,550	\$ 221,690	\$ 276,615	\$ 145,586	\$ 13,533	\$ 593,715	\$ 19,417	\$ 88,309	\$ 110,110
------------	------------	------------	------------	-----------	------------	-----------	-----------	------------

Cowlitz County, Washington  
 Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 December 31, 2008

	Low Income Housing	Law & Justice Funding	Benefits Admin.	Cumulative Reserve	2008 Total
Cash, cash equivalents & pooled investments	\$ 552,531	\$ 77,806	\$ 651,782	\$ 27,284	\$ 5,124,177
Taxes receivable	-	-	-	-	15,911
Accounts receivable	-	-	-	-	46,518
Interest receivable	3	-	3	-	3,186
Due from other funds	-	-	-	-	13,753
Prepaid Expense	-	-	-	-	-
Due from other governments	-	-	-	-	443,615
Restricted Cash Deposits	-	-	-	-	14,809
<b>Total assets</b>	<b>\$ 552,534</b>	<b>\$ 77,806</b>	<b>\$ 651,785</b>	<b>\$ 27,284</b>	<b>\$ 5,661,969</b>

**Liabilities**

Accounts Payable	\$ -	\$ -	\$ 13,358	\$ -	\$ 68,459
Retainage payable	-	-	-	-	-
Due to other funds	-	-	21	-	23,223
Due to other governments	7,249	-	-	-	88,857
Deferred Revenue	-	-	-	-	15,911
Other accrued liabilities	-	32,463	235	-	244,384
Customer Deposits-Confiscated	-	-	-	-	14,809
<b>Total liabilities</b>	<b>7,249</b>	<b>32,463</b>	<b>13,614</b>	<b>-</b>	<b>455,643</b>

**Fund Balances**

Reserved for interfund loans					
Unreserved fund balance	545,285	45,343	638,171	27,284	5,206,326
<b>Total fund balance</b>	<b>545,285</b>	<b>45,343</b>	<b>638,171</b>	<b>27,284</b>	<b>5,206,326</b>

*Total liabilities and fund balance*

\$ 552,534	\$ 77,806	\$ 651,785	\$ 27,284	\$ 5,661,969
------------	-----------	------------	-----------	--------------

**Cowlitz County, Washington**  
**Combining Statement of Revenues, Expenditures Changes in Fund Balance**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2008**

	Path & Trails	Stormwater	Noxious Weed	Bldg. & Planning	Convention Center	Superior Court Law Library	Veterans Relief	Graphic Information System
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 33,796	\$ -	\$ 99,457	\$ -
Licenses & permits	-	-	-	1,142,400	-	-	-	-
Intergovernmental	52,126	92,017	-	-	-	-	25	-
Charges for services	-	-	-	538,139	-	58,274	-	13,274
Fines & forfeits	-	-	-	-	-	-	-	-
Interest	3,889	701	3,991	-	-	-	5,179	562
Miscellaneous	-	-	145,017	81	-	-	3,674	-
<b>Total revenues</b>	<b>56,015</b>	<b>92,718</b>	<b>149,008</b>	<b>1,680,620</b>	<b>33,796</b>	<b>58,274</b>	<b>108,335</b>	<b>13,836</b>
<b>Expenditures:</b>								
General government	-	-	-	-	-	75,680	-	310,705
Public safety-other	-	-	-	-	-	-	-	-
Physical environment	-	124,111	91,622	-	-	-	-	-
Transportation	274	-	-	-	-	-	-	-
Economic environment	-	-	-	1,726,055	-	-	68,689	-
Mental & physical health	-	-	-	-	-	-	-	-
Culture & recreation	-	-	-	-	-	-	-	-
Capital outlays	-	-	22,453	-	-	11,222	-	11,215
Debt service -interest	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>274</b>	<b>124,111</b>	<b>114,075</b>	<b>1,726,055</b>	<b>-</b>	<b>86,902</b>	<b>68,689</b>	<b>321,920</b>
Excess (deficiency) of revenues over expenditures	55,741	(31,393)	34,933	(45,435)	33,796	(28,628)	39,646	(308,084)
<b>Other financing sources (uses):</b>								
Capital leases	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	1,609	-
Transfers in	-	75,000	-	328,000	-	-	-	361,290
Transfers (out)	-	-	-	-	(32,400)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>75,000</b>	<b>-</b>	<b>328,000</b>	<b>(32,400)</b>	<b>-</b>	<b>1,609</b>	<b>361,290</b>
Net Change in Fund Balances	55,741	43,607	34,933	282,565	1,396	(28,628)	41,255	53,206
Fund balance, January 1	165,729	50,309	141,851	30,639	6,007	106,163	244,820	300,433
Prior period adjustment	-	-	-	-	-	-	-	-
<b>Fund Balance, December 31</b>	<b>\$ 221,470</b>	<b>\$ 93,916</b>	<b>\$ 176,784</b>	<b>\$ 313,204</b>	<b>\$ 7,403</b>	<b>\$ 77,535</b>	<b>\$ 286,075</b>	<b>\$ 353,639</b>

**Cowlitz County, Washington**  
**Combining Statement of Revenues, Expenditures Changes in Fund Balance**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2008**

	Human Services	Health Dept.	Treasurer's Oper. & Mtce.	Auditor's Oper. & Mtce.	P.A. Victim Witness	Tourism Develop.	Drug Task Force	Boat Safety
<b>Revenues:</b>								
Taxes	\$ 221,015	\$ -	\$ -	\$ -	\$ -	\$ 148,059	\$ -	\$ -
Licenses & permits	-	382,758	-	-	-	-	-	-
Intergovernmental	828,057	1,502,539	-	73,392	18,256	-	469,674	50,206
Charges for services	-	144,158	15,635	65,588	103,842	-	-	-
Fines & forfeits	-	-	-	-	1,736	-	138,578	-
Interest	1,255	5,196	6,169	4,653	-	490	10,101	-
Miscellaneous	657	76,283	-	-	1,266	19,213	14	506
<b>Total revenues</b>	<b>1,050,984</b>	<b>2,110,934</b>	<b>21,804</b>	<b>143,633</b>	<b>125,100</b>	<b>167,762</b>	<b>618,367</b>	<b>50,712</b>
<b>Expenditures:</b>								
General government	-	-	14,448	178,546	138,974	-	-	-
Public safety-other	-	-	-	-	-	-	627,147	46,650
Physical environment	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Mental & physical health	871,441	2,555,848	-	-	-	-	-	-
Culture & recreation	-	-	-	-	-	229,444	-	-
Capital outlays	5,103	-	-	5,035	-	-	-	-
Debt service -interest	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>876,544</b>	<b>2,555,848</b>	<b>14,448</b>	<b>183,581</b>	<b>138,974</b>	<b>229,444</b>	<b>627,147</b>	<b>46,650</b>
Excess (deficiency) of revenues over expenditures	174,440	(444,914)	7,356	(39,948)	(13,874)	(61,682)	(8,780)	4,062
<b>Other financing sources (uses):</b>								
Capital leases	-	-	-	-	-	-	-	-
Sale of capital assets	3,575	-	-	-	-	-	-	-
Transfers in	-	405,725	-	27,345	-	16,200	55,150	-
Transfers (out)	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>3,575</b>	<b>405,725</b>	<b>-</b>	<b>27,345</b>	<b>-</b>	<b>16,200</b>	<b>55,150</b>	<b>-</b>
Net Change in Fund Balances	178,015	(39,189)	7,356	(12,603)	(13,874)	(45,482)	46,370	4,062
Fund balance, January 1	157,367	883,222	213,258	287,535	153,810	49,601	467,026	15,355
Prior period adjustment	(130,031)	-	-	-	-	-	-	-
<b>Fund Balance, December 31</b>	<b>\$ 205,351</b>	<b>\$ 844,033</b>	<b>\$ 220,614</b>	<b>\$ 274,932</b>	<b>\$ 139,936</b>	<b>\$ 4,119</b>	<b>\$ 513,396</b>	<b>\$ 19,417</b>

**Cowlitz County, Washington**  
**Combining Statement of Revenues, Expenditures Changes in Fund Balance**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2008**

	County Drug	Affordable Housing	Low Income Housing	Law & Justice Funding	Benefits Admin.	Cumulative Reserve	Total 2008
<b>Revenues:</b>							
Taxes	\$ -	\$ -	\$ -	\$ 726,313	\$ -	\$ 148,060	\$ 1,376,700
Licenses & permits	-	-	-	-	-	-	1,525,158
Intergovernmental	-	-	-	-	-	-	3,086,292
Charges for services	-	118,595	272,054	-	-	-	1,329,559
Fines & forfeits	16,223	-	-	-	-	-	156,537
Interest	38	1,325	9,906	1,184	16,474	1,382	72,495
Miscellaneous	-	-	-	-	2,002	-	248,713
<b>Total revenues</b>	<b>16,261</b>	<b>119,920</b>	<b>281,960</b>	<b>727,497</b>	<b>18,476</b>	<b>149,442</b>	<b>7,795,454</b>
<b>Expenditures:</b>							
General government	-	-	-	-	-	-	718,353
Public safety-other	1,148	-	-	902,696	384,383	-	1,962,024
Physical environment	-	-	-	-	-	-	215,733
Transportation	-	-	-	-	-	-	274
Economic environment	-	80,018	185,969	-	-	-	2,060,731
Mental & physical health	-	-	-	-	-	-	3,427,289
Culture & recreation	-	-	-	-	-	47,344	276,788
Capital outlays	-	-	-	18,756	-	33,356	107,140
Debt service -interest	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>1,148</b>	<b>80,018</b>	<b>185,969</b>	<b>921,452</b>	<b>384,383</b>	<b>80,700</b>	<b>8,768,332</b>
Excess (deficiency) of revenues over expenditures	15,113	39,902	95,991	(193,955)	(365,907)	68,742	(972,878)
<b>Other financing sources (uses):</b>							
Capital leases	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	5,184
Transfers in	-	-	70,887	-	200,000	-	1,539,597
Transfers (out)	-	(70,887)	-	(26,840)	-	(88,000)	(218,127)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(70,887)</b>	<b>70,887</b>	<b>(26,840)</b>	<b>200,000</b>	<b>(88,000)</b>	<b>1,326,654</b>
Net Change in Fund Balances	15,113	(30,985)	166,878	(220,795)	(165,907)	(19,258)	353,776
Fund balance, January 1	73,196	141,095	378,407	266,138	804,078	46,542	4,982,581
Prior period adjustment	-	-	-	-	-	-	(130,031)
<b>Fund Balance, December 31</b>	<b>\$ 88,309</b>	<b>\$ 110,110</b>	<b>\$ 545,285</b>	<b>\$ 45,343</b>	<b>\$ 638,171</b>	<b>\$ 27,284</b>	<b>\$ 5,206,326</b>

**Cowlitz County, Washington**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) And Actual**  
**For the Year Ended December 31, 2008**

	<b>Paths &amp; Trails</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	61,881	61,881	52,126	(9,755)
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Interest	5,000	5,000	3,889	(1,111)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>66,881</u>	<u>66,881</u>	<u>56,015</u>	<u>(10,866)</u>
<b>Expenditures:</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	70,000	70,000	274	69,726
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	<u>70,000</u>	<u>70,000</u>	<u>274</u>	<u>69,726</u>
Excess (deficiency) of revenues over expenditures	(3,119)	(3,119)	55,741	58,860
<b>Other financing sources (uses):</b>				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Loan Proceeds	-	-	-	-
Transfer in	-	-	-	-
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(3,119)	(3,119)	55,741	58,860
Fund balance, January 1	160,000	160,000	165,729	5,729
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 156,881</u>	<u>\$ 156,881</u>	<u>\$ 221,470</u>	<u>\$ 64,589</u>

**Cowlitz County, Washington**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) And Actual**  
**For the Year Ended December 31, 2008**

	<b>Stormwater</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	87,500	87,500	92,017	4,517
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Interest	1,000	1,000	701	(299)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>88,500</u>	<u>88,500</u>	<u>92,718</u>	<u>4,218</u>
<b>Expenditures:</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	250,759	250,759	124,111	126,648
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	<u>250,759</u>	<u>250,759</u>	<u>124,111</u>	<u>126,648</u>
Excess (deficiency) of revenues over expenditures	(162,259)	(162,259)	(31,393)	130,866
<b>Other financing sources (uses):</b>				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Loan Proceeds	175,000	175,000	-	(175,000)
Transfer in	75,000	75,000	75,000	-
Transfer (out)	(9,000)	(9,000)	-	9,000
<i>Total other financing sources (uses)</i>	<u>241,000</u>	<u>241,000</u>	<u>75,000</u>	<u>(166,000)</u>
Net change in fund balances	78,741	78,741	43,607	(35,134)
Fund balance, January 1	12,000	12,000	50,309	38,309
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 90,741</u>	<u>\$ 90,741</u>	<u>\$ 93,916</u>	<u>\$ 3,175</u>

**Cowlitz County, Washington**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) And Actual**  
**For the Year Ended December 31, 2008**

	<b>Noxious Weed Program</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Interest	4,400	4,400	3,991	(409)
Miscellaneous	147,500	147,500	145,017	(2,483)
<i>Total revenues</i>	151,900	151,900	149,008	(2,892)
<b>Expenditures:</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	147,255	147,255	91,622	55,633
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	22,453	(22,453)
Debt service interest	-	-	-	-
<i>Total expenditures</i>	147,255	147,255	114,075	33,180
Excess (deficiency) of revenues over expenditures	4,645	4,645	34,933	30,288
<b>Other financing sources (uses):</b>				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Loan Proceeds	-	-	-	-
Transfer in	-	-	-	-
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	4,645	4,645	34,933	30,288
Fund balance, January 1	138,000	138,000	141,851	3,851
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 142,645</u>	<u>\$ 142,645</u>	<u>\$ 176,784</u>	<u>\$ 34,139</u>

**Cowlitz County, Washington**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) And Actual**  
**For the Year Ended December 31, 2008**

	<b>Building and Planning</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	1,464,000	1,464,000	1,142,400	(321,600)
Intergovernmental	-	-	-	-
Charges for services	707,125	707,125	538,139	(168,986)
Fines & forfeits	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	81	81
<i>Total revenues</i>	<u>2,171,125</u>	<u>2,171,125</u>	<u>1,680,620</u>	<u>(490,505)</u>
<b>Expenditures:</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	2,274,427	2,274,427	1,726,055	548,372
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	<u>2,274,427</u>	<u>2,274,427</u>	<u>1,726,055</u>	<u>548,372</u>
Excess (deficiency) of revenues over expenditures	(103,302)	(103,302)	(45,435)	57,867
<b>Other financing sources (uses):</b>				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Loan Proceeds	-	-	-	-
Transfer in	328,000	328,000	328,000	-
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>328,000</u>	<u>328,000</u>	<u>328,000</u>	<u>-</u>
Net change in fund balances	224,698	224,698	282,565	57,867
Fund balance, January 1	-	-	30,639	30,639
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 224,698</u>	<u>\$ 224,698</u>	<u>\$ 313,204</u>	<u>\$ 88,506</u>

**Cowlitz County, Washington**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) And Actual**  
**For the Year Ended December 31, 2008**

**Stadium-Convention Center**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	
<b>Revenues:</b>				
Taxes	\$ 28,000	\$ 28,000	\$ 33,796	\$ 5,796
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	28,000	28,000	33,796	5,796
<b>Expenditures:</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
Excess (deficiency) of revenues over expenditures	28,000	28,000	33,796	5,796
<b>Other financing sources (uses):</b>				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Loan Proceeds	-	-	-	-
Transfer in	-	-	-	-
Transfer (out)	(34,066)	(34,066)	(32,400)	1,666
<i>Total other financing sources (uses)</i>	(34,066)	(34,066)	(32,400)	1,666
Net change in fund balances	(6,066)	(6,066)	1,396	7,462
Fund balance, January 1	6,066	6,066	6,007	(59)
Prior period adjustments	-	-	-	-
Fund balance, December 31	\$ -	\$ -	\$ 7,403	\$ 7,403

**Cowlitz County, Washington**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) And Actual**  
**For the Year Ended December 31, 2008**

**Superior Court Law Library**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	55,630	55,630	58,274	2,644
Fines & forfeits	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	55,630	55,630	58,274	2,644
<b>Expenditures:</b>				
General government	85,855	85,855	75,680	10,175
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	11,222	(11,222)
Debt service interest	-	-	-	-
<i>Total expenditures</i>	85,855	85,855	86,902	(1,047)
Excess (deficiency) of revenues over expenditures	(30,225)	(30,225)	(28,628)	1,597
<b>Other financing sources (uses):</b>				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Loan Proceeds	-	-	-	-
Transfer in	-	-	-	-
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	(30,225)	(30,225)	(28,628)	1,597
Fund balance, January 1	110,156	110,156	106,163	(3,993)
Prior period adjustments	-	-	-	-
Fund balance, December 31	\$ 79,931	\$ 79,931	\$ 77,535	\$ (2,396)

**Cowlitz County, Washington**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) And Actual**  
**For the Year Ended December 31, 2008**

	<b>Veterans Relief</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ 101,216	\$ 101,216	\$ 99,457	\$ (1,759)
Licenses and permits	-	-	-	-
Intergovernmental	9	9	25	16
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Interest	7,005	7,005	5,179	(1,826)
Miscellaneous	-	-	3,674	3,674
<i>Total revenues</i>	108,230	108,230	108,335	105
<b>Expenditures:</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	48,515	48,515	68,689	(20,174)
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	48,515	48,515	68,689	(20,174)
Excess (deficiency) of revenues over expenditures	59,715	59,715	39,646	(20,069)
<b>Other financing sources (uses):</b>				
Capital leases	-	-	-	-
Sale of capital assets	2,000	2,000	1,609	(391)
Loan Proceeds	-	-	-	-
Transfer in	-	-	-	-
Transfer (out)	(2,700)	(2,700)	-	2,700
<i>Total other financing sources (uses)</i>	(700)	(700)	1,609	2,309
Net change in fund balances	59,015	59,015	41,255	(17,760)
Fund balance, January 1	239,169	239,169	244,820	5,651
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 298,184</u>	<u>\$ 298,184</u>	<u>\$ 286,075</u>	<u>\$ (12,109)</u>

**Cowlitz County, Washington**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) And Actual**  
**For the Year Ended December 31, 2008**

**Geographic Information System**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	10,000	10,000	13,274	3,274
Fines & forfeits	-	-	-	-
Interest	5,000	5,000	562	(4,438)
Miscellaneous	2,000	2,000	-	(2,000)
<i>Total revenues</i>	17,000	17,000	13,836	(3,164)
<b>Expenditures:</b>				
General government	313,622	313,622	310,705	2,917
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	11,215	(11,215)
Debt service interest	-	-	-	-
<i>Total expenditures</i>	313,622	313,622	321,920	(8,298)
Excess (deficiency) of revenues over expenditures	(296,622)	(296,622)	(308,084)	(11,462)
<b>Other financing sources (uses):</b>				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Loan Proceeds	-	-	-	-
Transfer in	361,290	361,290	361,290	-
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	361,290	361,290	361,290	-
Net change in fund balances	64,668	64,668	53,206	(11,462)
Fund balance, January 1	178,513	178,513	300,433	121,920
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 243,181</u>	<u>\$ 243,181</u>	<u>\$ 353,639</u>	<u>\$ 110,458</u>

**Cowlitz County, Washington**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) And Actual**  
**For the Year Ended December 31, 2008**

	<b>Human Services</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ 229,155	\$ 229,155	\$ 221,015	\$ (8,140)
Licenses and permits	-	-	-	-
Intergovernmental	700,608	700,608	828,057	127,449
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Interest	12,647	12,647	1,255	(11,392)
Miscellaneous	2,281	2,281	657	(1,624)
<i>Total revenues</i>	944,691	944,691	1,050,984	106,293
<b>Expenditures:</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	1,218,726	1,218,726	871,441	347,285
Culture & recreation	-	-	-	-
Capital outlays	-	-	5,103	(5,103)
Debt service interest	-	-	-	-
<i>Total expenditures</i>	1,218,726	1,218,726	876,544	342,182
Excess (deficiency) of revenues over expenditures	(274,035)	(274,035)	174,440	448,475
<b>Other financing sources (uses):</b>				
Capital leases	-	-	-	-
Sale of capital assets	-	-	3,575	3,575
Loan Proceeds	-	-	-	-
Transfer in	-	-	-	-
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	3,575	3,575
Net change in fund balances	(274,035)	(274,035)	178,015	452,050
Fund balance, January 1	274,035	274,035	157,367	(116,668)
Prior period adjustments	-	-	-	-
Fund balance, December 31	\$ -	\$ -	\$ 335,382	\$ 335,382

**Cowlitz County, Washington**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) And Actual**  
**For the Year Ended December 31, 2008**

	<b>Health Department</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	250,800	250,800	382,758	131,958
Intergovernmental	2,085,562	2,085,562	1,502,539	(583,023)
Charges for services	193,520	193,520	144,158	(49,362)
Fines & forfeits	-	-	-	-
Interest	-	-	5,196	5,196
Miscellaneous	245,500	245,500	76,283	(169,217)
<i>Total revenues</i>	<u>2,775,382</u>	<u>2,775,382</u>	<u>2,110,934</u>	<u>(664,448)</u>
<b>Expenditures:</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	2,761,817	2,761,817	2,555,848	205,969
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	<u>2,761,817</u>	<u>2,761,817</u>	<u>2,555,848</u>	<u>205,969</u>
Excess (deficiency) of revenues over expenditures	13,565	13,565	(444,914)	(458,479)
<b>Other financing sources (uses):</b>				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Loan Proceeds	-	-	-	-
Transfer in	-	-	405,725	405,725
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>405,725</u>	<u>405,725</u>
Net change in fund balances	13,565	13,565	(39,189)	(52,754)
Fund balance, January 1	321,363	321,363	883,222	561,859
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 334,928</u>	<u>\$ 334,928</u>	<u>\$ 844,033</u>	<u>\$ 509,105</u>

**Cowlitz County, Washington**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) And Actual**  
**For the Year Ended December 31, 2008**

	<b>Auditor's Operation &amp; Maintenance</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	68,000	68,000	73,392	5,392
Charges for services	86,600	86,600	65,588	(21,012)
Fines & forfeits	-	-	-	-
Interest	10,000	10,000	4,653	(5,347)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>164,600</u>	<u>164,600</u>	<u>143,633</u>	<u>(20,967)</u>
<b>Expenditures:</b>				
General government	157,562	157,562	178,546	(20,984)
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	16,000	16,000	5,035	10,965
Debt service interest	-	-	-	-
<i>Total expenditures</i>	<u>173,562</u>	<u>173,562</u>	<u>183,581</u>	<u>(10,019)</u>
Excess (deficiency) of revenues over expenditures	(8,962)	(8,962)	(39,948)	(30,986)
<b>Other financing sources (uses):</b>				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Loan Proceeds	-	-	-	-
Transfer in	36,000	36,000	27,345	(8,655)
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>36,000</u>	<u>36,000</u>	<u>27,345</u>	<u>(8,655)</u>
Net change in fund balances	27,038	27,038	(12,603)	(39,641)
Fund balance, January 1	270,000	270,000	287,535	17,535
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 297,038</u>	<u>\$ 297,038</u>	<u>\$ 274,932</u>	<u>\$ (22,106)</u>

**Cowlitz County, Washington**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) And Actual**  
**For the Year Ended December 31, 2008**

	<b>P.A. Victim Witness</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	18,256	18,256	18,256	-
Charges for services	114,174	114,174	103,842	(10,332)
Fines & forfeits	600	600	1,736	1,136
Interest	-	-	-	-
Miscellaneous	-	-	1,266	1,266
<i>Total revenues</i>	133,030	133,030	125,100	(7,930)
<b>Expenditures:</b>				
General government	145,354	145,354	138,974	6,380
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	145,354	145,354	138,974	6,380
Excess (deficiency) of revenues over expenditures	(12,324)	(12,324)	(13,874)	(1,550)
<b>Other financing sources (uses):</b>				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Loan Proceeds	-	-	-	-
Transfer in	-	-	-	-
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	(12,324)	(12,324)	(13,874)	(1,550)
Fund balance, January 1	200,575	200,575	153,810	(46,765)
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 188,251</u>	<u>\$ 188,251</u>	<u>\$ 139,936</u>	<u>\$ (48,315)</u>

**Cowlitz County, Washington**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) And Actual**  
**For the Year Ended December 31, 2008**

	<b>Tourism Development</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ 178,575	\$ 178,575	\$ 148,059	\$ (30,516)
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Interest	-	-	490	490
Miscellaneous	47,562	47,562	19,213	(28,349)
<i>Total revenues</i>	226,137	226,137	167,762	(58,375)
<b>Expenditures:</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	241,560	241,560	229,444	12,116
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	241,560	241,560	229,444	12,116
Excess (deficiency) of revenues over expenditures	(15,423)	(15,423)	(61,682)	(46,259)
<b>Other financing sources (uses):</b>				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Loan Proceeds	-	-	-	-
Transfer in	14,450	14,450	16,200	1,750
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	14,450	14,450	16,200	1,750
Net change in fund balances	(973)	(973)	(45,482)	(44,509)
Fund balance, January 1	18,032	18,032	49,601	31,569
Prior period adjustments	-	-	-	-
Fund balance, December 31	\$ 17,059	\$ 17,059	\$ 4,119	\$ (12,940)

**Cowlitz County, Washington**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) And Actual**  
**For the Year Ended December 31, 2008**

**Drug Task Force**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	509,668	509,668	469,674	(39,994)
Charges for services	-	-	-	-
Fines & forfeits	60,000	60,000	138,578	78,578
Interest	10,500	10,500	10,101	(399)
Miscellaneous	-	-	14	14
<i>Total revenues</i>	<u>580,168</u>	<u>580,168</u>	<u>618,367</u>	<u>38,199</u>
<b>Expenditures:</b>				
General government	-	-	-	-
Public safety	645,005	645,005	627,147	17,858
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	30,000	30,000	-	30,000
Debt service interest	-	-	-	-
<i>Total expenditures</i>	<u>675,005</u>	<u>675,005</u>	<u>627,147</u>	<u>47,858</u>
Excess (deficiency) of revenues over expenditures	(94,837)	(94,837)	(8,780)	86,057
<b>Other financing sources (uses):</b>				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Loan Proceeds	-	-	-	-
Transfer in	55,150	55,150	55,150	-
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>55,150</u>	<u>55,150</u>	<u>55,150</u>	<u>-</u>
Net change in fund balances	(39,687)	(39,687)	46,370	86,057
Fund balance, January 1	499,048	499,048	467,026	(32,022)
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 459,361</u>	<u>\$ 459,361</u>	<u>\$ 513,396</u>	<u>\$ 54,035</u>

**Cowlitz County, Washington**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) And Actual**  
**For the Year Ended December 31, 2008**

	<b>Boat Safety</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	53,432	53,432	50,206	(3,226)
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	506	506
<i>Total revenues</i>	<u>53,432</u>	<u>53,432</u>	<u>50,712</u>	<u>(2,720)</u>
<b>Expenditures:</b>				
General government	-	-	-	-
Public safety	53,525	53,525	46,650	6,875
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	<u>53,525</u>	<u>53,525</u>	<u>46,650</u>	<u>6,875</u>
Excess (deficiency) of revenues over expenditures	(93)	(93)	4,062	4,155
<b>Other financing sources (uses):</b>				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Loan Proceeds	-	-	-	-
Transfer in	-	-	-	-
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(93)	(93)	4,062	4,155
Fund balance, January 1	14,353	14,353	15,355	1,002
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 14,260</u>	<u>\$ 14,260</u>	<u>\$ 19,417</u>	<u>\$ 5,157</u>

**Cowlitz County, Washington**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) And Actual**  
**For the Year Ended December 31, 2008**

	<b>County Drug</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	12,500	12,500	16,223	3,723
Interest	-	-	38	38
Miscellaneous	100	100	-	(100)
<i>Total revenues</i>	12,600	12,600	16,261	3,661
<b>Expenditures:</b>				
General government	-	-	-	-
Public safety	8,420	8,420	1,148	7,272
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	8,420	8,420	1,148	7,272
Excess (deficiency) of revenues over expenditures	4,180	4,180	15,113	10,933
<b>Other financing sources (uses):</b>				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Loan Proceeds	-	-	-	-
Transfer in	-	-	-	-
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	4,180	4,180	15,113	10,933
Fund balance, January 1	76,473	76,473	73,196	(3,277)
Prior period adjustments	-	-	-	-
Fund balance, December 31	\$ 80,653	\$ 80,653	\$ 88,309	\$ 7,656

**Cowlitz County, Washington**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) And Actual**  
**For the Year Ended December 31, 2008**

**Affordable Housing**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	165,000	165,000	118,595	(46,405)
Fines & forfeits	-	-	-	-
Interest	4,500	4,500	1,325	(3,175)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>169,500</u>	<u>169,500</u>	<u>119,920</u>	<u>(49,580)</u>
<b>Expenditures:</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	87,100	87,100	80,018	7,082
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	<u>87,100</u>	<u>87,100</u>	<u>80,018</u>	<u>7,082</u>
Excess (deficiency) of revenues over expenditures	82,400	82,400	39,902	(42,498)
<b>Other financing sources (uses):</b>				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Loan Proceeds	-	-	-	-
Transfer in	-	-	-	-
Transfer (out)	(78,700)	(78,700)	(70,887.00)	7,813
<i>Total other financing sources (uses)</i>	<u>(78,700)</u>	<u>(78,700)</u>	<u>(70,887)</u>	<u>7,813</u>
Net change in fund balances	3,700	3,700	(30,985)	(34,685)
Fund balance, January 1	147,294	147,294	141,095	(6,199)
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 150,994</u>	<u>\$ 150,994</u>	<u>\$ 110,110</u>	<u>\$ (40,884)</u>

**Cowlitz County, Washington**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) And Actual**  
**For the Year Ended December 31, 2008**

	<b>Low Income Housing</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	306,000	306,000	272,054	(33,946)
Fines & forfeits	-	-	-	-
Interest	15,525	15,525	9,906	(5,619)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>321,525</u>	<u>321,525</u>	<u>281,960</u>	<u>(39,565)</u>
<b>Expenditures:</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	796,039	796,039	185,969	610,070
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	<u>796,039</u>	<u>796,039</u>	<u>185,969</u>	<u>610,070</u>
Excess (deficiency) of revenues over expenditures	(474,514)	(474,514)	95,991	570,505
<b>Other financing sources (uses):</b>				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Loan Proceeds	-	-	-	-
Transfer in	78,700	78,700	70,887	(7,813)
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>78,700</u>	<u>78,700</u>	<u>70,887</u>	<u>(7,813)</u>
Net change in fund balances	(395,814)	(395,814)	166,878	562,692
Fund balance, January 1	395,814	395,814	378,407	(17,407)
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 545,285</u>	<u>\$ 545,285</u>

**Cowlitz County, Washington**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) And Actual**  
**For the Year Ended December 31, 2008**

	<b>Law and Justice Funding</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ 800,000	\$ 800,000	\$ 726,313	\$ (73,687)
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Interest	20,000	20,000	1,184	(18,816)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	820,000	820,000	727,497	(92,503)
<b>Expenditures:</b>				
General government	-	-	-	-
Public safety	1,032,227	1,032,227	902,696	129,531
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	18,756	(18,756)
Debt service interest	-	-	-	-
<i>Total expenditures</i>	1,032,227	1,032,227	921,452	110,775
Excess (deficiency) of revenues over expenditures	(212,227)	(212,227)	(193,955)	18,272
<b>Other financing sources (uses):</b>				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Loan Proceeds	-	-	-	-
Transfer in	-	-	-	-
Transfer (out)	(26,840)	(26,840)	(26,840)	-
<i>Total other financing sources (uses)</i>	(26,840)	(26,840)	(26,840)	-
Net change in fund balances	(239,067)	(239,067)	(220,795)	18,272
Fund balance, January 1	256,861	256,861	266,138	9,277
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 17,794</u>	<u>\$ 17,794</u>	<u>\$ 45,343</u>	<u>\$ 27,549</u>

**Cowlitz County, Washington**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) And Actual**  
**For the Year Ended December 31, 2008**

	<b>Benefits Administration</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Interest	48,000	48,000	16,474	(31,526)
Miscellaneous	-	-	2,002	2,002
<i>Total revenues</i>	48,000	48,000	18,476	(29,524)
<b>Expenditures:</b>				
General government	-	-	-	-
Public safety	214,495	214,495	384,383	(169,888)
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	214,495	214,495	384,383	(169,888)
Excess (deficiency) of revenues over expenditures	(166,495)	(166,495)	(365,907)	(199,412)
<b>Other financing sources (uses):</b>				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Loan Proceeds	-	-	-	-
Transfer in	200,000	200,000	200,000	-
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	200,000	200,000	200,000	-
Net change in fund balances	33,505	33,505	(165,907)	(199,412)
Fund balance, January 1	818,937	818,937	804,078	(14,859)
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 852,442</u>	<u>\$ 852,442</u>	<u>\$ 638,171</u>	<u>\$ (214,271)</u>

**Cowlitz County, Washington**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) And Actual**  
**For the Year Ended December 31, 2008**

	<b>Cumulative Reserve</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ 126,511	\$ 126,511	\$ 148,060	\$ 21,549
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Interest	500	500	1,382	882
Miscellaneous	-	-	-	-
<i>Total revenues</i>	127,011	127,011	149,442	22,431
<b>Expenditures:</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	47,344	(47,344)
Capital outlays	-	-	33,356	(33,356)
Debt service interest	-	-	-	-
<i>Total expenditures</i>	-	-	80,700	(80,700)
Excess (deficiency) of revenues over expenditures	127,011	127,011	68,742	(58,269)
<b>Other financing sources (uses):</b>				
Capital leases			-	-
Sale of capital assets			-	-
Loan Proceeds			-	-
Transfer in			-	-
Transfer (out)	(166,057)	(166,057)	(88,000)	78,057
<i>Total other financing sources (uses)</i>	(166,057)	(166,057)	(88,000)	78,057
Net change in fund balances	(39,046)	(39,046)	(19,258)	19,788
Fund balance, January 1	39,046	39,046	46,542	7,496
Prior period adjustments			-	-
Fund balance, December 31	\$ -	\$ -	\$ 27,284	\$ 27,284



## Nonmajor Debt Service Funds

The debt service funds account for the accumulation of resources to pay principal, interest and related costs on certain general long-term bonded debt. A description of those debt service funds is as follows:

**1998 Limited General Obligation Bonds** - a fund established to provide for the payment of principal and interest on \$2,060,000 bond issue. The bond proceeds were used for the design and construction of a railroad spur for the Port of Woodland. Funds to pay the debt come from state sales tax designated for infrastructure to facilitate business growth in distressed areas.

**1999 Limited General Obligation Bonds** – a fund 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.

**2002 Limited General Obligation Bonds** – this fund provides for the payment of principal and interest on a \$5,695,000 bond issue. The bond proceeds were used to finance part of the costs of expanding and existing wastewater treatment plant in the City of Castle Rock, upgrading and expanding and existing wastewater treatment plant in the City of Kalama, upgrading and existing water distribution system in the City of Longview, constructing a new rail line for the Port of Longview, constructing a commercial building for the Port of Woodland, designing and permitting a new shipping berth, designing and constructing a commercial building for the Port of Kalama, to carry out portions of the County's Capital Facilities Plan, and for other lawful County purposes. State sales tax revenue collected in the Capital Improvements Rural County Public Facilities Department are transferred to this fund to pay the debt principal and interest.

**2005 Limited General Obligation Refunding Bonds**-this fund refunded certain of the 1998 Limited Tax General Obligation Bonds and the 1999 Limited Tax General Obligation Bonds.



**Cowlitz County, Washington**  
**Combining Balance Sheet**  
**Nonmajor Debt Service Funds**  
December 31, 2008

	<b>2005 Lmt. GO</b>				
	<b>Refunding Bonds</b>	<b>2002 Lmt. GO Bonds</b>	<b>1999 Lmt GO Bonds</b>	<b>1998 Lmt. GO Bonds</b>	<b>Total</b>
<b>Assets</b>					
Cash, cash equivalents & pooled investments	\$ -	\$ -	\$ 711,829	\$ -	\$ 711,829
Investments					-
Receivables			810		810
Due from other governments	3,305,000	-	245,000	-	3,550,000
Assessments receivable	-	-	1,614,910	-	1,614,910
<i>Total assets</i>	<u>\$ 3,305,000</u>	<u>\$ -</u>	<u>\$ 2,572,549</u>	<u>\$ -</u>	<u>\$ 5,877,549</u>
<b>Liabilities</b>					
Deferred revenues	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Total Liabilities</i>	-	-	-	-	-
<b>Fund Balance</b>					
Reserve for Long-Term Loan Receivable	3,305,000	-	1,614,910	-	4,919,910
Unreserved fund balance	-	-	957,639	-	957,639
<i>Total fund balance</i>	<u>3,305,000</u>	<u>-</u>	<u>2,572,549</u>	<u>-</u>	<u>5,877,549</u>
<i>Total liabilities and fund balance</i>	<u>\$ 3,305,000</u>	<u>\$ -</u>	<u>\$ 2,572,549</u>	<u>\$ -</u>	<u>\$ 5,877,549</u>

**Cowlitz County, Washington**  
**Combining Statement of Revenue, Expenditures and**  
**Changes in Fund Balance**  
**For the Year Ended December 31, 2008**

	2005 Lmt. GO	2002 Lmt. GO	1999 Lmt GO	1998 Lmt. GO	Total
	Refunding Bonds	Bonds	Bonds	Bonds	
<b>Revenues:</b>					
Special Assessments	\$ -	\$ -	\$ 294,924	\$ -	\$ 294,924
Miscellaneous Revenues	178,825	-	22,564	-	201,389
Interest Earnings	-	-	72,970	-	72,970
Total Revenues	<u>178,825</u>	<u>-</u>	<u>390,458</u>	<u>-</u>	<u>569,283</u>
<b>Expenditures:</b>					
Debt Service					
Principal	55,000	175,000	400,000	100,000	730,000
Interest	335,238	210,413	38,480	4,400	588,531
Total Expenditures	<u>390,238</u>	<u>385,413</u>	<u>438,480</u>	<u>104,400</u>	<u>1,318,531</u>
Excess (deficiency) of revenues over expenditures	(211,413)	(385,413)	(48,022)	(104,400)	(749,248)
<b>Other Financing Sources</b>					
<b>(Uses):</b>					
Refunding bonds issues	-	-	-	-	-
Premium on bonds	-	-	-	-	-
Payment to refunded bond escrow	-	-	-	-	-
Transfers in	211,413	385,413	38,325	104,400	739,551
Transfers out	-	-	(98,750)	-	(98,750)
Total other financing sources (uses)	<u>211,413</u>	<u>385,413</u>	<u>(60,425)</u>	<u>104,400</u>	<u>640,801</u>
Net change in fund balances	-	-	(108,447)	-	(108,447)
Fund Balance, January 1	3,305,000	-	1,066,086	-	4,371,086
Prior Period Adjustment	-	-	1,614,910	-	1,614,910
Fund Balance, December 31	<u>\$ 3,305,000</u>	<u>\$ -</u>	<u>\$ 2,572,549</u>	<u>\$ -</u>	<u>\$ 5,877,549</u>

## **Non-Major Enterprise Funds**

Enterprise funds are used to account for operations:

- (a) Financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.
- (b) Where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accrual basis of accounting is applied. A description of each fund follows:

**County Exposition Center** – a fund to finance the production and promotion of the County Fair. Also, the buildings provide for the housing of the horses by private owners for a fee and the use of facilities on the grounds for various events.

**911 Communications** – this fund provides computerized aid for 911 dispatches. The dispatch center serves Cowlitz County for law enforcement and fire protection.

**Law Enforcement Records** – a fund that supports consolidated police records, which include the criminal justice database and computer system. The fund is supported by the City of Longview and Cowlitz County.

**Emergency Management** – a fund used for planning for and coordinating disaster relief. Support for operations comes from the counties and cities within the County along with intergovernmental funding.



**Cowlitz County, Washington**  
**Combining Statement of Net Assets**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2008**

	911 Communications	Law Enforcement Records	Exposition Center	Emergency Mgmt.	Total
<b>ASSETS</b>					
<i>Current assets:</i>					
Cash, cash equivalents & pooled investments	\$ 1,785,121	\$ 347,357	\$ 115,942	\$ 117,287	\$ 2,365,707
Receivables (net)	103,856	-	33,647	-	137,503
Interest receivable	8	-	68	-	76
Due from other funds	385	-	-	-	385
Interfund loan receivable	-	-	-	-	-
Due from other governemtns	682	-	-	61,277	61,959
Inventories	-	-	-	-	-
Prepaid items	24,413	13,298	5,341	2,850	45,902
Customer deposits-restricted cash and cash equivalents			4,479		4,479
<i>Total Current Assets</i>	<u>1,914,465</u>	<u>360,655</u>	<u>159,477</u>	<u>181,414</u>	<u>2,616,011</u>
<i>Noncurrent assets:</i>					
Restricted cash & investments:					-
Customer deposits-cash	-	-	-	-	-
<i>Capital assets:</i>					
Land	-	-	636,573		636,573
Buildings and system	-	-	555,865		555,865
Improvements other than bldgs.	1,852,380	9,262	258,066		2,119,708
Machinery and equipment	2,846,588	541,986	176,706	21,462	3,586,742
Construction in progress	-	-	-		-
Less accumulated depreciation	(1,846,615)	(470,944)	(700,965)	(21,462)	(3,039,986)
Total capital assets (net of accum depr.)	<u>2,852,353</u>	<u>80,304</u>	<u>926,245</u>	<u>-</u>	<u>3,858,902</u>
<b>Total assets</b>	<u><u>4,766,818</u></u>	<u><u>440,959</u></u>	<u><u>1,085,722</u></u>	<u><u>181,414</u></u>	<u><u>6,474,913</u></u>
<b>LIABILITIES</b>					
<i>Current liabilities:</i>					
Accounts payable	8,530	1,395	34,405	3,669	47,999
Due to other government	5,525		8,161		13,686
Due to other funds	414	775	28,675	243	30,107
Notes payable	-		0		-
Other current liabilities	90,696	44,681	18,690	9,930	163,997
Customer deposits payable from restricted assets			4,480		4,480
<i>Total current liabilities</i>	<u>105,165</u>	<u>46,851</u>	<u>94,411</u>	<u>13,842</u>	<u>260,269</u>
<i>Noncurrent liabilities:</i>					
Compensated absences	168,877	60,831	30,896	10,164	270,768
Notes payable	561,594	-	-	-	561,594
Other noncurrent liabilities	-	-	-	-	-
<i>Total non current liabilities</i>	<u>730,471</u>	<u>60,831</u>	<u>30,896</u>	<u>10,164</u>	<u>832,362</u>
<b>Total liabilities</b>	<u>835,636</u>	<u>107,682</u>	<u>125,307</u>	<u>24,006</u>	<u>1,092,631</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	2,852,353	80,304	926,245	-	3,858,902
Restricted for club activities	-	-	18,377	-	18,377
Unrestricted	1,078,829	252,973	15,793	157,408	1,505,003
<b>Total net assets</b>	<u>\$ 3,931,182</u>	<u>\$ 333,277</u>	<u>\$ 960,415</u>	<u>\$ 157,408</u>	<u>\$ 5,382,282</u>

**Cowlitz County, Washington**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2008**

	911 Communications	Law Enforcement Records	Exposition Center	Emergency Mgmt.	Total
<b>OPERATING REVENUES</b>					
<i>Charges for Services:</i>					
Public Safety	\$ 1,932,606	\$ 991,155	\$ -	\$ 189,457	\$ 3,113,218
Culture & Recreation	-	-	1,140,779	-	1,140,779
<b>Total operating revenues</b>	<u>1,932,606</u>	<u>991,155</u>	<u>1,140,779</u>	<u>189,457</u>	<u>4,253,997</u>
<b>OPERATING EXPENSES</b>					
Public Safety	2,115,878	1,022,352		306,284	3,444,514
Culture and Recreation			1,422,352		1,422,352
Depreciation	292,181	104,319	30,196		426,696
<b>Total operating expenses</b>	<u>2,408,059</u>	<u>1,126,671</u>	<u>1,452,548</u>	<u>306,284</u>	<u>5,293,562</u>
<b>Operating income (loss)</b>	<u>(475,453)</u>	<u>(135,516)</u>	<u>(311,769)</u>	<u>(116,827)</u>	<u>(1,039,565)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Taxes	677,982	-	-		677,982
Intergovernmental	-	-	37,935	140,505	178,440
Investments earnings	31,402	1,926	2,962	1,350	37,640
Interest expense	-	-	-	-	-
Gain (loss) on disposition of fixed assets	-	-	-	-	-
Interest expense	-	-	-	-	-
Miscellaneous nonoperating revenues	227	2,536	33,132	-	35,895
Total nonoperating income (expense)	<u>709,611</u>	<u>4,462</u>	<u>74,029</u>	<u>141,855</u>	<u>929,957</u>
<b>Income before contributions and transfers</b>	234,158	(131,054)	(237,740)	25,028	(109,608)
Culture and recreation					
Transfers in	-	26,840	284,848	-	311,688
(Transfers out)	-	-	-	-	-
Capital Contributions	-	-	-	-	-
<b>Change in net assets</b>	<u>234,158</u>	<u>(104,214)</u>	<u>47,108</u>	<u>25,028</u>	<u>202,080</u>
<b>Net assets-beginning</b>	3,697,024	437,491	913,307	132,380	5,180,202
Prior period adjustment	-	-	-	-	-
<b>Net assets-ending</b>	<u>3,931,182</u>	<u>333,277</u>	<u>960,415</u>	<u>157,408</u>	<u>5,382,282</u>

**Cowlitz County, Washington**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2008**

	911 Communications	Law Enforcement Records	Exposition Center	Emergency Mgmt.	Total
<b>Cash flows from operating activities</b>					
Cash received from customers	\$ 1,945,450	\$ 991,155	\$ 1,152,019	\$ 183,377	\$ 4,272,001
Cash payments for goods and services	(466,807)	(161,915)	(1,058,132)	(107,050)	(1,793,904)
Cash payments to employees for services	(1,679,845)	(873,154)	(383,357)	(203,299)	(3,139,655)
Customer deposits	-	-	(4,420)	-	(4,420)
Miscellaneous revenue	227	2,536	33,132	-	35,895
<i>Net cash provided (used) by operating activities</i>	<u>(200,975)</u>	<u>(41,378)</u>	<u>(260,758)</u>	<u>(126,972)</u>	<u>(630,083)</u>
<b>Cash flows from noncapital financing a</b>					
State fair funds received	-	-	37,935	-	37,935
Operating grants received	-	-	-	140,505	140,505
Interfund loan repayment	(71,406)	-	-	-	(71,406)
Receipts from 911 tax	639,140	-	-	-	639,140
Transfers in from County Funds	-	26,840	302,541	-	329,381
<i>Net cash provided by noncapital financing activities</i>	<u>567,734</u>	<u>26,840</u>	<u>340,476</u>	<u>140,505</u>	<u>1,075,555</u>
<b>Cash flows from capital and related financing activities</b>					
Acquisition and construction of capital assets	(87,339)	-	(63,668)	-	(151,007)
<i>Net cash provided (used) for capital and related financing activities</i>	<u>(87,339)</u>	<u>-</u>	<u>(63,668)</u>	<u>-</u>	<u>(151,007)</u>
<i>Prior period Adjustment</i>					
<b>Cash flows from investing activities</b>					
Purchase of investments	(16,298,205)	(980,000)	(407,435)	(730,000)	(18,415,640)
Sales & maturities of investments	16,298,205	980,000	407,435	730,000	18,415,640
Interest on investments	31,839	2,008	2,963	1,364	38,174
<i>Net cash provided (used) by investment activities</i>	<u>31,839</u>	<u>2,008</u>	<u>2,963</u>	<u>1,364</u>	<u>38,174</u>
Net increase (decrease) in cash and cash equivalents	311,259	(12,530)	19,013	14,897	332,639
<i>Cash and cash equivalents, January 1</i>	1,473,862	359,887	101,408	102,390	2,037,547
<i>Cash and cash equivalents, December 31</i>	<u>\$ 1,785,121</u>	<u>\$ 347,357</u>	<u>\$ 120,421</u>	<u>\$ 117,287</u>	<u>\$ 2,370,186</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>					
Operating income (loss)	(475,453)	(135,516)	(311,770)	(116,827)	(1,039,566)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	292,181	104,319	30,196	-	426,696
(Increase) decrease in accounts receivable	-	-	10,091	-	10,091
(Increase) decrease in due from other funds	10,848	-	1,150	-	11,998
(Increase) decrease in due from other governments	1,996	-	-	(6,080)	(4,084)
(Increase) decrease in prepaid expense	(4,800)	(700)	(314)	(150)	(5,964)
Increase (decrease) in accounts payable and other accrued liabilities	(58,923)	(17,164)	(59,924)	(7,834)	(143,845)
Increase (decrease) in due to other funds	(84)	(82)	27,635	(24)	27,445
Increase (decrease) in due to other gov	5,525	-	8,161	-	13,686
Increase (decrease) in employee leave benefits	27,508	5,229	5,305	3,943	41,985
Miscellaneous revenue	227	2,536	33,132	-	35,895
Increase (decrease) in customer deposits	-	-	(4,420)	-	(4,420)
<i>Total adjustments</i>	<u>274,478</u>	<u>94,138</u>	<u>51,012</u>	<u>(10,145)</u>	<u>409,483</u>
<i>Net cash provided by operating activities</i>	<u>\$ (200,975)</u>	<u>\$ (41,378)</u>	<u>\$ (260,758)</u>	<u>\$ (126,972)</u>	<u>\$ (630,083)</u>



### **Internal Service Funds**

These funds account for operations that provide goods or services to other departments or funds of the county or to other governmental units on a cost-reimbursement basis. The accrual basis of accounting is used. A description of the funds used under this category follows:

**Equipment Rental & Revolving** – a fund used to finance the acquisition, maintenance and operation of vehicles and equipment used by the public works department.

**Central Services** – a fund used to finance the operation of a data processing center and provide assistance to county departments in setting up personal computers, networking and programming.

**Risk Management** – a fund used to finance the operation of a department providing safety, general liability and insurance services to all county departments. The county is a member of a twenty-two county insurance risk pool and funds are paid from this fund to that pool.

**Industrial Accident Insurance** – a fund used to finance workers compensation claims against the county.

**Motor Pool** – a fund used to finance the acquisition, maintenance and operation of a fleet of vehicles and other equipment used by all county departments except public works.

**Unemployment Compensation** – a fund used to finance unemployment compensation claims against the county.

**Purchasing Services** – a fund used to finance the operation of telephone, postage and office supply services to all county departments.

**Election Reserve** – a fund used to finance voter registration and election services and to serve as a local depository for public disclosure filings and records.



**COWLITZ COUNTY, WASHINGTON**  
**COMBINING STATEMENT OF NET ASSETS**  
Internal Service Funds  
December 31, 2008

	Equipment Rental & Revolving	Central Services	Risk Management	Industrial Accident Insurance	Motor Pool	Unemploy. Comp.	Purchasing Services	Election Reserve	2008 Total
<b>Assets</b>									
<b>Current assets:</b>									
Cash, cash equivalents & pooled investments	\$ 2,521,992	\$ 1,648,496	\$ 1,308,949	\$ 45,340	\$ 2,765,176	\$ 358,998	\$ 101,558	\$ 460,789	\$ 9,211,298
Accounts receivable	-	2,943	-	-	-	-	553	-	3,496
Interest receivable	3,322	-	7	-	7	2	-	-	3,338
Due from other funds	196,573	217,373	-	-	1,051	-	64,266	-	479,263
Interfund loan governments	-	-	-	-	-	-	-	-	-
Due from other governments	570	5,882	-	-	-	-	4,432	101,920	112,804
Due from component unit	-	1,406	-	-	-	-	33	-	1,439
Inventory	70,563	-	-	-	20,678	-	18,143	-	109,384
Prepaid expenses	5,817	167,654	1,900	-	1,900	-	950	2,755	180,976
<b>Total current assets</b>	<b>2,798,837</b>	<b>2,043,754</b>	<b>1,310,856</b>	<b>45,340</b>	<b>2,788,812</b>	<b>359,000</b>	<b>189,935</b>	<b>565,464</b>	<b>10,101,998</b>
<b>Noncurrent assets:</b>									
Land	-	-	-	-	20,795	-	-	-	20,795
Buildings	-	-	-	-	422,920	-	-	-	422,920
Other improvements	-	-	-	-	-	-	-	-	-
Machinery & equipment	7,635,901	2,073,063	-	-	4,499,726	-	62,135	314,294	14,585,119
Accumulated depreciation	(4,500,840)	(1,615,153)	-	-	(2,865,370)	-	(57,302)	(181,226)	(9,219,891)
<b>Total fixed assets</b>	<b>3,135,061</b>	<b>457,910</b>	<b>-</b>	<b>-</b>	<b>2,078,071</b>	<b>-</b>	<b>4,833</b>	<b>133,068</b>	<b>5,808,943</b>
<b>Total assets</b>	<b>\$ 5,933,898</b>	<b>\$ 2,501,664</b>	<b>\$ 1,310,856</b>	<b>\$ 45,340</b>	<b>\$ 4,866,883</b>	<b>\$ 359,000</b>	<b>\$ 194,768</b>	<b>\$ 698,532</b>	<b>\$ 15,910,941</b>
<b>Liabilities</b>									
<b>Current liabilities:</b>									
Accounts payable	\$ 49,066	\$ 46,872	\$ 123	\$ 16,244	\$ 32,805	\$ -	\$ 17,256	\$ 675	\$ 163,041
Due to other funds	39,401	3,693	496	-	13,944	-	-	870	58,404
Due to other governments	2,620	181,794	20,945	27,615	1,053	23,652	1,417	1,212	260,308
Other accrued liabilities	28,570	34,940	7,078	-	6,825	-	2,445	9,163	89,021
Notes Payable	-	61,627	-	-	-	-	-	-	61,627
Claims payable-current	-	-	206,502	182,569	-	-	-	-	389,071
<b>Total current liabilities</b>	<b>119,657</b>	<b>328,926</b>	<b>235,144</b>	<b>226,428</b>	<b>54,627</b>	<b>23,652</b>	<b>21,118</b>	<b>11,920</b>	<b>1,021,472</b>
<b>Noncurrent liabilities</b>									
Employee leave benefits	26,869	83,836	28,054	-	33,584	-	1,158	11,978	185,479
Claims payable	-	-	702,515	387,431	-	-	-	-	1,089,946
<b>Total noncurrent liabilities</b>	<b>26,869</b>	<b>83,836</b>	<b>730,569</b>	<b>387,431</b>	<b>33,584</b>	<b>-</b>	<b>1,158</b>	<b>11,978</b>	<b>1,275,425</b>
<b>Total liabilities</b>	<b>146,526</b>	<b>412,762</b>	<b>965,713</b>	<b>613,859</b>	<b>88,211</b>	<b>23,652</b>	<b>22,276</b>	<b>23,898</b>	<b>2,296,897</b>
<b>Net Assets</b>									
Investment in Capital assets, net of related debt.	3,135,061	396,283	-	-	2,078,071	-	4,833	133,068	5,747,316
Unrestricted	2,652,311	1,692,619	345,143	(568,519)	2,700,601	335,348	167,659	541,566	7,866,728
<b>Total net assets</b>	<b>\$ 5,787,372</b>	<b>\$ 2,088,902</b>	<b>\$ 345,143</b>	<b>\$ (568,519)</b>	<b>\$ 4,778,672</b>	<b>\$ 335,348</b>	<b>\$ 172,492</b>	<b>\$ 674,634</b>	<b>\$ 13,614,044</b>

**COWLITZ COUNTY, WASHINGTON**  
**Combining Statement of Revenues, Expenses, and Changes in Net Assets**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended December 31, 2008**

	Equipment Rental & Revolving	Central Services	Risk Management	Industrial Accident Insurance	Motor Pool	Unemp. Comp.	Purch. Services	Election Reserve	2008 Total
<b>Operating revenues:</b>									
Changes for services	\$ 2,153,244	\$ 1,664,604	\$ 1,085,718	\$ 399,404	\$ 1,567,090	\$ 40,304	\$ 460,791	\$ 282,969	\$ 7,654,124
<i>Total operating revenues</i>	<u>2,153,244</u>	<u>1,664,604</u>	<u>1,085,718</u>	<u>399,404</u>	<u>1,567,090</u>	<u>40,304</u>	<u>460,791</u>	<u>282,969</u>	<u>7,654,124</u>
<b>Operating expenses:</b>									
Personal services	456,426	739,707	149,984	-	142,091	-	36,884	215,594	1,740,686
Supplies	849,111	393,858	6,966	-	355,563	-	150,244	62,017	1,817,759
Other services and charges	262,680	376,177	801,253	479,850	199,204	39,700	318,237	242,718	2,719,819
Depreciation	492,139	179,018	-	-	498,893	-	2,363	53,021	1,225,434
<i>Total operating expenses</i>	<u>2,060,356</u>	<u>1,688,760</u>	<u>958,203</u>	<u>479,850</u>	<u>1,195,751</u>	<u>39,700</u>	<u>507,728</u>	<u>573,350</u>	<u>7,503,698</u>
Operating income (loss)	92,888	(24,156)	127,515	(80,446)	371,339	604	(46,937)	(290,381)	150,426
<b>Non-operating revenues (expenses):</b>									
Interest revenue	55,802	-	23,807	3,713	54,790	8,272	-	3,024	149,408
Operating grants	-	-	-	-	150,712	-	-	47,996	198,708
Gain (loss) on sale of equipment	(37,006)	-	-	-	6,560	-	-	-	(30,446)
Miscellaneous revenue	448	2,209	551	278	20,700	-	-	607	24,793
<i>Total non-operating revenues (expenses)</i>	<u>19,244</u>	<u>2,209</u>	<u>24,358</u>	<u>3,991</u>	<u>232,762</u>	<u>8,272</u>	<u>-</u>	<u>51,627</u>	<u>342,463</u>
Income (loss) before contributions and transfers in	112,132	(21,947)	151,873	(76,455)	604,101	8,876	(46,937)	(238,754)	492,889
Capital contribution-other	99,732	-	-	-	18,585	-	-	-	118,317
Transfers in	-	-	-	-	-	-	60,000	217,886	277,886
Change in net assets	211,864	(21,947)	151,873	(76,455)	622,686	8,876	13,063	(20,868)	889,092
Net assets-January 1	5,575,508	2,110,849	193,270	(492,064)	4,155,986	326,472	159,429	695,502	12,724,952
Prior period adjustment	-	-	-	-	-	-	-	-	-
<i>Net Assets-December 31</i>	<u>\$ 5,787,372</u>	<u>\$ 2,088,902</u>	<u>\$ 345,143</u>	<u>\$ (568,519)</u>	<u>\$ 4,778,672</u>	<u>\$ 335,348</u>	<u>\$ 172,492</u>	<u>\$ 674,634</u>	<u>\$ 13,614,044</u>

**Cowlitz County, Washington**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2008**

	<b>Equipment Rental &amp; Revolving</b>	<b>Central Services</b>	<b>Risk Management</b>	<b>Industrial Accident Insurance</b>	<b>Motor Pool</b>	<b>Unemp. Comp.</b>	<b>Purch. Services</b>	<b>Election Reserve</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>									
Receipts from customers and users	\$ 2,101,668	\$ 1,630,835	\$ 1,085,718	\$ 399,404	\$ 1,567,724	\$ 40,304	\$ 472,179	\$ 314,139	\$ 7,611,971
Payments for goods and services	(1,109,415)	(699,167)	(619,226)	(228,522)	(533,872)	(21,832)	(483,198)	(305,206)	(4,000,438)
Payment to employees	(458,209)	(750,093)	(152,534)		(146,127)		(37,983)	(216,557)	(1,761,503)
Miscellaneous revenue	448	2,209	551	278	20,700			607	24,793
<i>Net cash provided by operating activities</i>	<u>534,492</u>	<u>183,784</u>	<u>314,509</u>	<u>171,160</u>	<u>908,425</u>	<u>18,472</u>	<u>(49,002)</u>	<u>(207,017)</u>	<u>1,874,823</u>
<b>Cash flows from noncapital financing activities:</b>									
Transfers in from County Funds	-	-	-	-	-	-	60,000	217,886	277,886
Operating grant	-	-	-	-	150,712	-	-	45,142	195,854
Payment of claims liability recognized in prior years	-	-	(184,456)	(250,646)	-	-	-	-	(435,102)
<i>Net cash provided by noncapital financing activities</i>	<u>-</u>	<u>-</u>	<u>(184,456)</u>	<u>(250,646)</u>	<u>150,712</u>	<u>-</u>	<u>60,000</u>	<u>263,028</u>	<u>38,638</u>
<b>Cash flows from capital and related financing activities:</b>									
Acquisition and construction of capital assets	(1,086,667)	(12,811)	-	-	(544,977)	-	-	(9,428)	(1,653,883)
Contributed Capital	-	-	-	-	119,112	-	-	-	119,112
Proceeds from sale of capital assets	61,050	-	-	-	20,418	-	-	-	81,468
<i>Net cash used for capital and related financing activities</i>	<u>(1,025,617)</u>	<u>(12,811)</u>	<u>-</u>	<u>-</u>	<u>(405,447)</u>	<u>-</u>	<u>-</u>	<u>(9,428)</u>	<u>(1,453,303)</u>
<b>Cash flows from investing activities:</b>									
Purchase of investment securities	(25,822,243)	-	(11,740,000)	(1,855,000)	(28,452,300)	(4,163,798)	-	(100,000)	(72,133,341)
Proceeds from sale and maturities of investment securities	25,822,243	-	11,740,000	1,855,000	28,452,300	4,163,798	-	100,000	72,133,341
Interest on investments	53,371	-	24,316	3,746	55,454	8,425	-	3,024	148,336
<i>Net cash provided (used) by investing activities</i>	<u>53,371</u>	<u>-</u>	<u>24,316</u>	<u>3,746</u>	<u>55,454</u>	<u>8,425</u>	<u>-</u>	<u>3,024</u>	<u>148,336</u>
<i>Net incr(decr) in cash and cash equivalents</i>	<u>(437,754)</u>	<u>170,973</u>	<u>154,369</u>	<u>(75,740)</u>	<u>709,144</u>	<u>26,897</u>	<u>10,998</u>	<u>49,607</u>	<u>608,494</u>
<i>Cash and cash equivalents at beginning of year</i>	<u>2,959,746</u>	<u>1,477,523</u>	<u>1,154,580</u>	<u>121,080</u>	<u>2,056,032</u>	<u>332,101</u>	<u>90,560</u>	<u>411,182</u>	<u>8,602,804</u>
<i>Cash and cash equivalents at end of year</i>	<u>\$ 2,521,992</u>	<u>\$ 1,648,496</u>	<u>\$ 1,308,949</u>	<u>\$ 45,340</u>	<u>\$ 2,765,176</u>	<u>\$ 358,998</u>	<u>\$ 101,558</u>	<u>\$ 460,789</u>	<u>\$ 9,211,298</u>

**Reconciliation of operating income to net cash provided by operating activities:**

Operating income (loss)	\$ 92,888	\$ (24,156)	\$ 127,515	\$ (80,446)	\$ 371,339	\$ 604	\$ (46,937)	\$ (290,381)	\$ 150,426
Adjustments to reconcile operating income to net cash provided by operating activities:									
Depreciation	492,139	179,018	-	-	498,893	-	2,363	53,021	1,225,434
(Increase) decrease in accounts receivable	(1,217)	(2,916)	(100)	-	(100)	-	1,258	-	(1,658)
(Increase) decrease in due from other funds	(52,729)	(30,774)	(42,397)	(42,933)	(5,617)	-	11,903	(1,808)	(70,966)
(Increase) decrease in due from other govts.	1,153	(722)	20,945	27,615	1,053	17,868	(2,671)	31,170	28,930
(Increase) decrease in due from component unit	51,938	643	-	-	22,525	-	(33)	-	610
(Increase) decrease in inventory	(1,217)	-	-	-	-	-	881	-	75,344
(Increase) decrease in prepaid expenses	(40,442)	(114,567)	(100)	-	(100)	-	(50)	(145)	(116,179)
Increase (decrease) in accounts payable	2,620	3,601	(42,397)	(42,933)	(5,617)	-	(16,084)	(1,808)	(145,680)
Increase (decrease) in due to other governments	(11,740)	181,794	20,945	27,615	1,053	17,868	1,417	1,212	254,524
Increase (decrease) in due to other funds	2,331	(423)	(276)	-	2,934	-	-	125	(9,380)
Increase (decrease) in other accrued liabilities	(2,897)	(17,324)	(3,274)	-	(6,052)	-	(1,911)	(3,669)	(29,899)
Increase (decrease) in employee leave benefits	-	7,401	824	-	2,116	-	862	2,851	11,157
Increase (decrease) in estimated future claims payable	448	-	210,721	266,646	-	-	-	-	477,367
Miscellaneous revenue	441,604	207,940	186,994	251,606	537,086	17,868	(2,065)	83,364	1,724,397
Total adjustments	534,492	183,784	314,509	171,160	908,425	18,472	(49,002)	(207,017)	1,874,823
Net cash provided by operating activities	\$ 441,604	\$ 207,940	\$ 186,994	\$ 251,606	\$ 537,086	\$ 17,868	\$ (2,065)	\$ 83,364	\$ 1,724,397
	\$ 534,492	\$ 183,784	\$ 314,509	\$ 171,160	\$ 908,425	\$ 18,472	\$ (49,002)	\$ (207,017)	\$ 1,874,823

## **Agency Funds**

Agency Funds are used to account for monies held by Cowlitz County in an agency capacity. Many independent districts are required by state statute to process all monies with the county treasurer who serves as a public depository. Such funds represent a fiduciary responsibility of Cowlitz County and are not representative of county assets or financial operations.

Agency funds are custodial in nature and do not involve the measurement of results of operations. Each independent district is responsible to prepare its own annual report. The modified accrual basis of accounting is applied. The funds used under this category follow:

**Court Clearing** – consists of aggregation of the superior and district courts. The courts act as the collection and disbursement agent. District court accounts for collections and disbursements for the cities of Kalama, Kelso, and Longview and the county.

**Suspense** – a fund used by the treasurer to record monies received prior to allocating those monies to the appropriate department or fund.

**Salary Control** – a clearing fund used for the issuance and redemption of payroll warrants of employees of the county and other districts paid via the county.

**Claims Control** – a clearing fund used for the issuance and redemption of claim warrants.

**Advance Tax** – a fund used to accumulate property tax monies received prior to the distribution date of February 15.

**TAV Reserve** – a fund accounting for monies received from the state for timber harvest tax, which is distributed to various taxing districts based on distribution procedures required by state law codified in RCW 89.033.081.

**State Funds** – funds used to accumulate and remit tax monies owing to the State of Washington.

**School Districts** – this presentation is the aggregate of seven school districts funds for which Cowlitz County performs collection and disbursement functions.

**Fire Districts** – this presentation is the aggregate of seven fire district funds for which Cowlitz County performs collection and disbursement functions.

**EMS #1** – a fund used to accumulate and remit tax monies owing to the rural ambulance service.

**Cemetery Districts** – this presentation is the aggregate of seven cemetery district funds for which Cowlitz County provides collection and disbursement functions.

**Cities** – a fund used to accumulate and remit tax monies owing to five cities.

**Library Districts** – districts formed in some unincorporated areas of the county to obtain library services from the Fort Vancouver Library District or the Longview Public Library.

**Mosquito Control District** – this district was formed in August 1990 for the abatement or extermination of mosquitoes. Consists of all incorporated cities of Cowlitz County except Kalama and Woodland.

**Ports** – this presentation is the aggregate of three port districts for which Cowlitz County provides collection and disbursement functions.

**Beacon Hill Sewer District** – the district deposits its funds with the Cowlitz County Treasurer. Cowlitz County acts as their collection and disbursement agent.

**Flood Control Districts** – is the aggregate of three flood control districts. Cowlitz County provides collection and disbursement functions.

**Diking & Drainage Districts** – is the aggregate of four dike districts and one drainage district for which Cowlitz County provides collection and disbursement functions.

**Cowlitz County Community Network** – agency established to reduce child abuse and neglect, domestic violence, youth violence, substance abuse, and teen pregnancy. Funding comes from grants with most of the work contracted out to other entities.

**Woodland Swimming Pool & Recreation District** – district established for the future construction of a public swimming pool in Woodland.

**Transit Authority** – a separately established entity providing public transportation to the Longview-Kelso area. The Regional Transit Authority operating and capital budgets are financed by grants, taxes and fares. Cowlitz County provides collection and disbursement functions.

**Lower Columbia Fish Recovery** – a separately established entity providing for habitat and restoration of endangered species such as steelhead and future listings by the federal government. Funding is primarily from grants received.

**Council of Governments** – (Formerly titled Governmental Conference) a separately established municipal corporation providing coordinated planning for the governing bodies within Cowlitz County and adjoining areas. Cowlitz County provides collection and disbursement functions.

COWLITZ COUNTY, WASHINGTON  
AGENCY FUNDS  
COMBINING BALANCE SHEET

December 31, 2008

Revised 9/9/09

	<u>Court Clearing</u>	<u>Suspense</u>	<u>Salary Control</u>	<u>Claims Control</u>	<u>Advance Tax</u>	<u>T.A.V. Reserve</u>	<u>State Funds</u>	<u>School Districts</u>	<u>Fire Districts</u>
Cash, cash equivalents & pooled & pooled investments	\$ 836,796	\$ 225,444	\$ 75,783	\$ 4,386,716	\$ 49,150	\$ -	\$ 294,645	\$ 23,941,555	\$ 5,087,532
Deposit with fiscal agent	-	-	-	-	-	-	-	10,000	-
Taxes receivable	-	-	-	-	-	-	1,042,908	1,779,656	327,696
Assessments receivable, current	-	-	-	-	-	-	33,559	-	-
<i>Total assets</i>	<u>\$ 836,796</u>	<u>\$ 225,444</u>	<u>\$ 75,783</u>	<u>\$ 4,386,716</u>	<u>\$ 49,150</u>	<u>\$ -</u>	<u>\$ 1,371,112</u>	<u>\$ 25,731,211</u>	<u>\$ 5,415,228</u>

**Assets**  
Cash, cash equivalents & pooled & pooled investments  
Deposit with fiscal agent  
Taxes receivable  
Assessments receivable, current  
*Total assets*

	<u>EMS#1</u>	<u>Cemetery Districts</u>	<u>SWAA</u>	<u>Cities</u>	<u>Library Districts</u>	<u>Mosquito Control Districts</u>	<u>Port Districts</u>	<u>Beacon Hill Sewer District</u>	<u>Flood Ctrl Districts</u>
Due to other governments	\$ 836,796	\$ 225,444	\$ -	\$ -	\$ 49,150	\$ -	\$ 1,371,112	\$ 20,251,663	\$ 5,313,770
Warrants payable	-	-	75,783	4,386,716	-	-	-	5,479,548	101,458
<i>Total liabilities</i>	<u>\$ 836,796</u>	<u>\$ 225,444</u>	<u>\$ 75,783</u>	<u>\$ 4,386,716</u>	<u>\$ 49,150</u>	<u>\$ -</u>	<u>\$ 1,371,112</u>	<u>\$ 25,731,211</u>	<u>\$ 5,415,228</u>

**Liabilities**  
Due to other governments  
Warrants payable  
*Total liabilities*

	<u>EMS#1</u>	<u>Cemetery Districts</u>	<u>SWAA</u>	<u>Cities</u>	<u>Library Districts</u>	<u>Mosquito Control Districts</u>	<u>Port Districts</u>	<u>Beacon Hill Sewer District</u>	<u>Flood Ctrl Districts</u>
Cash, cash equivalents & pooled & pooled investments	\$ 55	\$ 1,715,012	\$ 149,146	\$ 80,703	\$ 32,342	\$ 76,340	\$ 41,538,381	\$ 4,356,750	\$ 1,043,668
Deposit with fiscal agent	-	-	-	-	-	180,000	-	-	-
Taxes receivable	6,582	15,833	-	482,706	30,916	-	160,606	-	-
Assessments receivable, current	-	-	-	-	-	13,455	-	-	30,680
<i>Total assets</i>	<u>\$ 6,637</u>	<u>\$ 1,730,845</u>	<u>\$ 149,146</u>	<u>\$ 563,409</u>	<u>\$ 63,258</u>	<u>\$ 269,795</u>	<u>\$ 41,698,987</u>	<u>\$ 4,356,750</u>	<u>\$ 1,074,348</u>

**Assets**  
Cash, cash equivalents & pooled & pooled investments  
Deposit with fiscal agent  
Taxes receivable  
Assessments receivable, current  
*Total assets*

	<u>EMS#1</u>	<u>Cemetery Districts</u>	<u>SWAA</u>	<u>Cities</u>	<u>Library Districts</u>	<u>Mosquito Control Districts</u>	<u>Port Districts</u>	<u>Beacon Hill Sewer District</u>	<u>Flood Ctrl Districts</u>
Due to other governments	\$ 6,637	\$ 1,730,845	\$ 149,146	\$ 563,409	\$ 63,258	\$ 269,795	\$ 41,698,987	\$ 4,356,750	\$ 1,074,348
Warrants payable	-	-	-	-	-	-	-	-	-
<i>Total liabilities</i>	<u>\$ 6,637</u>	<u>\$ 1,730,845</u>	<u>\$ 149,146</u>	<u>\$ 563,409</u>	<u>\$ 63,258</u>	<u>\$ 269,795</u>	<u>\$ 41,698,987</u>	<u>\$ 4,356,750</u>	<u>\$ 1,074,348</u>

**Liabilities**  
Due to other governments  
Warrants payable  
*Total liabilities*

	Diking & Drainage Districts	Cowlitz Co. Com Network	Woodland Swimming Pool & Recr. Dist.	Transit Authority	Lower Columbia Fish Recovery	Council of Governments	2008 Total
<b><u>Assets</u></b>							
Cash, cash equivalents & pooled & pooled investments	\$ 6,328,429	\$ 4,482	\$ 298	\$ 2,195,724	\$ 62,094	\$ 163,751	\$ 92,644,795
Deposit with fiscal agent	-	-	-	-	-	-	190,000
Taxes receivable	-	-	-	-	-	-	3,846,903
Assessments receivable, current	154,880	-	-	-	-	-	232,574
<i>Total assets</i>	<u>\$ 6,483,309</u>	<u>\$ 4,482</u>	<u>\$ 298</u>	<u>\$ 2,195,724</u>	<u>\$ 62,094</u>	<u>\$ 163,751</u>	<u>\$ 96,914,272</u>
<b><u>Liabilities</u></b>							
Due to other governments	\$ 6,483,309	\$ 4,482	\$ 298	\$ 2,195,724	\$ 62,094	\$ 163,751	\$ 86,870,767
Warrants payable	-	-	-	-	-	-	10,043,505
<i>Total liabilities</i>	<u>\$ 6,483,309</u>	<u>\$ 4,482</u>	<u>\$ 298</u>	<u>\$ 2,195,724</u>	<u>\$ 62,094</u>	<u>\$ 163,751</u>	<u>\$ 96,914,272</u>

## STATISTICAL SECTION



# COWLITZ COUNTY, WASHINGTON

## STATISTICAL SECTION

December 31, 2008

### Contents Page

#### Financial Trends

*These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.*

Net Assets By Component – Last 5 Years	136
Changes in Net Assets- Last 5 Years	137
Fund Balances of Governmental Funds	139
Changes in Fund Balances of Governmental Funds	140
General Governmental Tax Revenue Revenues by Source –Last 10 Years	141

#### Revenue Capacity

*These schedules contain information to help the reader assess the government's most significant local revenue source property tax.*

Assessed Value of Taxable Property and Levy Rate – last 5 Years	142
Property Tax Rates – Direct and Overlapping Governments	143
Principal Taxpayers – Last Two Years	144
Property Tax Levies and Collections – Last 10 years	145

#### Debt Capacity

*These schedules help the reader assess the affordability of the government's current levels of outstanding debt and the governments ability to issue additional debt in the future.*

Ratios of Outstanding Debt – Last 10 Years	146
Ratios of General Bonded Debt Outstanding – Last 10 Years	147
Legal Debt Margin - Last 10 Years	148

#### Demographic and Economic Information

*This schedule helps the reader understand the environment within which the government's activities take place.*

Demographic Statistics – Last 10 Years	149
Principal Employers	150

#### Operating Information

*This schedule shows the employees (full time equivalents) that are employed in specific activities of the County.*

Employees by function – Last 4 years	151
--------------------------------------	-----

**Cowlitz County**  
**Net Assets by Component**  
**Last Five Fiscal Years**  
(accrual basis of accounting)

**Schedule 1**

	2004	2005	2006	2007	2008
<b>Governmental Activities</b>					
Invested in capital assets, net of related debt	\$ 115,591,462	\$ 123,471,098	\$ 129,836,308	\$ 137,230,538	\$ 141,263,011
Restricted	12,396,168	13,526,419	14,201,750	15,841,207	13,286,578
Unrestricted	12,190,230	9,845,096	13,070,068	17,251,534	14,021,479
<b>Total Governmental activities net assets</b>	<b>\$ 140,177,860</b>	<b>\$ 146,842,613</b>	<b>\$ 157,108,126</b>	<b>\$ 170,323,279</b>	<b>\$ 168,571,068</b>
<b>Business-type activities</b>					
Invested in capital assets, net of related debt	\$ 15,085,008	\$ 14,994,232	\$ 15,288,738	\$ 16,742,682	\$ 14,665,554
Restricted	26,478	16,811	17,534	18,377	18,377
Unrestricted	7,307,926	10,287,276	13,912,540	15,286,144	19,062,576
<b>Total business-type activities net assets</b>	<b>\$ 22,419,412</b>	<b>\$ 25,298,319</b>	<b>\$ 29,218,812</b>	<b>\$ 32,047,203</b>	<b>\$ 33,746,507</b>
<b>Primary government</b>					
Invested in capital assets, net of related debt	\$ 130,676,470	\$ 138,465,330	\$ 145,125,046	\$ 153,973,220	\$ 155,928,565
Restricted	12,422,646	13,543,230	14,219,284	15,859,584	13,304,955
Unrestricted	19,498,156	20,132,372	26,982,608	32,537,678	33,084,055
<b>Total primary government net assets</b>	<b>\$ 162,597,272</b>	<b>\$ 172,140,932</b>	<b>\$ 186,326,938</b>	<b>\$ 202,370,482</b>	<b>\$ 202,317,575</b>

**Cowlitz County**  
**Changes in Net Assets**  
**(accrual basis of accounting)**  
**Last Five Years - (amounts in thousands)**

**Schedule 2**

**Page 1 of 2**

**Expenses**

*Governmental Activities:*

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General government	\$ 8,821	\$ 9,292	\$ 10,301	\$ 10,713	\$ 11,139
Public safety -corrections	6,430	6,337	7,569	9,027	9,439
Public safety -juvenile	3,515	3,354	3,280	3,438	3,746
Public safety -other	6,122	6,619	7,388	8,416	9,268
Judicial	4,305	4,438	4,735	5,506	6,119
Physical environment	632	493	284	518	1,036
Roads & bridges	9,766	11,515	13,288	13,765	13,085
Economic environment	1,965	1,883	2,228	4,138	3,140
Health	11,906	11,887	12,446	13,368	14,560
Culture & recreation	1,351	1,092	1,158	1,186	1,312
Interest on long-term debt	1,042	886	1,254	1,670	1,617
Total governmental activities expenses	<u>55,855</u>	<u>57,796</u>	<u>63,931</u>	<u>71,745</u>	<u>74,461</u>

*Business-Type Activities*

Water	561	687	603	864	842
Sewer	416	402	598	534	546
Solid waste landfill	2,670	2,991	3,857	3,946	4,021
Public safety	3,047	3,163	3,990	3,606	3,837
Culture & recreation	641	991	1,082	1,425	1,446
Total business-type activity expenses	<u>7,335</u>	<u>8,234</u>	<u>10,130</u>	<u>10,375</u>	<u>10,692</u>
Total primary government expenses	<u>\$ 63,190</u>	<u>\$ 66,030</u>	<u>\$ 74,061</u>	<u>\$ 82,120</u>	<u>\$ 85,153</u>

**Program Revenues**

*Governmental Activities:*

Charges for services:					
General government	\$ 2,785	\$ 2,844	\$ 3,090	\$ 4,772	\$ 3,906
Health	6,215	5,799	8,915	9,050	9,900
Public safety-corrrections	1,948	2,088	2,310	3,324	3,964
Other activities	4,837	5,589	7,110	7,802	7,973
Operating grants & contributions	7,044	6,997	6,501	7,530	6,423
Capital grants & contributions	4,157	3,225	7,189	9,002	2,411
Total governmental activity program revenues	<u>26,986</u>	<u>26,542</u>	<u>35,115</u>	<u>41,480</u>	<u>34,577</u>

*Business-Type Activities*

Charges for services:					
Water	504	550	617	595	651
Sewer	468	570	689	637	749
Solid waste landfill	3,954	4,692	5,002	4,971	4,716
Public safety (911 Com., Law Enf.Records, Emerg. Mgt.)	2,679	2,997	2,748	3,207	3,116
Culture & recreation	425	643	835	1,177	1,174
Operating grants & contributions	202	125	307	105	278
Capital grants & contributions	30	196	1,748	491	19
Total business-type activities program revenues	<u>8,262</u>	<u>9,773</u>	<u>11,946</u>	<u>11,183</u>	<u>10,703</u>
Total primary government program revenues	<u>\$ 35,248</u>	<u>\$ 36,315</u>	<u>\$ 47,061</u>	<u>\$ 52,663</u>	<u>\$ 45,280</u>

**Cowlitz County**  
**Changes in Net Assets**  
 (accrual basis of accounting)  
 Last Five Years - (amounts in thousands)

Page 2 of 2

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Net (expense)/revenue	\$ 927	\$ (31,254)	\$ (28,816)	\$ (30,265)	\$ (39,884)
Governmental activities		1,539	1,816	808	11
Business-type activities	\$ (27,942)	\$ (29,715)	\$ (27,000)	\$ (29,457)	\$ (39,873)
Total primary government net expense					

**General Revenues & Other Changes in**

**Net Assets**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities					
Taxes					
Property taxes	\$ 21,210	\$ 20,871	\$ 21,584	\$ 22,872	\$ 23,889
Sales taxes	4,753	6,287	6,678	7,516	6,996
Other taxes	6,156	7,171	7,500	9,635	5,939
Investment earnings	902	1,606	2,854	2,791	1,136
Gain on sale of capital assets (primarily timber)	151	2,257	581	893	484
Transfers in (out)	2,204	(293)	(226)	(228)	(312)
Total governmental activities:	35,376	37,899	38,971	43,479	38,132
Business-type activities					
911 Communication taxes	511	568	619	654	678
Investment earnings	198	493	915	1,161	698
Gain on sale of capital assets	120	(14)		(23)	-
Transfers	(2,204)	293	226	228	312
Total business-type activities	(1,375)	1,340	1,760	2,020	1,688
Total primary government	\$ 34,001	\$ 39,239	\$ 40,731	\$ 45,499	\$ 39,820

**Change in Net Assets**

Governmental activities	\$ 6,507	\$ 6,645	\$ 10,155	\$ 13,214	\$ (1,752)
Business-type activities	(448)	2,879	3,576	2,828	1,699
Total primary government	\$ 6,059	\$ 9,524	\$ 13,731	\$ 16,042	\$ (53)

**Prior period adjustment increase (decrease) net assets**

Governmental activities	1,193	-	131	-	-
Business activities	137	-	386	-	-

Cowlitz County, Washington  
Fund Balance of Governmental Funds  
Last Ten Fiscal Years

**Schedule 3**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund Reserved	\$ 5,172,969	\$ 5,089,085	\$ 4,439,808	\$ 5,105,114	\$ 5,929,025	\$ 4,699,512	\$ 8,362,395	\$ 9,834,130	\$ 8,861,399	\$ 5,340,364
Unreserved	\$ 5,172,969	\$ 5,089,085	\$ 4,439,808	\$ 5,105,114	\$ 5,929,025	\$ 4,699,512	\$ 8,362,395	\$ 9,834,130	\$ 8,861,399	\$ 5,340,364
Total general fund	\$ 10,345,938	\$ 10,178,170	\$ 8,879,616	\$ 10,210,228	\$ 11,858,050	\$ 9,399,024	\$ 16,724,790	\$ 19,668,260	\$ 17,722,798	\$ 10,680,728
All other governmental funds Reserved	\$ 5,410,316	\$ 5,215,007	\$ 4,328,777	\$ 5,531,201	\$ 14,699,324	\$ 15,068,059	\$ 15,344,582	\$ 28,259,868	\$ 27,014,866	\$ 27,564,564
Unreserved, reported in Special Revenue Funds	9,557,802	10,308,281	11,542,394	10,364,684	10,022,677	10,494,629	10,964,480	11,683,600	13,638,833	14,015,717
Debt Service Funds					225,000	651,183	805,873	1,405,782	1,586,086	-
Capital Project Funds	1,384,255	1,466,529	2,998,986	3,484,899	10,815,617	6,390,233	1,498,402	2,636,953	6,924,249	6,619,792
Total all other governmental funds	\$ 16,352,373	\$ 16,989,817	\$ 18,870,157	\$ 19,380,784	\$ 35,762,618	\$ 32,604,104	\$ 28,613,337	\$ 43,986,203	\$ 49,164,034	\$ 48,200,073
Total Fund Balance	\$ 21,525,342	\$ 22,078,902	\$ 23,309,965	\$ 24,485,898	\$ 41,691,643	\$ 37,303,616	\$ 36,975,732	\$ 53,820,333	\$ 58,025,433	\$ 53,540,437

December 31, 2006 reserved fund balance includes \$23.2 million that is reserved for long-term loan receivable from other governments for the payment of bond principal which was issued on their behalf that they agreed to pay the debt as it becomes due. Also, \$2.5 million of the December 31, 2006 balance is reserved for capital improvements to promote economic development, and \$2.5 million is reserved for road and bridge purposes.

**Cowlitz County**  
**Changes in Fund Balances of Governmental Funds**  
**Last Five Fiscal Years**  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

**Schedule 4**

<b>Revenues</b>	<u><b>2004</b></u>	<u><b>2005</b></u>	<u><b>2006</b></u>	<u><b>2007</b></u>	<u><b>2008</b></u>
Taxes	\$ 27,860	\$ 31,246	\$ 31,540	\$ 34,775	\$ 33,194
Licenses & permits	1,398	1,712	2,225	2,101	1,600
Intergovernmental	20,062	19,822	26,640	31,198	25,136
Charges for services	5,030	5,731	6,522	7,458	6,491
Fines	1,153	1,218	1,383	1,726	1,590
Investment earnings	808	1,444	2,645	2,791	1,361
Rents & leases	314	259	283	822	391
Special assessments	262	270	278	296	295
Miscellaneous	958	942	887	1,495	1,590
<b>Total revenues</b>	<b>57,845</b>	<b>62,644</b>	<b>72,403</b>	<b>82,662</b>	<b>71,648</b>
<b>Expenditures</b>					
General government	8,355	8,598	9,498	10,378	10,794
Public safety-corrections	6,244	6,158	7,105	8,305	8,851
Public safety-juvenile	3,272	3,053	3,055	3,232	3,525
Public safety-other	6,251	6,721	7,493	8,524	8,619
Judicial	4,268	4,340	4,683	5,403	6,024
Physical environment	602	454	252	518	1,034
Economic environment	1,945	1,853	2,214	4,207	3,177
Roads & bridges	7,253	8,934	10,904	11,430	11,942
Health & human services	11,302	11,219	11,654	13,312	14,532
Culture and recreation	1,133	898	963	978	1,109
Capital outlay	11,326	10,141	9,901	9,527	5,119
Debt service:					
Principal	1,305	1,145	905	1,435	1,498
Interest	1,045	842	1,077	1,511	1,448
Other charges	6	127	2	1	1
	<b>64,307</b>	<b>64,483</b>	<b>69,706</b>	<b>78,761</b>	<b>77,673</b>
Excess of revenues over (under) expenditures	(6,462)	(1,839)	2,697	3,901	(6,025)
<b>Other financing sources (uses)</b>					
Transfers in	7,263	6,389	3,445	4,256	3,050
Transfers out	(5,332)	(7,130)	(3,882)	(4,754)	(3,639)
Refunding Bonds issued		8,565			
Premium on bonds issued		165			
Bonds issued			13,760		
Discount on bonds issued					
Payments to refunded bond escrow agent		(8,600)			
Sales of capital assets	112	2,122	732	801	515
<b>Total other financing sources (uses)</b>	<b>2,043</b>	<b>1,511</b>	<b>14,055</b>	<b>303</b>	<b>(74)</b>
<b>Net change in fund balances</b>	<b>\$ (4,419)</b>	<b>\$ (328)</b>	<b>\$ 16,752</b>	<b>\$ 4,204</b>	<b>\$ (6,099)</b>
Debt service as a percentage of noncapital expenditures	4.45%	3.89%	3.32%	4.26%	4.06%

**Cowlitz County**  
**General Governmental Tax Revenues By Source**  
**Last Ten Fiscal Years - (amounts in thousands)**  
**(modified accrual basis)**

**Schedule 5**

<u>Year</u>	<u>Property Tax</u>	<u>Sales Tax *</u>	<u>Private Harvest Timber Tax</u>	<u>Other Taxes</u>	<u>Interest &amp; Penalty on Delinquent Taxes</u>	<u>Total Taxes &amp; Penalty</u>
1999	16,765	3,331	2,082	708	714	23,600
2000	17,323	4,099	1,554	844	886	24,706
2001	18,623	4,477	1,481	735	1,047	26,363
2002	19,252	4,408	1,101	928	1,077	26,766
2003	19,499	4,758	862	864	1,316	27,299
2004	19,742	4,753	1,059	1,099	1,207	27,860
2005	20,527	6,287	1,367	1,546	1,519	31,246
2006	20,623	6,679	1,524	1,578	1,136	31,540
2007	21,922	7,516	1,573	2,814	950	34,775
2008	22,711	6,996	1,326	1,159	1,002	33,194

Includes General, Special Revenue, Debt Service and Capital Project Fund Tax Revenues.

\* Includes distressed County sales tax effective July 1, 1999 of .04% which increased to .08% effective January 1, 2000. The .08% is restricted for public facilities construction/acquisition and the payment of debt on same. And effective April 1, 2005 the Board approved a .01% a .01% increase in sales tax for criminal justice purposes.

Other taxes included a one quarter of one percent real estate excise tax on the sale of real property in the unincorporated areas of Cowlitz County. This tax is for capital purposes or the County's facilities plan.

**REVENUE BASE  
LAST FIVE YEARS**

**Schedule 6**

**Assessed Value of Taxable Property**

**(Assessed Value in thousands of dollars)**

Assessment Year	Total Assessed Value	Less: Exempt Property (1)	Total Taxable Assessed Value	General Fund Levy Rate per thousand	Year of Levy
<b><u>County General Fund</u></b>					
2004	7,382,764	674,346	6,708,418	1.871484	2005
2005	7,593,608	695,490	6,898,118	1.835191	2006
2006	8,350,715	647,729	7,702,986	1.720177	2007
2007	9,183,061	712,857	8,470,204	1.639373	2008
2008	10,192,313	800,437	9,391,876	1.626704	2009
<b><u>County Road Fund</u></b>					
2004	3,867,108	164,579	3,702,529	1.988547	2005
2005	3,974,905	162,404	3,812,501	1.988516	2006
2006	4,225,349	116,730	4,108,619	2.054442	2007
2007	4,569,788	121,499	4,448,289	1.901268	2008
2008	5,024,646	153,232	4,871,414	1.759620	2009
<b><u>Veterans Relief</u></b>					
2005	7,593,608	695,490	6,898,118	0.01125	2006
2006	8,350,715	647,729	7,702,986	0.01125	2007
2007	9,183,061	712,857	8,470,204	0.01125	2008
2008	10,192,313	800,437	9,391,876	0.01123	2009
<b><u>Human Services ( Mental Health)</u></b>					
2005	7,593,608	695,490	6,898,118	0.025	2006
2006	8,350,715	647,729	7,702,986	0.025	2007
2007	9,183,061	712,857	8,470,204	0.025	2008
2008	10,192,313	800,437	9,391,876	0.025	2009

(1) For 2004 assessment year and on, this value represents Public & Private Exempt property value, parcels with value less than \$500 as well as value exempt under the Senior Citizen/Disabled Persons Property Tax Exemption program.

**COWLITZ COUNTY, WASHINGTON**  
**REVENUE RATES**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (1)**  
**(PER \$1,000 OF ASSESSED VALUE)**  
**LAST TEN FISCAL YEARS**

Schedule 7

Calendar Year	County		County Total	Cities & Towns	Ports	Fire Districts	Emergency Service		Cemeteries	State of WA Schools	Local Levies Schools	Rural Partial Library Distrs.	
	General Fund	Road Fund					Districts	Districts				Schools	Schools
1999	1.80	1.85	3.65	2.67	0.43	1.10	0.35	0.08	0.08	3.27	3.11	0.46	15.12
2000	1.80	1.85	3.65	2.67	0.44	1.07	0.36	0.09	0.09	3.42	3.69	0.46	15.85
2001	1.80	2.00	3.80	2.76	0.42	1.11	0.36	0.09	0.09	3.07	3.67	0.44	15.72
2002	1.80	2.10	3.90	2.95	0.42	1.11	0.37	0.09	0.09	2.91	4.25	0.44	16.44
2003	1.80	2.10	3.90	2.84	0.40	1.19	0.78	0.09	0.09	2.76	3.66	0.40	16.02
2004	1.80	2.10	3.90	2.81	0.40	1.09	0.39	0.09	0.09	2.76	3.77	0.42	15.63
2005	1.87	1.99	3.86	2.80	0.41	1.09	0.40	0.09	0.09	2.76	3.77	0.44	15.62
2006	1.87	1.99	3.86	2.77	0.39	1.08	0.40	0.09	0.09	2.57	3.68	0.42	15.26
2007	1.76	2.05	3.81	2.52	0.37	1.01	0.70	0.09	0.09	2.39	3.65	0.38	14.92
2008	1.68	1.90	3.58	2.33	0.34	0.97	0.36	0.08	0.08	2.23	3.58	0.37	13.84

(1) Includes special levies.

(2) Property located in cities and towns are not subject to County Road Fund taxes, Cemetery District taxes and Rural Partial Library District taxes. Likewise, property located outside of cities and towns are not subject to city and town taxes. Therefore total column overstates tax on parcels. There are 71 tax code areas in the county that have a unique mix of taxing districts for regular and excess levy purposes that for each code area will have its distinct rate. The 2006 tax rates varied from a low of \$8.69 to a high of \$14.20 per thousand assessed valuation. The 2007 tax rates varied from a low of \$8.69 to \$14.20 per thousand assessed valuation.

(3) The port levy excludes Port of Kalama which has not had a levy since 1996 .

(4) Excludes annual assessments for diking, drain and flood districts.

\* The column represents the average of the districts. Some may be significantly higher or lower.

**COWLITZ COUNTY, WASHINGTON  
PRINCIPAL TAXPAYERS**

Schedule 8

2008 TAX YEAR				2009 TAX YEAR			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Weyerhaeuser Company	\$ 535,944,820	1	6.33%	Weyerhaeuser Company	\$ 505,547,263	1	5.38%
North Pacific Paper Corp	\$ 386,670,610	2	4.57%	North Pacific Paper Corp	\$ 287,720,770	2	3.06%
Longview Fibre	\$ 146,307,300	3	1.73%	Mint Farm Energy Center LLC	\$ 140,000,000	3	1.49%
Steelscape	\$ 73,910,010	4	0.87%	Longview Fibre	\$ 120,059,180	4	1.28%
Mint Farm Energy Center LL	\$ 63,631,640	6	0.75%	Steelscape	\$ 91,850,010	6	0.98%
Pacificorp	\$ 47,566,121	5	0.56%	Pacificorp	\$ 56,052,432	5	0.60%
SoVay	\$ 46,629,610	7	0.55%	Kalama Export	\$ 47,529,420	7	0.51%
Kalama Export	\$ 44,098,780	8	0.52%	Emerald Kalama	\$ 45,036,260	8	0.48%
Emerald Kalama	\$ 43,958,170	9	0.52%	Solvay Interrox America	\$ 43,898,600	9	0.47%
Foster Poultry Farms	\$ 33,116,110	10	0.39%	Cameron Family Glass	\$ 35,000,000	10	0.37%
Totals	\$ 1,421,833,171		16.79%	Totals	\$ 1,372,693,935		14.62%
Total District Assessed Value 2007 Taxes: \$ 8,470,203,553				Total District Assessed Value 2008 Taxes: \$ 9,391,876,540			

**Source: Cowlitz County Assessor's Office**

**COWLITZ COUNTY, WASHINGTON  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

**Schedule 9**

<u>Year</u>	<u>Total Tax Levy</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>% of Tax Collected</u>		<u>Amount</u>	<u>Percentage of Levy</u>
<b>1999</b>	16,977,464	16,357,033	96.35%	621,049	16,978,082	100.00%
<b>2000</b>	17,599,370	16,930,620	96.20%	669,584	17,600,204	100.00%
<b>2001</b>	18,730,497	17,975,995	95.97%	752,254	18,728,249	99.99%
<b>2002</b>	18,935,373	18,247,363	96.37%	684,036	18,931,399	99.98%
<b>2003</b>	19,502,219	18,710,413	95.94%	769,104	19,479,517	99.88%
<b>2004</b>	19,664,693	19,029,680	96.77%	640,607	19,670,287	100.03%
<b>2005</b>	20,018,466	19,360,691	96.71%	649,959	20,010,650	99.96%
<b>2006</b>	20,562,084	19,924,738	96.90%	538,603	20,463,341	99.52%
<b>2007</b>	22,278,896	21,277,640	95.51%	628,369	21,906,009	98.33%
<b>2008</b>	22,702,085	21,910,082	96.51%		21,910,082	96.51%

*Total tax levy adjusted for taxes omitted or that were reduced from original levy.*

**Cowlitz County**  
**Ratios of Outstanding Debt**

**Schedule 10**  
**(dollars in thousands except per capita)**

<u>Fiscal Year</u>	<u>Governmental Activities</u>					<u>Business Type Activities</u>					<u>Total Primary Government</u>	<u>Per Capita</u>	<u>Percent of Personal Income</u>
	<u>General Obligation Bonds</u>	<u>Special Assessment Bonds</u>	<u>Special Sewer Revenue Bonds</u>	<u>Note Payable</u>	<u>Capital Lease</u>	<u>Water G.O. Bond</u>	<u>Water/Sewer Note Payable State of Washington</u>	<u>Capital Lease</u>	<u>Per Capita</u>				
1999	11,925	1/			245	160		12		12,342	131.16	0.58%	
2000	11,855	1/		700	168	145	102	-		12,970	136.67	0.58%	
2001	11,490	1/		700	87	130	102	-		12,509	133.22	0.54%	
2002	16,800			700	-	115	580	-	58	18,253	193.36	0.77%	
2003	20,075			700	-	100	547	-	45	21,467	226.21	0.92%	
2004	20,075	2,445		175	-	80	554	-	31	23,360	245.12	0.97%	
2005	19,755	2,335		-	-	60	1,069	-	16	23,235	242.28	0.92%	
2006	18,970	2,215	13,760	-	-	40	1,509	-	-	36,494	377.00	1.41%	
2007	18,130	2,090	13,290	-	-	20	1,354	-	-	34,884	356.69	1.22%	
2008	17,260	1,960	12,800	648	-	-	1,735	-	-	34,403	347.51	1.17%	

1/ Prior to 2002 the Central Sewer District (now titled Three Rivers Wastewater Authority) had been presented as a utility of the County. In 2002 GASB 34 was implemented it was presented as a discretely presented component unit. Because it has its own board it should never have been presented as a County fund. Therefore, for comparative purpose the debt of the Central Sewer is eliminated from this presentation.

**Cowlitz County, Washington**  
**Ratios of General Bonded Debt Outstanding**

**Schedule 11**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Special Revenue Bonds</u>	<u>Special Assessment Bonds with Govt. Commitment</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
1999	11,925,000			0.20%	126.73
2000	11,855,000			0.19%	124.92
2001	11,490,000			0.18%	122.36
2002	16,800,000			0.25%	177.97
2003	20,750,000		\$ 2,550,000	0.35%	245.52
2004	20,075,000		2,445,000	0.34%	236.31
2005	19,755,000		2,335,000	0.32%	230.34
2006	18,970,000	\$ 13,760,000	2,215,000	0.45%	361.00
2007	18,130,000	\$ 13,290,000	2,090,000	0.40%	342.64
2008	17,260,000	\$ 12,800,000	1,960,000	0.34%	323.43

1/

2/

1/ The special revenue bonds are paid from users of the Three Rivers Wastewater Authority, a discretely presented component unit of Cowlitz County.  
2/ The special assessment bonds with governmental commitment are paid from owners of Port of Longview Industrial Development property.

**Cowlitz County, Washington**  
**Legal Debt Margin**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

**Schedule 13**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt limit (without vote of people)										
1.5% of property value	91,724	95,323	95,821	100,325	100,622	100,626	103,472	115,545	127,053	140,878
Total net debt applicable to limit	<u>56,116</u>	<u>56,709</u>	<u>51,545</u>	<u>18,765</u>	<u>23,400</u>	<u>25,394</u>	<u>24,645</u>	<u>37,633</u>	<u>36,862</u>	<u>34,876</u>
Legal debt margin	\$ <u>35,608</u>	\$ <u>38,614</u>	\$ <u>44,276</u>	\$ <u>81,560</u>	\$ <u>77,222</u>	\$ <u>75,232</u>	\$ <u>78,827</u>	\$ <u>77,912</u>	\$ <u>90,191</u>	\$ <u>106,002</u>
Total net debt applicable to the limit as a percentage of debt limit	61.18%	59.49%	53.79%	18.70%	23.26%	25.24%	23.82%	32.57%	29.01%	24.76%
Debt limit <b>(with 3/5 vote of People)</b>										
2.5% of property value	\$ <u>152,874</u>	\$ <u>158,871</u>	\$ <u>159,702</u>	\$ <u>167,209</u>	\$ <u>167,704</u>	\$ <u>167,710</u>	\$ <u>172,453</u>	\$ <u>192,575</u>	\$ <u>211,755</u>	\$ <u>234,797</u>
Total debt applicable to limit	<u>56,116</u>	<u>56,709</u>	<u>51,545</u>	<u>18,765</u>	<u>23,400</u>	<u>25,394</u>	<u>24,645</u>	<u>37,633</u>	<u>36,862</u>	<u>34,876</u>
Legal debt margin	\$ <u>96,758</u>	\$ <u>102,162</u>	\$ <u>108,157</u>	\$ <u>148,444</u>	\$ <u>144,304</u>	\$ <u>142,316</u>	\$ <u>147,808</u>	\$ <u>154,942</u>	\$ <u>174,893</u>	\$ <u>199,921</u>

Note - There was a significant decrease in the debt applicable to County limit in 2002. This was due to the issuance of \$35.4 million in Special Sewer Revenue Refunding Bonds to advance refund a portion of the County's 1999 Limited General Obligation Bonds. The 2002 issue is paid by Three Rivers Wastewater Treatment Authority and the County has no liability on that issue.

1/ The \$37.6 million of debt outstanding at December 31, 2006 that was issued by the County includes \$26.3 that other governments have been the recipient of the bond proceeds and those governments are obligated to pay that debt with the County as a backer of the debt in case of default.

**COWLITZ COUNTY, WASHINGTON  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS**

Schedule 14

<u>Year</u>	<u>Population(1)</u>	<u>Unemployment Rate(2)</u>	<u>School Enrollment(3)</u>	<u>Per Capita Income(4)</u>	<u>Median Age(1)</u>
1999	94,100	6.9%	17,547	22,783	36.8
2000	94,900	7.8%	17,711	23,454	36.9
2001	93,900	11.0%	17,537	24,633	37.5
2002	94,400	10.8%	17,599	25,104	37.4
2003	94,900	10.2%	17,645	24,476	37.8
2004	95,300	8.7%	17,587	25,298	38.1
2005	95,900	7.3%	17,830	26,268	38.5
2006	96,800	6.6%	17,956	26,781	38.6
2007	97,800	6.3%	18,063	29,170	38.8
2008	99,000	7.9%	17,930	29,703	39.0

*(1) Data from Washington State Office of Financial Management*

*(2) Data from Washington State Employment Security Department (preliminary data for 20 on average annual wage)*

*(3) Data from Educational Service District 112*

*(4) Data from Washington State Forecast Council.*

\*\* Information not readily available.

Cowlitz County, Washington  
Principal Employers  
2008

Schedule 15

<u>Employers</u>	<u>Employees</u>	<u>Percent of Total County Employment</u>
Peace Health/St. John Medical Center	1,874	5.05%
Weyerhaeuser	1,580	4.26%
Longview Fibre	1,020	2.75%
Longview School District	900	2.43%
Foster Farms	800	2.16%
J.H. Kelly	600	1.62%
Cowlitz County	570	1.54%
Safeway Grocery Stores	550	1.48%
Lower Columbia College	417	1.12%
City of Longview	351	0.95%
	<u>8,662</u>	<u>23.36%</u>
 Total Employment in Cowlitz County	 37,077	

Source: Principal Employers - Kelso Longview Chamber of Commerce  
Total Employment - Wa. State Employment Security Department

**Full-time Equivalent County Government Employees by Function**

**Schedule 16**

**Full-time Equivalent Employees as of December 31**

	Dept./Fd	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>General Government</b>						
Boundary Review	001-010	0.5	0.5	0.5	0.5	0.5
Commissioners	001-015	6.0	6.0	6.0	6.5	7.0
Treasurer	001-050	9.0	9.0	9.0	9.5	10.0
Auditor and Auditor's O&M	001-055	13.3	13.3	13.3	14.3	14.3
Assessor	001-060	21.0	19.0	19.0	19.0	19.0
Admin Svcs	001-075	7.0	7.0	7.8	7.8	7.8
Prosecuting Atty	001-116	20.0	20.0	22.0	22.0	22.0
PA - Victim Witness	148	0.5	1.8	1.8	1.8	1.8
Child Support Svcs.	001-117	7.0	7.0	7.0	7.0	7.0
Civil Svc Commiss.	001-080	0.5	0.5	0.5	0.5	0.5
Admin Bldg Maint.	001-090	3.0	3.0	3.0	-	-
Hall of Justice Maint.	001-100	10.0	8.0	10.0	-	-
Facilities Maintenance	001-095	-	-	-	15.0	15.0
Law Library	122	0.5	0.5	0.5	0.5	0.5
Courthouse Facilitator	001-124	-	0.5	0.5	1.0	1.0
Graphic Info Syst.	135	5.0	5.0	4.0	4.0	4.0
Central Services	502	9.0	9.0	9.0	9.0	9.0
Risk Management	503	2.0	2.0	2.0	2.0	2.0
Purchasing	509	1.0	1.0	1.0	1.0	1.0
Elections	510	2.0	2.0	3.0	3.3	3.4
<i>Total Gen'l Govt.</i>		<u>117.3</u>	<u>115.1</u>	<u>119.9</u>	<u>124.7</u>	<u>125.8</u>
<b>Public Safety</b>						
Sheriff	001-105	50.0	52.0	52.0	56.0	57.0
Drug Task Force	160	3.0	3.0	3.0	3.0	3.0
Boat Safety	167	-	-	-	-	-
Law & Justice Funding	190	-	4.0	7.0	10.8	11.0
Benefits Administration	196	0.5	0.5	0.5	0.5	0.5
911 Communications	412	26.5	26.5	26.5	28.0	28.0
Law Enforcement Records	413	13.0	13.0	14.0	14.0	14.0
Emergency Management	414	2.3	2.8	3.0	3.0	3.0
Motor Pool	505	2.0	2.0	2.0	2.0	2.0
Probation Svcs.	001-109	7.0	7.0	7.0	8.0	8.0
Jail	001-110	53.0	53.0	60.0	67.5	69.0
Offender Svcs	001-111	16.0	12.0	12.0	14.0	14.0
Jail Concessions	001-112	1.0	1.0	1.0	1.0	1.0
Juvenile Prob.	001-115	-	15.5	15.5	17.0	19.0
Juvenile Deten.	001-114	45.0	27.0	22.0	22.0	22.0
<i>Total Public Safety</i>		<u>219.3</u>	<u>219.3</u>	<u>225.5</u>	<u>246.8</u>	<u>251.5</u>
<b>Judicial</b>						
Superior Crt	001-120	7.0	6.0	6.0	6.0	6.0
District Crt	001-121	16.0	17.0	17.0	17.5	18.5
Clerk	001-122	16.0	16.5	16.5	18.0	18.0
Family Crt	001-101	3.5	3.5	3.5	4.0	4.0
Office of Public Defense	001-126	-	-	3.0	10.0	11.0
<i>Total Judicial</i>		<u>42.5</u>	<u>43.0</u>	<u>46.0</u>	<u>55.5</u>	<u>57.5</u>
<b>Economic Environment</b>						
Community Long Range Planning	001-165	18.0	23.0	28.0	31.0	12.0
Bldg & Plng.	108	-	-	-	-	20.0
<i>Total Economic Environment</i>		<u>18.0</u>	<u>23.0</u>	<u>28.0</u>	<u>31.0</u>	<u>32.0</u>
<b>Health</b>						
Coroner	001-135	1.5	1.5	1.5	2.5	3.0
Drug Crt Grt Prog	001-285	1.0	1.0	1.0	2.0	2.0
Human Svcs	140	12.0	12.0	10.0	12.0	11.8
Health Dept.	143	27.0	28.0	30.0	30.0	28.0
<i>Total Health</i>		<u>41.5</u>	<u>42.5</u>	<u>42.5</u>	<u>46.5</u>	<u>44.8</u>
<b>Culture &amp; Recreation</b>						
WSU Coop. Extension	001-140	1.0	1.0	1.0	1.0	1.0
Museum	001-150	1.0	1.0	1.0	1.0	1.0
Park & Recreation	235-237	3.0	3.0	3.3	3.3	3.3
Tourism	158	2.0	2.0	0.2	0.2	0.2
Expo. & Conf. Center	411	4.8	6.0	8.3	6.3	6.3
<i>Total Culture &amp; Rec.</i>		<u>11.8</u>	<u>13.0</u>	<u>13.8</u>	<u>11.8</u>	<u>11.8</u>
<b>Roads &amp; Bridges</b>						
County Road	101	74.0	74.0	73.0	73.0	73.0
Equip Rental & Rev	501	8.0	8.0	7.0	7.0	7.0
<i>Total Roads &amp; Bridges</i>		<u>82.0</u>	<u>82.0</u>	<u>80.0</u>	<u>80.0</u>	<u>80.0</u>
<b>Utilities and Environment</b>						
Noxious Weed	106	-	-	-	-	1.0
Water/Sewer	407	3.0	4.0	5.0	5.0	5.0
Storm Water	104	-	-	0.5	0.5	0.5
Solid Waste	408	11.5	10.0	10.0	10.0	10.0
<i>Total Utilities and Environment</i>		<u>14.5</u>	<u>14.0</u>	<u>15.5</u>	<u>15.5</u>	<u>16.5</u>
<b>Total</b>		<u>546.9</u>	<u>551.9</u>	<u>571.2</u>	<u>611.8</u>	<u>619.9</u>