

COWLITZ COUNTY, WASHINGTON



COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED DECEMBER 31, 2010

COWLITZ COUNTY, WASHINGTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2010

Kristina K. Swanson, Cowlitz County Auditor

*Leo Kim, CPA, Chief Accountant
Teresa Johnson, CPA, Consultant
Lynn Ruffe, Fiscal Accountant
Kathy Sauer, Systems Administrator*

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

**TABLE OF CONTENTS
Year Ended
December 31, 2010**

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

INTRODUCTORY SECTION

Letter of Transmittal	5
List of Elected Officials	8
County Organization Chart	9
Map of Cowlitz County	10

FINANCIAL SECTION

Management's Discussion and Analysis	12
<u>Basic Financial Statements:</u>	
Description of Basic Financial Statements	23
Government-wide Financial Statements:	
Statement of Net Assets	24
Statement of Activities	25
Fund Financial Statements:	
Balance Sheet – Governmental Funds	26
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	27
Statement of Revenues, Expenditures, and Changes in Fund Balance- –Governmental Funds	28
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
Statement of Net Assets – Proprietary Funds	30
Statement of Revenues, Expenses, and Changes in Net Assets- Proprietary Funds	31
Statement of Cash Flows – Proprietary Funds	32
Statement of Fiduciary Net Assets (Agency Funds)	33
Notes to Financial Statements	34
<u>Required Supplemental Information:</u>	
Description of Required Supplemental Information	77
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance –Budget and Actual – General Fund	78
Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual - Other Major Funds:	
County Road Fund	79
Community Mental Health	80

<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	112
Combining Balance Sheet – Non-major Debt Service Funds	113
Combining Statement of Revenues, Expenditures and Changes in Fund Balance- Non-major Debt Service Funds	114
Description Non-major Enterprise Funds	115
Combining Statement of Net Assets-Non-major Enterprise Funds	116
Combining Statement of Revenues, Expenses and Change in Fund Net Assets-Non-major Enterprise Funds	117
Combining Statement of Cash Flows-Nonmajor Enterprise Funds	118
 <u>Internal Service Funds:</u>	
Description of Internal Service Funds	119
Combining Statement of Net Assets	120
Combining Statement of Revenues, Expenses and Changes in Net Assets	121
Combining Statement of Changes in Cash Flows	122
 <u>Agency Funds:</u>	
Description of Agency Funds	124
Combining Balance Sheet	126

STATISTICAL SECTION

Statistical Section Contents and Description	128
<u>Financial Trends:</u>	
Net Assets by Component – Last Five Years	129
Changes in Net Assets- Last Five Years	130
Fund Balances of Governmental Funds	132
Changes in Fund Balances of Governmental Funds -Last Five Years	133
General Governmental Tax Revenues by Source-Last Ten Years	134
<u>Revenue Capacity:</u>	
Assessed Value of Property and Levy Rate – Last Five Years	135
Property Tax Rates – Direct and Overlapping Governments	136
Principal Taxpayers-Last Two Years	137
Property Tax Levies & Collections – Last Ten Years	138
<u>Debt Capacity:</u>	
Ratios of Outstanding Debt	139
Legal Debt Margin	140

<u>Demographic and Economic Information</u>	
Demographic Statistics	141
Principal Employers	142
<u>Operating Information</u>	
Employees by Function – Last 4 Years	143

INTRODUCTORY SECTION



KRISTINA K SWANSON
AUDITOR

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

December 7, 2011

To the Commissioners and the Citizens of Cowlitz County:

The Comprehensive Annual Financial Report (CAFR) of Cowlitz County for the year ended December 31, 2010, 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, 2010, 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, 2010, are fairly presented in conformity with GAAP. The independent auditor’s report is presented in the Auditor’s report. For the 2010 audit year, the State Auditor’s Office performed an audit on the Basic Financial Statements and not a full CAFR (Comprehensive Annual Financial Report) 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 2010 unemployment rate averaged 12.8% compared to 12.85% for 2009. State unemployment average was 9.6% for 2010.

Taxable sales for 2009 totaled \$1.331 billion, a 7.77% increase over the \$1.235 billion for 2009.

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 Department. In addition, we work closely with our CPA consultant who is instrumental in the

preparation of the financial statements.

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
2010 ELECTED OFFICIALS**

County Commissioners

District One

Kathleen A. Johnson

Michael A. Karnofski

District Two

George L. Raiter

District Three

Axel Swanson

County Assessor

Terry R. McLaughlin

County Auditor

Kristina K. Swanson

County Clerk

Roni A. Booth

County Coroner

Timothy J. Davidson

Prosecuting Attorney

Susan Baur

County Sheriff

Mark Nelson

County Treasurer

Judy Ainslie

Superior Court Judges

Court One

James E. Warme

Court Two

Steve Warning

Court Three

Jill Johanson

Court Four

James Stonier

District Court Judges

Court One

David Koss

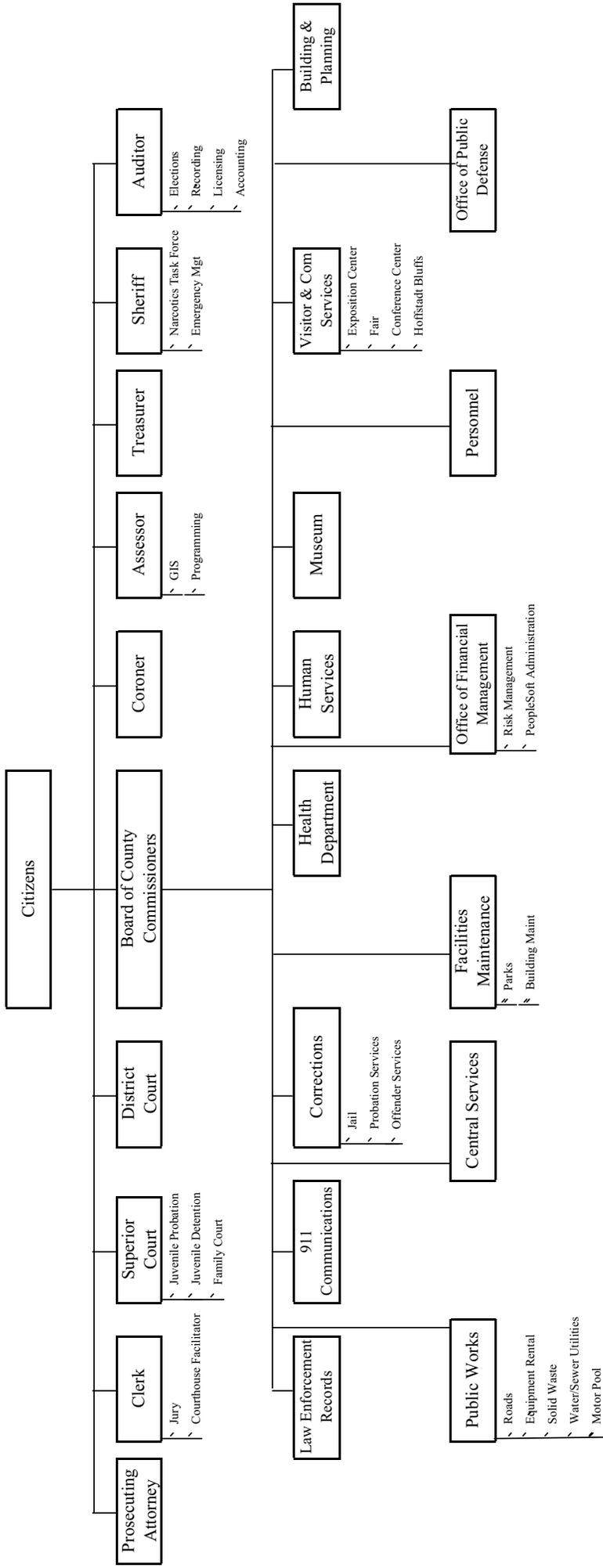
Court Two

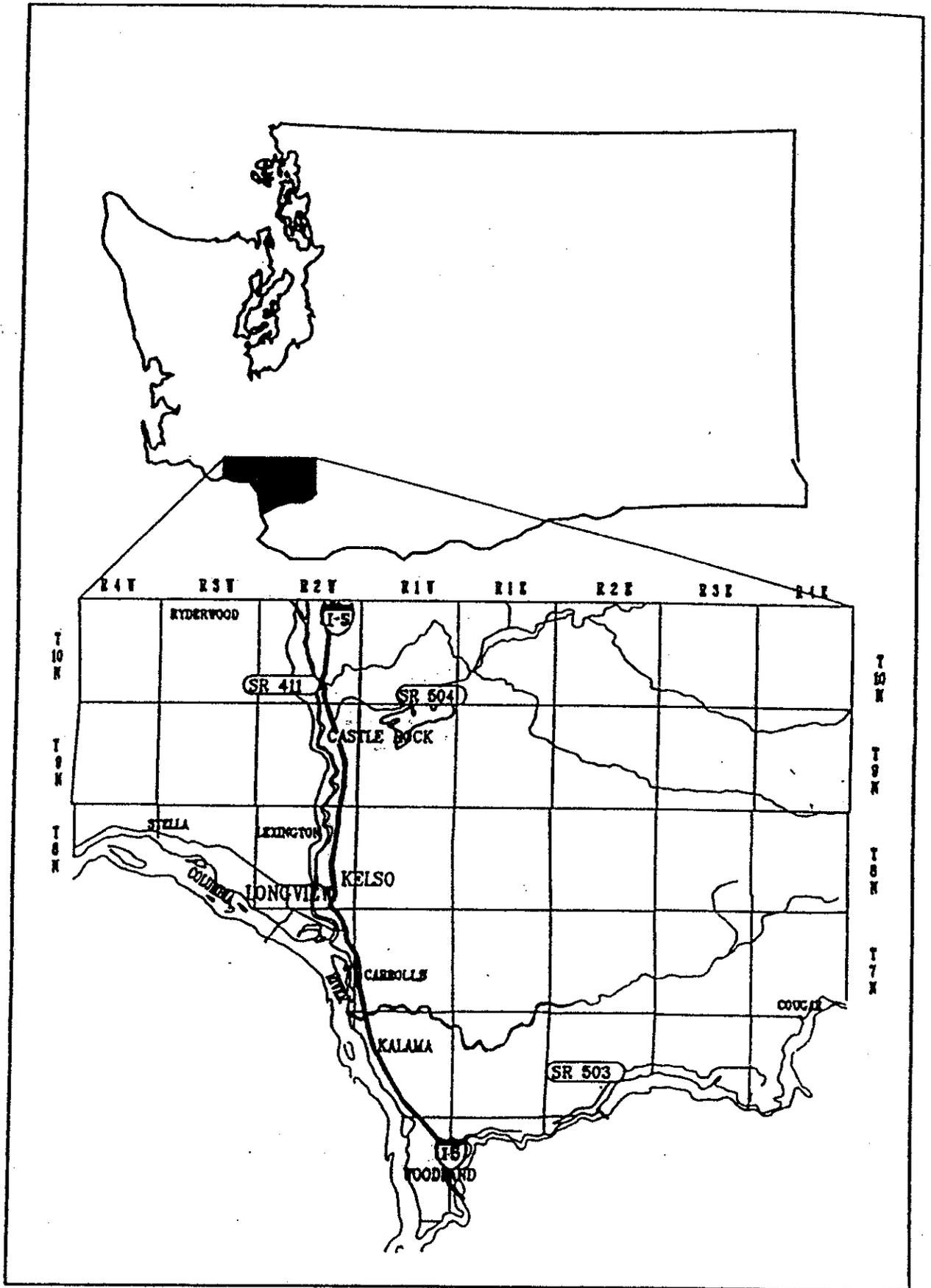
Ed Putka

Court Three

Michael H. Evans

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, 2010. The discussion emphasizes results for calendar year 2010 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 \$211.0 million. Net assets invested in capital assets (net of depreciation and related debt) accounts for 73.70% of this amount with a value of \$155.5 million. Of the remaining net assets, \$20.8 million of governmental activity net assets and \$19.6 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 increased \$2.5 million in 2010. The net assets of business-type activities increased \$1.5 million and net assets of governmental activities increased \$948.7 thousand from 2010 operations.
- At December 31, 2010 Cowlitz County's governmental funds reported a combined ending fund balance of 51.1 million, an increase of \$300 thousand compared to the prior year.
- The General Fund unreserved fund balance at December 31, 2010 was \$8.8 million, a 37.5% increase compared to the December 31, 2009 total of \$6.4 million. The December 31, 2010 unreserved fund balance represents 24.% of the 2010 General Fund expenditures and transfers out.
- The County Road Fund unreserved fund balance at December 31, 2010 totaled \$4.6 million, a decrease of 8.7% compared to the December 31, 2009 balance. The ending unreserved fund balance represents 31.94% of the 2010 Road Fund expenditures and transfers out.
- Cowlitz County's total long-term debt as of December 31, 2010 totaled \$50.2 million, a net decrease of \$900 thousand over the previous year.
- At December 31, 2010 the County's remaining capacity for issuing non-voted debt is \$108.5 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 2010.)

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 33 individual governmental funds at the close of 2010. 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 27 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 \$211.0 million at December 31, 2010 compared to \$208.2 million at December 31, 2009.

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, 2010 net of depreciation totals \$91.6 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	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 72,277,499	\$ 71,948,859	33,657,752	32,376,235	\$ 105,935,251	\$ 104,325,094
Capital assets (net of depreciation)	144,114,296	144,560,273	16,219,269	15,790,997	160,333,565	160,351,270
Total assets	\$ 216,391,795	\$ 216,509,132	49,877,021	48,167,232	266,268,816	264,676,364
Long-term liabilities	35,595,992	36,778,917	14,563,682	14,315,620	50,159,674	51,094,537
Other liabilities	4,202,738	4,887,488	935,725	536,130	5,138,463	5,423,618
Total liabilities	39,798,730	41,666,405	15,499,407	14,851,750	55,298,137	56,518,155
Net Assets:						
Invested in capital assets, net of related debt	140,772,368	144,560,273	14,739,525	13,731,064	155,511,893	158,291,337
Restricted	15,043,650	15,188,345	19,115	19,060	15,062,765	15,207,405
Unrestricted	20,777,047	15,094,110	19,618,974	19,565,358	40,396,021	34,659,468
Total net assets	\$ 176,593,065	\$ 174,842,728	\$ 34,377,614	\$ 33,315,482	\$ 210,970,679	\$ 208,158,210

At December 31, 2010 the County had positive balances in governmental and business-type activities and in total net assets. The same situation existed for 2009. Cowlitz County's net assets increased \$2.5 million in 2010 compared to December 31, 2009.

Statement of Changes in Net Assets. Key elements in the net increase of \$2.5 million in net assets for 2010 along with comparative amounts for 2009 follows:

Cowlitz County –Changes in Net Assets

	Governmental Activities		Business-type activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Revenues						
<i>Program Revenues</i>						
Charges for services	\$ 25,189,527	\$ 25,448,145	\$ 10,358,528	\$ 10,373,858	\$ 35,548,055	\$ 35,822,003
Operating grants & contributions	7,112,044	7,537,204	272,340	313,418	7,384,384	7,850,622
Capital grants and contributions	1,438,658	5,792,720	1,296,150	34,341	2,734,808	5,827,061
<i>General Revenues</i>						
Taxes	38,515,477	37,527,795	682,469	683,345	39,197,946	38,211,140
Gain (loss) on sale of assets	88,646	-	46,240	(275,085)	134,886	(275,085)
Miscellaneous	1,360,881	971,339				
Interest earned on investments	419,853	888,565	87,408	187,196	507,261	1,075,761
Total revenues	74,125,086	78,165,768	12,743,135	11,317,073	86,868,221	88,511,502
Program Expenses						
General Government	10,193,419	9,858,724			10,193,419	9,858,724
Public Safety	20,886,497	21,240,814	4,125,031	4,091,832	25,011,528	25,332,646
Judicial	5,699,772	5,625,251			5,699,772	5,625,251
Physical environment	576,626	515,075			576,626	515,075
Transportation-roads	15,528,516	15,117,188			15,528,516	15,117,188
Economic environment	3,336,756	3,225,147			3,336,756	3,225,147
Health	14,262,163	14,523,771			14,262,163	14,523,771
Culture & recreation	1,086,015	1,125,292	2,231,055	1,918,642	3,317,070	3,043,934
Solid Waste			3,721,769	4,128,553	3,721,769	4,128,553
Water			1,398,250	933,121	1,398,250	933,121
Sewer				542,886	-	542,886
Interest on long-term debt	1,369,041	2,142,162			1,369,041	2,142,162
Total Expenses	72,938,805	73,373,424	11,476,105	11,615,034	84,414,910	84,988,458
Excess (deficiency) of revenues over (under) expenses	1,186,281	4,792,344	1,267,030	(297,961)	2,453,311	3,523,044
Transfers	(237,580)	(225,194)	237,580	225,194	-	-
Change in Net Assets	948,701	4,567,150	1,504,610	(72,767)	2,453,311	4,494,383
Net assets January 1	174,842,728	168,571,068	33,315,482	33,746,507	208,158,210	202,317,575
Prior period adjustment	801,636	1,704,510	(442,478)	(358,258)	359,158	1,346,252
Net assets -December 31	\$ 176,593,065	\$ 174,842,728	\$ 34,377,614	\$ 33,315,482	\$ 210,970,679	\$ 208,158,210

Cowlitz County revenue totaled \$86.9 million in 2010. Governmental activities provided \$74.1 million, 85.27%, while business activities provided \$12.7 million. Taxes - \$39.2 million account for 45.11% of the 2010 primary government revenues compared to \$38.2 million in 2009.

Governmental activities net assets of Cowlitz County increased by \$949 in 2010. It consists of governmental revenues in excess of governmental expenditures by \$1.2 million decreased by \$238 thousand in governmental transfers out to business-type activities.

Charges for services revenue totaled \$25.2 million in 2010 compared to \$25.4 million in 2009. Charges for service revenue was up in five programs and down in three programs as shown on the Statement of Activities. Capital grants and capital contributions totaled \$1.4 million in 2010 compared to \$5.8 million in 2009. County governmental activity expenses in 2010 totaled \$72.9 million, a .68% decrease compared to 2009.

Business type expenses for Cowlitz County in 2010 totaled \$11.5 million compared to \$11.6 million in 2009. Expenses included public safety programs consisting of (911 communications,

law enforcement records and emergency management) - \$4.1 million; the solid waste landfill \$3.7 million; the water sewer utility \$1.4 million in expenses and the exposition center had \$2.2 million of expenses in 2010.

Business type activities net assets increased \$1.5 million in 2010. Charges for services revenues of \$10.4 million accounted for 81.89% of total business revenues.

Other business revenues consisted of \$683 thousand in 911 communication taxes. And interest earnings on investments totaled \$87.4 thousand in 2010 compared to \$187.2 thousand in 2009.

The Solid Waste Utility revenue of \$4.2 million accounted for 36.84% of the business-type revenues reported in 2010. The Solid Waste charges for service revenues totaled \$4.0 million in 2010 a decrease of \$100 thousand, 2.44%, compared to 2009. Net assets of the Solid Waste Utility totaled \$21.0 million at December 31, 2010, an increase of \$477 thousand in 2010. Interest income in 2010 totaled \$80 thousand versus \$169.1 thousand in 2009.

The Water-Sewer Utility charges for service revenues totaled \$1.3 million in 2010, a 100 thousand decrease compared to 2009. The Water Sewer net assets increased 1.2 million in 2010 to \$8.2 million.

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 81.11% of the total governmental funds as of the December 31, 2010 ending fund balance.

	Balance	Percent
General Fund	\$ 8,759,346	17.13%
Road Fund	4,556,760	8.91%
Community Mental Health	3,613,261	7.07%
2003 Lmt. GO Refunding Bonds	5,310,000	10.39%
2006 Special Sewer Revenue Bonds	11,760,000	23.00%
Capital Improvement Fund	7,471,870	14.61%
Other Governmental Funds	9,659,305	18.89%
Total Governmental Fund Balance	\$ 51,130,542	100.00%

The Capital Improvements fund balance totaled \$7.5 million at December 31, 2010; this represents 14.61% of the governmental funds fund balance. Some of the fund balance is reserved consisting of \$297 thousand for Transportation, \$1.4 million for Economic Environment and \$218.6 thousand for Physical Environment.

The major debt service funds combined had \$17.1 million in fund balance at December 31, 2010. The non-major debt service funds had \$4.0 million in fund balance at December 31, 2010. 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 \$21.1 million of the governmental funds December 31, 2010 total fund balance of \$51.1 million is actually restricted to paying long-term debt. Excluding the debt service fund balances the governmental funds fund balance at December 31, 2010 was \$30.0 million compared to \$28.8 million at December 31, 2009.

Approximately 56.61% of the governmental fund's fund balance (\$29.1 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 2010:

	Revenues	Expenditures
General Fund	\$38,679,272	\$34,879,688
County Road	13,689,416	14,316,617
Community Mental Health	11,144,520	10,164,904
Debt Svc. -2003 Ltd. GO& Refunding	215,243	515,243
Debt Svc.- 2006 Special Sewer Rev. Bond	586,338	1,116,338
Capital Improvements	1,878,039	2,213,678
Other Governmental Funds	7,956,645	10,187,711

Governmental fund revenues in 2010 totaled \$74.1 million which is less than 2009 governmental fund revenues of \$76.4 million by \$2.3 million.

The **General Fund** is the chief operating fund of Cowlitz County. At December 31, 2010 the unreserved fund balance of the General Fund was \$8.8 million; this represents 17.22% of the governmental funds' fund balances total. The General Fund's 2010 fund balance increased \$2.1 million compared to a \$1.1 million increase for 2009. The General Fund had \$38.7 million in revenues in 2010 compared to \$36.2 million in 2009. Property tax revenue totaled \$17.9 million compared to \$16.9 million in 2009. The 2010 General Fund sales tax revenues totaled \$5.7 million, \$400 thousand more than the \$5.3 million 2009. General Fund 2010 expenditures totaled \$34.9 million compared to \$34.3 million for 2009. Public Safety expenditures of the General Fund of \$17.8 million represent 51.00% of the General Fund expenditures.

The General Fund transferred out in 2010 to support other County funds totaled \$1.8 million compared to \$1.6 million in 2009.

The **Capital Improvements Fund's** 2010 revenues of \$1.9 million was less than expenditures by over \$300 thousand. The total of other financing sources (uses), which includes transfers in and

transfers out coupled with revenue and expenditures resulted in a net decrease to the Capital Improvements fund balance of \$994 thousand for the year. The December 31, 2010 fund balance totaled \$7.5 million.

The **County Road's** fund balance decreased \$435 thousand to \$4.6 million at December 31, 2010. Total revenues in 2010 were \$13.7 million compared to \$17.8 million in 2009. Road Fund expenditures for 2010 totaled \$14.3 million compared to \$20.3 million in 2009. Road construction expenditures totaled \$2.4 million compared to \$7.0 million in 2009. Intergovernmental revenues of \$5.3 million in 2010 represents a \$4.3 million decrease over 2009 intergovernmental revenues.

The **Community Mental Health's** fund balance at December 31, 2010 totaled \$3.6 million. This was an increase of \$1 million in 2010. Revenues were \$11.1 million in 2010 compared to \$10.9 million in 2009. Expenditures were \$10.2 million in 2009 compared to \$10.6 million in 2009. 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 \$300 thousand decreasing fund balance to \$5.3 million in 2010. 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 \$11.8 million. Three Rivers Regional Wastewater Authority (TRRWA) has agreed to pay the debt on this issue which has annual principal payments 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, 2010 unrestricted fund balances and changes in unrestricted net assets of the enterprise funds for 2010 were:

	Unrestricted Fund Balance 12/31/10	Increase (Decrease) for Year
Water Sewer	\$ 1,167,657	\$ 62,574
Solid Waste	16,712,354	281,350
Non-major Enterprise Funds	1,745,909	(308,233)

Net assets include restricted and unrestricted fund balance. In 2010 the enterprise funds combined net assets decreased \$1.2 million from operations.

Enterprise Funds Net Assets Analysis. Cowlitz County has two major enterprise funds, the Solid Waste Fund and the Water Sewer Fund, that account for 84.88% of the \$34.4 million net assets for all enterprise funds at December 31, 2010.

IV. Budget Analysis –General Fund Budgetary Highlights

The net difference between the original General Fund budget for 2010 and the final amended budget was \$48.7 thousand decrease in appropriations, a small decrease over the original budget of \$36.5 million. The amended changes to appropriations for 2010 were as follows:

Increases (Decreases) <u>To Budget</u>	<u>Activity</u>
\$ (30,800)	General Government
(17,401)	Mental & Physical health
(525)	Culture & Recreation

V. Capital Assets and Long-Term Debt Administration

Capital Assets. Cowlitz County’s capital assets for its governmental and business-type activities as of December 31, 2010 totals \$160.3 million (net of accumulated depreciation). The 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 capital assets net of depreciation was less than \$20 thousand in 2010. This consisted of a \$442 thousand decrease in governmental activity capital assets and a \$428.0 thousand increase in business-type activity capital assets.

	COWLITZ COUNTY CAPITAL ASSETS (net of depreciation)					
	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 11,179,750	\$ 10,113,495	\$ 1,148,600	\$ 1,148,600	\$ 12,328,350	\$ 11,262,095
Buildings & Syst. Improve other than Buildings	31,093,458	29,200,127	7,591,290	7,599,670	38,684,748	36,799,797
Machinery & Equip.	3,578,142	3,595,901	3,403,664	4,019,135	6,981,806	7,615,036
Intangible	5,577,610	5,782,373	2,222,920	2,010,104	7,800,530	7,792,477
Infrastructure	84,479	-	23,127	-	107,606	-
Construction in Progress	91,630,159	72,286,053	-	-	91,630,159	72,286,053
Total	970,698	23,581,497	1,829,669	1,013,488	2,800,367	24,594,985
	<u>\$ 144,114,296</u>	<u>\$ 144,559,446</u>	<u>\$ 16,219,270</u>	<u>\$ 15,790,997</u>	<u>\$ 160,333,566</u>	<u>\$ 160,350,443</u>

Long-Term Debt. At December 31, 2010 Cowlitz County has \$35.6 million in long-term debt owed from *governmental activities* and \$14.6 million in long-term debt for *business type activities*.

	COWLITZ COUNTY OUTSTANDING DEBT General Obligation and Revenue Bonds					
	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
General obligation bonds	\$27,165,000	\$28,777,410	\$0	\$0	\$27,165,000	\$28,777,410
Special assessment bonds with Govt. commitment	1,834,190	1,997,038	-	-	1,834,190	1,997,038
	<u>\$28,999,190</u>	<u>\$30,774,448</u>	<u>\$0</u>	<u>\$0</u>	<u>\$28,999,190</u>	<u>\$30,774,448</u>

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 4th 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, 2010

	<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>
ASSETS					
Cash, cash equivalents & pooled investments	\$ 40,434,165	\$ 16,263,458	\$ 56,697,623	\$ 2,819,595	\$ 468,114
Receivables (net)	13,676,766	1,325,753	15,002,519	234,186	152,191
Internal Balances	106,005	(106,005)	-	-	-
Inventories	723,338	2,102	725,440	-	-
Prepaid items	122,986	62,294	185,280	23,608	19,891
Due from component unit	17,070,000	3,337,261	20,407,261	-	-
Deferred charges	104,117	-	104,117	1,941,904	65,140
Restricted cash, cash equivalents & pooled investments:					
Customer deposits	40,122	55,055	95,177	-	-
Debt service	-	-	-	5,385,927	356,891
Closure and postclosure	-	12,717,834	12,717,834	-	-
<i>Capital Assets:</i>					
Nondepreciable assets	11,179,750	1,148,600	12,328,350	586,540	-
Depreciable assets (net)	40,333,881	13,240,997	53,574,878	70,061,287	16,842,804
Infrastructure (net)	91,629,967	-	91,629,967	-	-
Construction in progress	970,698	1,829,672	2,800,370	225,654	-
Total Assets	216,391,795	49,877,021	266,268,816	81,278,701	17,905,031
LIABILITIES					
Accounts payable & accrued exp.	2,068,812	681,978	2,750,790	692,623	77,041
Other current liabilities	2,196,342	217,807	2,414,149	84,293	-
Customer Deposits	40,124	35,940	76,064	-	-
Deferred revenue	(102,540)	-	(102,540)	-	-
<i>Noncurrent Liabilities:</i>					
Due within one year	2,193,050	134,752	2,327,802	2,719,338	82,983
Due primary gov. within one yr.	-	-	-	578,859	176,340
Due in more than one year	33,402,942	14,428,930	47,831,872	30,764,264	5,757,640
Due primary gov. more than one year	-	-	-	14,466,180	5,464,193
Total Liabilities	39,798,730	15,499,407	55,298,137	49,305,557	11,558,197
NET ASSETS					
Invested in capital assets, net of related debt	140,772,368	14,739,525	155,511,893	25,439,540	5,754,384
Restricted for:					
Economic environment	3,672,905	-	3,672,905	-	-
General government	610,958	-	610,958	-	-
Public safety	870,059	-	870,059	-	-
Judicial	37,358	-	37,358	-	-
Health	4,007,763	-	4,007,763	-	-
Physical environment	833,898	-	833,898	-	-
Transportation-roads	4,975,784	-	4,975,784	-	-
Culture & recreation	34,925	19,115	54,040	-	-
Restricted, for debt purposes	-	-	-	5,385,927	356,891
Unrestricted	20,777,047	19,618,974	40,396,021	1,147,677	235,559
Total Net Assets	\$ 176,593,065	\$ 34,377,614	\$ 210,970,679	\$ 31,973,144	\$ 6,346,834

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, 2010

	Net (Expense) Revenue and Changes in Net Assets											
	Program Revenues					Primary Government					Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Three Rivers Regional Wastewater Authority	Public Facilities District			
FUNCTIONS/PROGRAMS												
<i>Governmental Activities:</i>												
General Government	\$ 10,193,419	\$ 3,089,532	\$ 1,062,410	\$ 83,676	\$ (5,957,801)	\$ -	\$ (5,957,801)	-	-	-		
Public Safety	20,886,497	5,340,127	1,457,549	-	(14,088,821)	-	(14,088,821)	-	-	-		
Judicial	5,699,772	3,053,157	135,045	-	(2,511,570)	-	(2,511,570)	-	-	-		
Physical Environment	576,626	178,151	89,447	154,929	(154,099)	-	(154,099)	-	-	-		
Transportation - Roads	15,528,516	729,216	924,399	1,200,053	(12,674,848)	-	(12,674,848)	-	-	-		
Economic Environment	3,336,756	2,230,446	66,983	-	(1,039,327)	-	(1,039,327)	-	-	-		
Health	14,262,163	10,496,831	3,369,886	-	(395,446)	-	(395,446)	-	-	-		
Culture & Recreation	1,086,015	72,067	6,325	-	(1,007,623)	-	(1,007,623)	-	-	-		
Interest on long-term debt	1,369,041	-	-	-	(1,369,041)	-	(1,369,041)	-	-	-		
Total governmental activities	72,938,805	25,189,527	7,112,044	1,438,658	(39,198,576)	-	(39,198,576)	-	-	-		
<i>Business-type Activities:</i>												
Water/Sewer	1,398,250	1,346,803	-	1,258,644	-	1,207,197	1,207,197	-	-	-		
Garbage & Solid Waste	3,721,769	3,977,750	83,096	-	-	339,077	339,077	-	-	-		
Public Safety	4,125,031	3,054,573	149,100	-	-	(921,358)	(921,358)	-	-	-		
Culture & Recreation	2,231,055	1,979,402	40,144	37,506	-	(174,003)	(174,003)	-	-	-		
Total business-type activities	11,476,105	10,358,528	272,340	1,296,150	-	450,913	450,913	-	-	-		
Total Primary Government	\$ 84,414,910	\$ 35,548,055	\$ 7,384,384	\$ 2,734,808	\$ (39,198,576)	\$ 450,913	\$ (38,747,663)	-	-	-		
Component Unit												
Three Rivers Reg. Wastewater	\$ 8,439,537	\$ 8,270,600	\$ -	\$ 85,989	-	-	-	\$ (82,948)	\$ -	\$ -		
Public Facilities District	1,263,231	14,768	-	168,529	-	-	-	-	-	(1,079,934)		
Total Component Units	\$ 9,702,768	\$ 8,285,368	\$ -	\$ 254,518	-	-	-	(82,948)	-	(1,079,934)		
GENERAL REVENUES:												
Property Taxes				26,103,906			26,103,906					
Sales Taxes				8,176,052			8,176,052					
911 Taxes				-		682,469	682,469			926,207		
Other Taxes				4,235,519			4,235,519					
Investment Earnings				419,853		87,408	507,261		21,942	2,904		
Gain (loss) on sale of capital assets				88,646		46,240	134,886		(211,018)	-		
Miscellaneous				1,360,881		237,580	1,360,881					
				(237,580)			-					
				40,147,277		1,053,697	41,200,974		(189,076)	929,111		
				948,701		1,504,610	2,453,311		(272,024)	(150,823)		
Total General Revenues & Transfers				174,842,728		33,315,482	208,158,210		31,086,192	6,445,847		
Change in Net Assets				801,636		(442,478)	359,158		1,158,976	51,810		
Net assets - January 1				\$ 176,593,065		\$ 34,377,614	\$ 210,970,679		\$ 31,973,144	\$ 6,346,834		
Prior period adjustment												
Net assets - December 31												

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

Cowlitz County, Washington
Balance Sheet
Governmental Funds
December 31, 2010

	Major Funds							Total Governmental Funds
	General	County Road	Community Mental Health	Debt Service 2003 Lmt. G.O. Bonds		Capital Improvements	Other Governmental Funds	
				Debt Service 2006 Spec. Sewer Rev. Bonds	Total			
ASSETS								
<i>Current Assets:</i>								
Cash, cash equivalents & pooled investments	\$ 8,683,956	\$ 4,391,553	\$ 3,865,528	\$ -	\$ -	\$ 6,329,823	\$ 6,777,482	\$ 30,048,342
Receivables (net)	5,618,078	1,288,038	556,955	-	-	1,156,325	4,606,962	13,226,358
Due from other funds	38,408	2,964	-	-	-	-	18,198	59,570
Due from component unit	-	-	-	5,310,000	11,760,000	-	-	17,070,000
Customer deposits & seized	13,338	-	-	-	-	-	26,784	40,122
Total assets	\$ 14,353,780	\$ 5,682,555	\$ 4,422,483	\$ 5,310,000	\$ 11,760,000	\$ 7,486,148	\$ 11,429,426	\$ 60,444,392
LIABILITIES								
Accounts payable	\$ 352,962	\$ 199,888	\$ 673,433	\$ -	\$ -	\$ 2,486	\$ 349,294	\$ 1,578,063
Payable to other governments	106,607	15,522	125,934	-	-	-	51,708	299,771
Due to other funds	51,671	202,862	9,855	-	-	9,904	52,014	326,306
Deferred revenue	3,781,613	484,572	-	-	-	-	1,034,705	5,300,890
Other current liabilities	1,288,243	222,951	-	-	-	1,888	255,614	1,768,696
Customer deposits and seized payable	13,338	-	-	-	-	-	26,786	40,124
Total liabilities	\$ 5,594,434	\$ 1,125,795	\$ 809,222	\$ -	\$ -	\$ 14,278	\$ 1,770,121	\$ 9,313,850
FUND BALANCE								
<i>Reserved for:</i>								
Long-term loans receivable	\$ -	\$ -	\$ -	\$ 5,310,000	\$ 11,760,000	\$ -	\$ 3,045,000	\$ 20,115,000
Economic Environment	-	-	-	-	-	1,433,777	-	1,433,777
Transportation	-	-	-	-	-	297,250	-	297,250
Physical environment	-	-	-	-	-	218,630	-	218,630
<i>Unreserved, reported in</i>								
General Fund	8,759,346	-	-	-	-	-	-	-
Special revenue funds	-	4,556,760	3,613,261	-	-	-	-	8,759,346
Capital project funds	-	-	-	-	-	5,522,213	-	14,784,326
Total fund balance	\$ 8,759,346	\$ 4,556,760	\$ 3,613,261	\$ 5,310,000	\$ 11,760,000	\$ 7,471,870	\$ 9,659,305	\$ 51,130,542
Total liabilities and fund balance	\$ 14,353,780	\$ 5,682,555	\$ 4,422,483	\$ 5,310,000	\$ 11,760,000	\$ 7,486,148	\$ 11,429,426	\$ 60,444,392

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, 2010

Total fund balances as shown on the Governmental Funds Balance Sheet	\$ 51,130,542
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).	139,035,807
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.	14,623,321
Allocation to enterprise funds share of net (income) loss of internal service funds.	15,946
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds.	104,117
Accrued interest receivable was less than interest receivable modified accrual	345,416
Assets deferred in governmental funds until they are available for current year expenditure.	5,403,430
Inventories not recorded in governmental funds are recorded in governmental activities.	173,760
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>(34,239,274)</u>
Net assets of governmental activities	<u><u>\$ 176,593,065</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 Balances
Governmental Funds
For the Year Ended December 31, 2010

Major Funds

	General	County Road	Community Mental Health	Debt Service 2003 Lmt. G.O. Bonds	Debt Svc. 2006 Special Sewer Revenue Bonds	Capital Improvements	Other Governmental Funds	Total Governmental Funds
REVENUES								
Taxes	\$ 24,121,733	\$ 8,015,936	\$ -	\$ -	\$ -	\$ 1,694,908	\$ 1,380,448	\$ 35,213,025
Licenses & Permits	59,064	-	-	-	-	-	1,262,101	1,321,165
Intergovernmental	7,371,719	5,314,729	11,131,983	-	-	64,503	2,875,482	26,758,416
Charges for Services	5,227,639	244,276	-	-	-	-	1,408,618	6,880,533
Fines & Forfeitures	1,126,565	-	-	-	-	-	86,576	1,213,141
Investment Earnings	266,248	9,529	7,431	-	-	58,584	59,524	401,316
Rents & Leases	256,952	2,852	-	-	-	43,455	65	303,324
Special Assessments	-	-	-	-	-	-	663,405	663,405
Insurance Premiums & Recoveries	-	12,156	-	-	-	15,979	-	28,135
See Intergovtl Category above	N/A	N/A	N/A	-	-	N/A	N/A	N/A
See Capital Grants above	N/A	N/A	N/A	-	-	N/A	N/A	N/A
Miscellaneous Revenues	249,352	89,938	5,106	215,243	586,338	610	220,426	1,367,013
Total revenues	38,679,272	13,689,416	11,144,520	215,243	586,338	1,878,039	7,956,645	74,149,473

EXPENDITURES

<i>Current:</i>								
General Government	9,228,474	-	-	-	-	292,021	508,012	10,028,507
Public Safety	17,796,352	-	-	-	-	31,087	1,750,489	19,577,928
Judicial	5,600,180	-	-	-	-	-	-	5,600,180
Physical Environment	165,524	-	-	-	-	21,354	390,571	577,449
Economic Environment	1,005,301	-	-	-	-	-	2,356,242	3,361,543
Transportation	20,149	11,740,643	-	-	-	-	14,944	11,775,736
Health & Human Services	462,528	-	10,164,904	-	-	8,957	3,559,097	14,195,486
Culture & Recreation	547,933	-	-	-	-	143,988	221,979	913,900
Other	-	142,671	-	-	-	1,000,000	-	1,142,671
<i>Debt Service:</i>								
Principal	-	70,000	-	300,000	530,000	-	817,846	1,717,846
Interest	-	1,599	-	215,243	586,338	4,607	533,689	1,341,476
Other	-	-	-	-	-	-	-	-
Capital Outlay	53,247	2,361,704	-	-	-	711,664	34,842	3,161,457
Total expenditures	34,879,688	14,316,617	10,164,904	515,243	1,116,338	2,213,678	10,187,711	73,394,179
Excess (deficiency) of revenues over (under) expenditures	3,799,584	(627,201)	979,616	(300,000)	(530,000)	(335,639)	(2,231,066)	755,294

OTHER FINANCING SOURCES (USES)

Transfers in	100,799	313,963	-	-	-	11,500	2,488,633	2,914,895
Transfers out	(1,754,414)	(121,728)	-	-	-	(1,005,406)	(527,004)	(3,408,552)
Sale of capital assets	-	-	-	-	-	-	9,417	9,417
Special assessment bonds issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,653,615)	192,235	-	-	-	(993,906)	1,971,046	(484,240)
Net change in fund balance	2,145,969	(434,966)	979,616	(300,000)	(530,000)	(1,329,545)	(260,020)	271,054
Fund balances--beginning	6,391,369	4,991,726	2,633,645	5,610,000	12,290,000	8,801,415	10,073,323	50,791,478
Prior period adjustment	222,008	-	-	-	-	-	(153,998)	68,010
Fund balances--ending	\$ 8,759,346	\$ 4,556,760	\$ 3,613,261	\$ 5,310,000	\$ 11,760,000	\$ 7,471,870	\$ 9,659,305	\$ 51,130,542

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, 2010**

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	\$	271,054
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.		(1,216,858)
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.		1,692,000
Change in accrual interest earnings versus on modified accrual basis		(12,735)
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 the year.		(276,999)
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.		(172,174)
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.		<u>664,413</u>
Change in net assets-governmental activities- on the Statement of Activities	<u>\$</u>	<u>948,701</u>

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

Cowlitz County, Washington
Statement of Fund Net Assets
Proprietary Funds
December 31, 2010

	Business-type Activities--Enterprise Funds				Governmental Activities- Internal
	Water Sewer	Solid Waste	Nonmajor Enterprise Funds	Total Enterprise Funds	
ASSETS					
<i>Current assets:</i>					
Cash, cash equivalents & pooled investments	\$ 1,016,930	\$ 12,872,801	\$ 2,373,727	\$ 16,263,458	\$ 10,385,823
Receivables (net)	476,683	622,470	226,600	1,325,753	104,992
Due from other funds	3,123	413	7,965	11,501	404,456
Interfund loan receivable - current		101,000		101,000	-
Inventories	-	2,102	-	2,102	549,578
Prepaid items	7,020	8,740	46,534	62,294	122,986
Customer deposits-restricted cash and cash equivalents	24,190	-	30,865	55,055	-
<i>Total Current Assets</i>	<u>1,527,946</u>	<u>13,607,526</u>	<u>2,685,691</u>	<u>17,821,163</u>	<u>11,567,835</u>
<i>Noncurrent assets:</i>					
Restricted cash, cash equivalents & investments:					
Customer deposits	-	-	-	-	-
Cash & equivalents for closure & postclosure		12,717,834		12,717,834	-
Interfund loan receivable	-	263,330	-	263,330	-
Due from component unit	-	3,337,261	-	3,337,261	-
Deferred charges & other assets					
Investments for closure & postclosure	-	-	-	-	-
<i>Capital assets:</i>					
Land	122,635	389,392	636,573	1,148,600	20,795
Construction in progress	1,462,660	344,278	22,734	1,829,672	-
Buildings and system	12,287,487	3,925,948	555,865	16,769,300	428,217
Improvements and other than bldgs.	-	8,270,344	2,119,708	10,390,052	-
Machinery and equipment	-	2,110,190	2,477,739	4,587,929	13,371,123
Intangible	23,015	25,387	1,407,212	1,455,614	1,087,512
Less accumulated depreciation	(5,352,490)	(10,787,233)	(3,822,175)	(19,961,898)	(9,829,158)
Total capital assets (net of accum depr.)	<u>8,543,307</u>	<u>4,278,306</u>	<u>3,397,656</u>	<u>16,219,269</u>	<u>5,078,489</u>
Total assets	<u><u>10,071,253</u></u>	<u><u>34,204,257</u></u>	<u><u>6,083,347</u></u>	<u><u>50,358,857</u></u>	<u><u>16,646,324</u></u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	235,149	293,054	68,463	596,666	117,503
Payable to other governments	33,319	11,626	35,932	80,877	72,731
Contract retainage payable	-	-	-	-	744
Due to other funds	6,346	91,769	3,445	101,560	47,661
Accrued interest payable	4,435	-	-	4,435	-
Claims and judgements	-	-	-	-	390,831
Notes Payable	134,752	-	-	134,752	21,939
Interfund loans payable-current			101,000	101,000	
Other current liabilities	23,889	33,483	160,435	217,807	82,230
Customer deposits payable from restricted assets	24,190	-	11,750	35,940	-
<i>Total current liabilities</i>	<u>462,080</u>	<u>429,932</u>	<u>381,025</u>	<u>1,273,037</u>	<u>733,639</u>
<i>Noncurrent liabilities:</i>					
Compensated absences	32,961	65,831	267,312	366,104	155,303
Landfill closure and postclosure costs	-	12,717,834	-	12,717,834	-
Claims and judgements	-	-	-	-	1,086,572
Interfund loan payable	-	-	263,330	263,330	-
Notes Payable	1,344,992	-	-	1,344,992	47,489
<i>Total non current liabilities</i>	<u>1,377,953</u>	<u>12,783,665</u>	<u>530,642</u>	<u>14,692,260</u>	<u>1,289,364</u>
Total liabilities	<u><u>1,840,033</u></u>	<u><u>13,213,597</u></u>	<u><u>911,667</u></u>	<u><u>15,965,297</u></u>	<u><u>2,023,003</u></u>
NET ASSETS					
Invested in capital assets, net of related debt	7,063,563	4,278,306	3,397,656	14,739,525	5,009,061
Restricted-donations pigeon/horse purposes	-	-	19,115	19,115	-
Unrestricted	1,167,657	16,712,354	1,754,909	19,634,920	9,614,260
Total net assets	<u><u>\$ 8,231,220</u></u>	<u><u>\$ 20,990,660</u></u>	<u><u>\$ 5,171,680</u></u>	<u><u>34,393,560</u></u>	<u><u>\$ 14,623,321</u></u>
			(15,946)		
			<u><u>\$ 34,377,614</u></u>		
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:					
Net assets of business-type activities					

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, 2010

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Water Sewer	Solid Waste	Nonmajor Enterprise Funds	Total Enterprise Funds	
OPERATING REVENUES					
<i>Charges for Services:</i>					
Water - Sewer	\$ 1,336,121	\$ -	\$ -	\$ 1,336,121	\$ -
Sewer	-	-	-	-	-
Garbage & Solid Waste	-	3,973,985	-	3,973,985	-
Public Safety	-	-	3,030,079	3,030,079	-
Culture & Recreation	-	-	1,966,630	1,966,630	-
Other services	-	-	-	-	7,206,312
Grant Revenue	-	-	-	-	-
Total operating revenues	1,336,121	3,973,985	4,996,709	10,306,815	7,206,312
OPERATING EXPENSES					
Maintenance & operations	1,088,228	-	5,970,102	7,058,330	6,083,649
Closure & postclosure care	-	3,076,049	-	3,076,049	-
Depreciation	302,941	648,352	386,798	1,338,091	1,030,290
Total operating expenses	1,391,169	3,724,401	6,356,900	11,472,470	7,113,939
Operating income (loss)	(55,048)	249,584	(1,360,191)	(1,165,655)	92,373
NONOPERATING REVENUES (EXPENSES)					
Taxes	-	-	682,469	682,469	-
Intergovernmental	-	83,096	189,244	272,340	83,676
Investment earnings	2,296	80,067	5,045	87,408	21,996
Interest expense	(11,318)	-	(1,242)	(12,560)	(5,239)
Debt issuance costs	-	-	-	-	-
Gain (loss) on disposition of assets	(13,760)	60,000	-	46,240	88,646
Write off of gas to energy construction in progress	-	-	-	-	-
Miscellaneous nonoperating revenues	10,682	3,765	37,266	51,713	83,402
Total nonoperating income (expense)	(12,100)	226,928	912,782	1,127,610	272,481
Income before contributions and transfers	(67,148)	476,512	(447,409)	(38,045)	364,854
Capital grants	1,217,021	-	-	1,217,021	52,403
Capital contributions	41,623	-	37,506	79,129	-
Transfers in	-	-	248,580	248,580	256,077
(Transfers out)	-	-	(11,000)	(11,000)	-
Change in net assets	1,191,496	476,512	(172,323)	1,495,685	673,334
Net assets--beginning	7,548,236	20,448,114	5,344,003	13,930,176	13,930,176
Prior period adjustment	(508,512)	66,034	-	-	19,811
Net assets--ending	\$ 8,231,220	\$ 20,990,660	\$ 5,171,680	\$ 14,955,861	\$ 14,623,321
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:				8,925	
Change in net assets of business-type activities				\$ 1,504,610	

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, 2010

	<u>Business-type Activities-Enterprise Funds</u>				Governmental Activities- Internal Service Funds
	<u>Water Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	
<u>Cash flows from operating activities</u>					
Cash received from customers	\$ 1,319,374	\$ 3,979,059	\$ 5,029,533	\$ 10,327,966	\$ 7,096,284
Cash payments for goods and services	(583,325)	(1,879,440)	(2,743,850)	(5,206,615)	(4,562,920)
Cash payments to employees for services	(476,287)	(619,638)	(3,206,339)	(4,302,264)	(1,651,881)
Receipts for grants	-	-	-	-	-
Customer deposits	-	-	-	-	-
Miscellaneous revenue	33,984	98,225	22,513	154,722	137,044
<i>Net cash provided (used) by operating activities</i>	<u>293,746</u>	<u>1,578,206</u>	<u>(898,143)</u>	<u>973,809</u>	<u>1,018,527</u>
<u>Cash flows from noncapital financing activities</u>					
State fair funds received	-	-	40,144	40,144	-
Interfund loan made	-	(392,736)	-	(392,736)	-
Repayment (pmt) of interfund loan principal	-	100,758	-	100,758	-
Operating grants received	-	-	149,100	149,100	81,496
Receipts from 911 tax	-	-	678,169	678,169	-
Payments of claims liability recognized prior yrs.	-	-	-	-	(60,380)
Transfers in from other County fund	-	-	253,580	253,580	256,077
Transfers out to other County fund	-	-	(16,000)	(16,000)	-
<i>Net cash provided by noncapital financing activities</i>	<u>-</u>	<u>(291,978)</u>	<u>1,104,993</u>	<u>813,015</u>	<u>277,193</u>
<u>Cash flows from capital and related financing activities</u>					
System development fees & hookup fees	41,623	-	-	41,623	-
Payment on interfund loan	-	-	(100,758)	(100,758)	-
Acquisition and construction of capital assets	(1,196,937)	(724,512)	(25,831)	(1,947,280)	(1,090,314)
Proceeds from capital grants	860,829	-	14,772	875,601	52,403
Principal paid on note/lease	(133,695)	-	-	(133,695)	(23,078)
Proceeds from loans	18,594	-	-	18,594	-
Interest paid on capital debt	(13,766)	-	(1,242)	(15,008)	(5,239)
Contributed capital (to) county fund	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	91,605
<i>Net cash provided (used) for capital and related financing activities</i>	<u>(423,352)</u>	<u>(724,512)</u>	<u>(113,059)</u>	<u>(1,260,923)</u>	<u>(974,623)</u>
<u>Cash flows from investing activities</u>					
Interest on investments	2,430	80,552	5,093	88,075	22,364
<i>Net cash provided (used) by investment activities</i>	<u>2,430</u>	<u>80,552</u>	<u>5,093</u>	<u>88,075</u>	<u>22,364</u>
Net increase (decrease) in cash and cash equivalents	(127,176)	642,268	98,884	613,976	343,461
<i>Cash and cash equivalents, January 1 (including \$23,575 and \$12,370,963 for the Water Sewer and Solid Waste funds, respectively, reported in restricted accounts)</i>	<u>1,168,296</u>	<u>24,948,367</u>	<u>2,305,708</u>	<u>28,422,371</u>	<u>10,042,362</u>
<i>Cash and cash equivalents, December 31 (including \$24,190, \$12,717,834 and \$30,865 for the Water Sewer, Solid Waste funds and Nonmajor Enterprise funds, respectively, reported in restricted accounts)</i>	<u>\$ 1,041,120</u>	<u>\$ 25,590,635</u>	<u>\$ 2,404,592</u>	<u>\$ 29,036,347</u>	<u>\$ 10,385,823</u>
Reconciliation of operating income to net cash provided (used) by operating activities					
Operating income (loss)	\$ (55,048)	\$ 249,584	\$ (1,360,191)	\$ (1,165,655)	\$ 92,373
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	302,941	648,352	386,798	1,338,091	1,030,290
(Increase) decrease in accounts receivable	(17,362)	5,074	28,547	16,259	(33,758)
(Increase) decrease in due from other funds	13,556	562	(7,532)	6,586	(81,649)
(Increase) decrease in due from other governments	9,746	10,802	(8,983)	11,565	56,841
(Increase) decrease in inventory	-	8,155	-	8,155	(425,513)
(Increase) decrease in prepaid expense	(1,467)	(930)	(2,141)	(4,538)	(1,252)
Increase (decrease) in accounts payable and other accrued liabilities	18,927	215,981	27,757	262,665	23,945
Increase (decrease) in employee leave benefits	11,156	6,894	3,280	21,330	1,779
Increase (decrease) in customer deposits	615	-	(2,944)	(2,329)	-
Increase (decrease) in estimated future claims payable	-	346,871	-	346,871	269,889
Miscellaneous revenue	10,682	86,861	37,266	134,809	85,582
<i>Total adjustments</i>	<u>348,794</u>	<u>1,328,622</u>	<u>462,048</u>	<u>2,139,464</u>	<u>926,154</u>
<i>Net cash provided by operating activities</i>	<u>\$ 293,746</u>	<u>\$ 1,578,206</u>	<u>\$ (898,143)</u>	<u>\$ 973,809</u>	<u>\$ 1,018,527</u>

Cowlitz County, Washington
Statement of Fiduciary Net Assets
December 31, 2010

	Agency Funds
Assets	
Cash, cash equivalents & pooled & pooled investments	\$ 122,127,811
Deposits with fiscal agent	-
Investment Trust Fund	
Taxes Receivable	4,918,576
Assessments receivable, current	66,789
Total assets	\$ 127,113,176
Liabilities	
Due to other governments	\$ 117,289,377
Warrants payable	9,823,799
Total liabilities	\$ 127,113,176

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

COWLITZ COUNTY, WASHINGTON
NOTES TO FINANCIAL STATEMENTS

INDEX

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	35
A. REPORTING ENTITY	35
B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS	35
C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION	36
D. ASSET, LIABILITIES, AND NET ASSET OR EQUITY	37
NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS	40
NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY	41
NOTE 4 – DETAILED NOTES ON ALL FUNDS	42
A. DEPOSITS AND INVESTMENTS	42
B. PROPERTY TAXES	44
C. RECEIVABLES	45
D. CAPITAL ASSETS	46
E. TRANSFERS AND INTERFUND RECEIVABLES, PAYABLES	49
NOTE 5 – INTERGOVERNMENTAL GRANTS AND ENTITLEMENTS	49
NOTE 6 – PENSION PLANS	50
NOTE 7 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFIT	59
NOTE 8 – RISK FINANCING	61
NOTE 9 – LONG-TERM DEBT AND CAPITAL LEASES	65
NOTE 10 – CLOSURE AND POSTCLOSURE CARE COSTS	74
NOTE 11 – CONTINGENT LIABILITIES	75
NOTE 12 – OTHER DISCLOSURES	75

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. 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 Three Rivers Regional Wastewater Authority 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. Separate financial statements are available from Cowlitz County Auditor's Office at 207 Fourth Avenue North, Kelso, Washington 98626.

B. GOVERNMENT-WIDE

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 and Pooled Investments

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.

State statute authorizes the county to invest in obligations of the U.S. Treasury, U.S. Agencies, the State Treasurer's Investment Pool, and public funds investment pools. Investments for the county, as well as for its component units, are reported at fair value.

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, 2010 is \$997,850. The County has no delinquent special assessments at December 31, 2010.

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 \$3,672,905 consisting of \$676,210 for building and planning; \$217,697 is restricted for emergency financial assistance to veterans and their surviving spouses; \$126,775 for victim witness; \$1,218,446 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; and \$1,433,777 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.
- b) for general government \$610,958 consisting of \$176,275 Treasurer's Operation and Maintenance; \$411,024 Auditor's Operation and Maintenance; and \$23,659 for cumulative reserve.
- c) for transportation \$4,975,784 consisting of Road Fund net assets of \$4,556,760; Paths & Trails Fund net assets of \$121,774; and \$297,250 in the capital improvements fund.

- d) for health \$4,007,763 consisting of \$3,613,261 in Community Mental Health Fund net assets, \$140,274 of net assets for public health purposes and \$254,228 in net assets of the Human Services Fund for the administrative services for mental health, drug abuse, alcoholism and developmental disabilities.
- e) for culture and recreation \$34,925 which is restricted for promotion of tourism.
- f) for public safety \$870,059 consisting of \$61,322 for boat safety purposes; \$354,800 for law and justice funding and the balance is to eradicate drug trafficking.
- g) for judicial \$37,358 for superior court law library.
- h) for physical environment \$833,898 consisting of \$353,814 for shorelines management, \$261,454 noxious weed programs and \$218,630 for capital improvement programs.

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. Construction in progress is transferred to the appropriate capital asset category when the project is substantially complete and in use.

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 difference are as follows:

Gen'l. Obligation Bonds payable	\$ 15,405,000
Special Revenue Bonds payable	11,760,000
Plus: deferred amounts for issuance/discounts	118,199
Special assessment bonds payable	1,834,190
Compensated absences	2,766,725
OPEB Liability	1,502,245
Notes Payable	507,500
Accrued interest payable	<u>345,415</u>
Net adjustment to reduce <i>fund balance governmental funds</i> to Arrive at <i>net assets-governmental activities</i>	<u>\$ 34,239,274</u>

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 difference are as follows:

Capital Outlays (Net of amounts transferred to Internal Svc. Funds)	\$ 2,819,077
Depreciation expense	(4,035,935)
Net adjustment to increase <i>net changes in fund balances- total</i>	
<i>Governmental funds</i> to arrive at <i>change governmental activities</i>	<u>\$(1,216,858)</u>

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 the difference are as follows:

Amortization of deferred charge for issuance, discount and premium	25,848
Principal repayments:	
General obligation bonds	(955,000)
Special revenue bonds	(530,000)
Note Payable	(70,000)
Special assessment bonds	<u>(162,848)</u>
Net adjustments to decrease <i>fund balances-total governmental funds</i>	
To arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (1,692,000)</u>

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.

Interest payable	\$ (12,732)
OPEB Expense	342,168
Inventory	(173,760)
Compensated absences	<u>16,498</u>
Net adjustment to decrease <i>net changes in fund balances-total</i>	
<i>Governmental funds</i> to arrive at <i>changes in net assets of governmental</i>	
<i>Activities</i>	<u>\$ 172,174</u>

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 the General Fund budgeted appropriations for expenditures by \$48,726 and transfers out to support other County funds did not change. 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/Fund Balance

Industrial Accident Insurance had a deficit net asset balance of \$284,927 at December 31, 2010. The deficit is due to recognition of estimate for projected future year's pay out on the industrial accidents incurred of \$595,000. At December 31, 2010 the fund had \$323,631 in cash and investments to meet current payables of \$13,627.

Unemployment Compensation Fund has a deficit fund balance of \$19,320 at December 31, 2010. At December 31, 2010 the fund had \$38,511 in cash and investments with payables of \$57,749 leaving a fund balance of approximately \$19,320. The fund also had \$8 as interest receivable.

NOTE 4 – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND 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). All of the county's investments are held in the County's name.

As of December 31, 2010, Cowlitz County had the following investments:

	Maturities- Weighted Average Days	Fair Value County Investments	Fair Value Investments held by County as agent for other local governments	Total
Wa. State Investment Pool	46	\$ 73,567,856	\$ 105,237,453	\$ 178,805,309
Total Investments		<u>\$ 73,567,856</u>	<u>\$ 105,237,453</u>	<u>\$ 178,805,309</u>

Internally Pooled Investments - County monies are invested by certain individual funds for the benefit of the respective fund. The remaining County monies are aggregated in a residual account, and invested in and internal pool for the benefit of the General fund.

Pooled investments, during 2010, included Certificates of Deposit, monies invested with the Washington State Local Government Investment Pool and money market accounts. The book value of the pooled investments on December 31, 2010 was \$30,718,156. All of which is classified as deposits. The interest earned on the pooled investments accrues to the County General Fund in accordance with state law.

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, bankers 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.

As of December 31, 2010, the county’s investment in the state investment pool was not rated.

Washington State Investment Pool - The State Treasurer’s Investment Pool was created by the Washington State Legislature in 1986 and is administered by the State Treasurer. Additionally, the State Finance Committee adopts and administers appropriate rules relating to the State Treasurer’s Investment Pool. The State Treasurer created the Local Government Investment Pool Advisory Committee to give advice on the operation of the pool. The committee is comprised of 12 members selected from active pool participants. Washington statutes and the federal Single Audit Act of 1984 require an annual single audit of the state including the State Treasurer’s Office. In addition, the pool contracts with the State Auditor’s Office for an outside independent audit of the pool’s financial statements.

Total Cash, Cash Equivalents and Pooled Investments - Total cash and investment fair value on December 31, 2010 of \$200,668,972.

A reconciliation of cash, cash equivalents and pooled investments and investments as shown on the fund statements is as follows:

Checking Accounts	\$ 3,010,240
Petty Cash	78,940
Deposits Held in Trust	409,888
Certificate of Deposits (classified as deposits)	7,298,590
State Investment Pool (classified as deposits)	178,805,309
Money Market (Pooled investments classified as deposits)	11,066,005
	<u>\$ 200,668,972</u>
Cash, cash equivalents, pooled investments	\$ 56,697,623
Cash, cash equivalents, pooled investments - restricted	12,813,011
Cash, cash equivalents, pooled investments - component units	3,287,709
Cash, cash equivalents, pooled investments - component units - restricted	5,742,818
Cash, cash equivalents, pooled investments - fiduciary	122,127,811
	<u>\$ 200,668,972</u>

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 2010 were:

<u>Purpose</u>	<u>Assessed Valuation</u>	<u>2010 Levy Rate Per \$1,000</u>	<u>Property Taxes 2010</u>
General Fund	\$ 9,363,185,718	\$1.650	\$ 15,489,088
Human Svcs/Mental Hlth	\$ 9,363,185,718	\$0.025	\$ 105,130
Veterans Relief	\$ 9,363,185,718	\$0.011	\$ 233,630
County Roads	\$ 4,919,758,992	\$1.700	\$ 8,571,837

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

In 2010 the General Fund for law enforcement purposes as permitted by state law codified in RCW 36.33.220 used \$804,494 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; and excluding interfund receivables, are as follows:

<u>Funds</u>	<u>Taxes</u>	<u>Accounts</u>	<u>Special Assmnts</u>	<u>Due From Other Govts.</u>	<u>Interest & Penalties</u>	<u>Due From Component Unit</u>	<u>Total</u>
General	\$ 1,052,000	\$ 1,507,497		\$ 1,816,616	\$ 1,241,964		\$ 5,618,077
County Road	484,572	9,182		794,284			1,288,038
Community Mental Health		716		556,239			556,955
2003 Ltd GO Bond						5,310,000	5,310,000
2006 Sp.Rev Bond						11,760,000	11,760,000
Capital Improvements		1,236		1,155,090			1,156,326
Non-major govt.	21,855	18,082	997,850	3,569,175			4,606,962
Internal Service Funds		21,814		83,178			104,992
Water/Sewer		120,491		356,192			476,683
Solid Waste		464,013		158,457		3,337,261	3,959,731
Nonmajor-business		152,737		73,864		-	226,601
Fiduciary	4,918,576		66,789				4,985,365
Total Receivables	\$ 6,477,003	\$ 2,295,768	\$ 1,064,639	\$ 8,563,095	\$ 1,241,964	\$ 20,407,261	\$ 40,049,730

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 \$916,488 at December 31, 2010. These notes receivable are long-term and consist of the following:

<u>Capital Improvement Fund - Notes Receivable</u>				<u>12/31/2010</u>
	<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	\$322,491
Port of Woodland	4.00%	5,916.21	3/31/2022	208,697
Port of Longview	3.00%	22,954.79	7/1/2024	258,525
City of Kalama	1.00%	7,602.15	1/31/2022	81,293
City of Castle rock	1.00%	5,309.60	1/31/2019	45,482
Total Notes Receivable				\$916,488

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)	\$ 1,052,001	
Interest & penalty on taxes receivable (Gen. Fund)	1,241,964	
Court Receivables (Gen Fund)	1,487,649	
Property taxes receivable (Road Fund)	484,572	
Non major governmental funds		
Special Assessments receivable	997,850	
Property taxes receivable	21,855	
Low Income Housing Grant Revenue		\$15,000

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Primary Government				
Governmental Activities:				
Land	\$ 10,113,495	\$ 1,066,255	\$ -	\$ 11,179,750
Construction in progress	23,672,540	3,404,240	26,106,082	970,698
Total capital assets, not being depreciated	<u>33,786,035</u>	<u>4,470,495</u>	<u>26,106,082</u>	<u>12,150,448</u>
Capital Assets, being depreciated				
Buildings	43,674,967	3,036,919		46,711,886
Improvements other than buildings	6,514,721	237,726		6,752,447
Machinery and equipment	15,264,121	997,704	414,656	15,847,169
Intangible	1,000,199	87,313		1,087,512
Infrastructure	109,224,067	22,272,338	421,481	131,074,924
Total capital assets being depreciated	<u>175,678,075</u>	<u>26,632,000</u>	<u>836,137</u>	<u>201,473,938</u>
Less accumulated depreciation for:				
Buildings	14,474,840	1,143,588		15,618,428
Improvements other than buildings	2,918,820	255,485		3,174,305
Machinery and equipment	9,489,195	1,174,144	393,780	10,269,559
Intangible	992,119	10,914		1,003,033
Infrastructure	36,938,014	2,744,954	238,203	39,444,765
Total accumulated depreciation	<u>64,812,988</u>	<u>5,329,085</u>	<u>631,983</u>	<u>69,510,090</u>
Total capital assets being depreciated, net	<u>110,865,087</u>	<u>21,302,915</u>	<u>204,154</u>	<u>131,963,848</u>
Governmental capital assets, net	<u>\$ 144,651,122</u>	<u>\$ 25,773,410</u>	<u>\$ 26,310,236</u>	<u>\$ 144,114,296</u>

Business-type activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Land	\$ 1,148,600			\$ 1,148,600
Construction in progress	1,013,488	\$ 1,714,344	\$ 898,163	1,829,669
Total capital assets , not being depreciated	<u>2,162,088</u>	<u>1,714,344</u>	<u>898,163</u>	<u>2,978,269</u>
Capital assets, being depreciated:				
Buildings and system	16,436,764	372,838	40,300	16,769,302
Improvements other than building	10,390,052	-		10,390,052
Machinery and equipment	4,405,711	591,102	408,884	4,587,929
Intangible	1,455,614	-	-	1,455,614
Total capital assets, being depreciated	<u>32,688,141</u>	<u>963,940</u>	<u>449,184</u>	<u>33,202,897</u>
Less accumulated depreciation for:				
Buildings and system	8,860,107	387,113	26,540	9,220,680
Improvements other than buildings	6,370,917	615,471	-	6,986,388
Machinery and equipment	3,828,207	335,506	408,884	3,754,829
Total accumulated depreciation	<u>19,059,231</u>	<u>1,338,090</u>	<u>435,424</u>	<u>19,961,897</u>
Total capital assets, being depreciated, net	<u>13,628,910</u>	<u>(374,150)</u>	<u>13,760</u>	<u>13,241,000</u>
Business-type activities capital assets,net	<u>\$ 15,790,998</u>	<u>\$ 1,340,194</u>	<u>\$ 911,923</u>	<u>\$ 16,219,269</u>

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

Governmental activities:

General Government	\$ 182,367
Public Safety	960,038
Judicial	56,183
Transportation	2,598,878
Economic Enviroment	2,490
Health	47,519
Culture & Recreation	188,460
Capital assets held by the government's Internal Service funds are charged to the various functions based on their usage of the assets	1,030,290
	<u>\$ 5,066,225</u>

Business-type activities:

Water/Sewer	\$ 302,941
Solid Waste-Landfill	648,352
Public Safety	361,801
Expo Center	24,997
Total depreciation expense-business-type activities	<u>\$ 1,338,091</u>

Discretely Presented Component Unit – Three Rivers Regional Wastewater Authority

Capital asset activity for the year ended December 31, 2010 was as follows:

	1/1/10	Increases	Decreases	12/31/10
Capital Assets, not being depreciated:				
Land	\$ 586,540	\$ -	\$ -	\$ 586,540
Construction in progress	8,186,179	412,155	8,372,680	225,654
Total capital assets not being depreciated	<u>8,772,719</u>	<u>412,155</u>	<u>8,372,680</u>	<u>812,194</u>
Capital Assets, being depreciated:				
Buildings & system	85,967,322	8,363,116	234,900	94,095,538
Improvements other than buildings	7,297	-	-	7,297
Machinery and equipment	947,631	15,307	-	962,938
Total capital assets being depreciated	<u>86,922,250</u>	<u>8,378,423</u>	<u>234,900</u>	<u>95,065,773</u>
Less: accumulated depreciation for				
Buildings & system	(21,087,588)	(3,202,070)	(23,882)	(24,265,776)
Improvements other than buildings	(7,297)	-	-	(7,297)
Machinery and equipment	(691,368)	(40,045)	-	(731,413)
Total accumulated depreciation	<u>(21,786,253)</u>	<u>(3,242,115)</u>	<u>(23,882)</u>	<u>(25,004,486)</u>
Total capital assets, being depreciated net	<u>65,135,997</u>	<u>5,136,308</u>	<u>211,018</u>	<u>70,061,287</u>
Capital assets, net	<u>\$ 73,908,716</u>	<u>\$ 5,548,463</u>	<u>\$ 8,583,698</u>	<u>\$ 70,873,481</u>

Commitments At December 2010, there are also four construction projects in process. The costs thru December 31, 2010 were \$225,654. Accumulated costs for the individual projects are as follows: Outfall Study \$111,125, Parking Lot – Meeting Room \$5,498, Automated Hauled Waste System \$108,303, and Vector Dumping Bed Facility \$728. At the close of 2010, the remaining commitment for these projects is \$495,300. 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, 2010 was as follows:

	1/1/2010	Increases	Decreases	12/31/2010
Capital Assets, not being depreciated				
Construction in progress	\$ 10,750,462	\$ 451,978	\$ 11,202,440	\$ -
Total capital assets not being depreciated	<u>10,750,462</u>	<u>451,978</u>	<u>11,202,440</u>	<u>-</u>
Capital Assets being depreciated:				
Buildings	5,923,279	-	-	5,923,279
Leasehold improvements	-	11,202,440	-	11,202,440
Improvements other than buildings	566,565	-	-	566,565
Machinery and equipment	662,587	-	-	662,587
Total capital assets being depreciated	<u>7,152,431</u>	<u>11,202,440</u>	<u>-</u>	<u>18,354,871</u>
Less: accumulated depreciation for:				
Buildings	533,094	118,466	-	651,560
Leasehold improvements	-	381,901	-	381,901
Improvements other than buildings	171,491	38,110	-	209,601
Machinery and equipment	220,095	48,910	-	269,005
Total accumulated depreciation	<u>924,680</u>	<u>587,387</u>	<u>-</u>	<u>1,512,067</u>
Total capital assets, being depreciated net	<u>\$ 6,227,751</u>	<u>\$ 10,615,053</u>	<u>\$ -</u>	<u>\$ 16,842,804</u>
Total capital assets, net	<u>\$ 16,978,213</u>	<u>\$ 11,067,031</u>	<u>\$ 11,202,440</u>	<u>\$ 16,842,804</u>

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 2010:

	Transfers Out - 2010					Total
	General Fund	Roads	Capital Improv.	Non-major Govt.	Non-major Enterprise	
Transfers in:						
General Fund	\$ -		\$ 47,616	\$ 53,184	\$ -	\$ 100,800
Road Fund			313,963	-	-	313,963
Community Mental Hlth.	-					-
Capital Improvements				11,500	-	11,500
Nonmajor Governmental	1,333,336	121,728	643,828	378,740	11,000	2,488,632
Governmental	1,333,336	121,728	1,005,407	443,424	11,000	2,914,895
Nonmajor-Enterprise	165,000			83,580		248,580
Internal Service Funds	256,077					256,077
Total Transfers	\$ 1,754,413	\$ 121,728	\$ 1,005,407	\$ 527,004	\$ 11,000	\$ 3,419,552

Interfund receivables and payables consisted of the following as of December 31, 2010:

General Fund	Due From:								Total
	Roads	Community Mental Health	Capital Improv.	Non-major Govt.	Water Sewer	Solid Waste	Non-major Enterprise	Internal Service	
General Fund	4,131	7,500	9,904	15,245	168	1,079	338	44	38,409
Road Fund	2,833			87				44	2,964
Community Mental Hlth.									-
1999 Ltd. GO Bond									-
Capital Improvements									-
Nonmajor Governmental	64	1,048	2,355	14,667			64		18,198
Water-Sewer		3,123							3,123
Solid Waste	206	163					33	11	413
Nonmajor-Enterprise	334					412		7,218	7,964
Internal Service Funds	48,234	194,397		22,015	6,179	90,278	3,009	40,344	404,456
Total	51,671	202,862	9,855	9,904	6,347	91,769	3,444	47,661	475,527

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; or it may be downloaded from the DRS website at www.drs.wa.gov. 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 members 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 out of plan membership if terminally ill, with less than five years to live.

PERS Plan 1 and 2 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 monthly benefit is 2 percent of the average final compensation (AFC) per year of service. (AFC is the monthly average of the 24 consecutive highest-paid service credit months.) The retirement benefit may not exceed 60 percent of AFC. The monthly benefit is subject to a minimum for PERS Plan 1 retirees who have 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired 25 years. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially

reduced benefits. If a survivor option is chosen, the benefit is further reduced. A cost-of living allowance (COLA) is granted at age 65 based upon years of service times the COLA amount, which is increased 3 percent annually. Plan 1 members may also elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to age of 60 consist of a temporary life annuity payable to the age of 60. The allowance amount is \$350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any worker's compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60. A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the allowance amount is 2 percent of the AFC for each year of service reduced by 2 percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. A cost-of living allowance is granted at age 66 based upon years of service times the COLA amount (based on the Consumer Price Index), capped at 3 percent annually. To offset the costs of this annual adjustment, the benefit is reduced.

PERS Plan 1 members can receive credit for military service while actively serving in the military, if such credit makes them eligible to retire. Members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. (AFC is the monthly average of the 60 consecutive highest-paid service months.)

PERS Plan 2 members who have at least 20 years of service credit and are 55 years of age or older are eligible for early retirement with a reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

PERS Plan 2 member who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by 3 percent for each year before age 65.
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2 retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. 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 3 percent annually.

The surviving spouse or eligible child or children of a PERS Plan 2 member who dies after leaving eligible employment having earned ten years of service credit may request a refund of the member's accumulated contributions. Effective July 22, 2007, said refund (adjusted as needed for specified legal reductions) is increased from 100 percent to 200 percent of the accumulated contributions if the member's death occurs in the uniformed service to the United States while participating in Operation Enduring Freedom or Persian Gulf, Operation Iraqi Freedom.

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. (AFC is the monthly average of the 60 consecutive highest-paid service months.)

Effective June 7, 2006 PERS 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 for normal retirement at age 65, or they may retire early with the following 1 conditions and benefits:

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65.
- If they have 30 service credit years and are at least 55 years old, they have the choice of a benefit that is reduced by 3 percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.

PERS Plan 3 defined benefit retirement benefits are also actuarially reduced to reflect the choice, if made, 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.

PERS Plan 3 defined contribution retirement benefits are solely dependent upon the results of investment activities.

The defined contribution portion can be distributed in accordance with an option selected by the member, either as a lump sum or pursuant to other options authorized by the Director of the Department of Retirement Systems.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is 2 percent of the AFC per year of service. For Plan 3, the monthly benefit amount is 1 percent of the AFC per year of service.

These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and 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 (based on the Consumer Price Index) capped at 3 percent annually.

PERS Plan 2 and Plan 3 members may have up to ten years of interruptive military service credit; five years at no cost and five years that may be purchased by paying the required contributions. Effective July 24, 2005, a member who becomes totally incapacitated for continued employment while serving the uniformed services, or a surviving spouse or eligible children, may apply for interruptive military service credit. Additionally, PERS Plan 2 and Plan 3 members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS members may also purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's retirement benefit.

Beneficiaries of a PERS Plan 2 or Plan 3 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Department of Labor and Industries.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PERS member who dies in the line of service as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of said member’s covered employment, if found eligible by the Department of Labor and Industries.

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) enacted in 2006. Justices and 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 percent multiplier. The benefit would be capped at 75 percent of AFC. Judges in PERS Plan 3 can elect a 1.6 percent of pay per year of service benefit, capped at 37.5 percent 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 percent 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 1,189 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2009:

Retirees and Beneficiaries Receiving Benefits	74,857
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	28,074
Active Plan Members Vested	105,339
Active Plan Members Non-vested	<u>53,896</u>
Total	262,166

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 Director of the Department of Retirement Systems 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, 2010, were as follows.

Members not participating in JBM:

	<u>PERS Plan 1</u>	<u>PERS Plan 2</u>	<u>PERS Plan 3</u>
Employer*	5.31%**	5.31%**	5.31%***
Employee	6.00%****	3.90%****	*****

* The employer rates include the employer administrative expense fee currently set at 0.16%.

** The employer rate for state elected officials is 7.89% for Plan 1 and 5.31% 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 3.90% 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*	7.81%	7.81%	7.81%**
Employer- Local Govt.	5.31%	5.31%	5.31%**
Employer-State Agency	9.76%	7.25%	7.50%***
Employee- Local Govt.	12.26%	9.75%	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>
2010	\$ 51,250	\$ 974,043	\$ 215,505
2009	\$ 94,008	\$ 1,272,637	\$ 263,358
2008	\$ 115,159	\$ 1,367,661	\$ 270,106

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 members 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 commissioned 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.

LEOFF 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).

LEOFF Plan 1 provides death and disability benefits. Death benefits for survivors of Plan 1 members on active duty consist of the following: (1) If eligible spouse, 50 percent of the FAS, plus 5 percent of FAS for each eligible surviving child, with a limitation on the combined allowances of 60 percent of the FAS; or (2) If no eligible spouse, eligible children receive 30 percent of FAS for the first child plus 10 percent for each additional child, subject to a 60 percent limitation of FAS, divided equally.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 1 member who dies as a result of injuries or illness sustained in the course of employment, if found eligible by the Department of Labor and Industries.

The LEOFF Plan 1 disability allowance is 50 percent of the FAS plus 5 percent for each child up to a maximum of 60 percent. Upon recovery from disability before the age of 50, a member is restored to service with full credit for service while disabled. Upon recovery after the age of 50, the benefit continues as the greater of the member's disability allowance or service retirement allowance.

LEOFF Plan 1 members may purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's allowance.

LEOFF Plan 2 members are vested after the completion of 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 FAS per year of service. (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 3 percent for each year prior to age 53. A cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

LEOFF Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 allowance amount is 2 percent of the FAS for each year of service.

Benefits are actuarially reduced for each year that the member's age is less than 53, unless the disability is duty-related, 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 3 percent for each year prior to age 53. A catastrophic disability benefit equal to 70 percent of their FAS, subject to offsets for workers' compensation and Social Security disability benefits received, is also available to those LEOFF Plan 2 members who are severely disabled in the line of duty and incapable of future substantial gainful employment in any capacity.

Effective June 2010, benefits to LEOFF Plan 2 members who are catastrophically disabled include payment of eligible health care insurance premiums.

Members of LEOFF Plan 2 who leave service because of a line of duty disability are allowed to withdraw 150 percent of accumulated member contributions. This withdrawal benefit is not subject to federal income tax. Alternatively, members of LEOFF Plan 2 who leave service because of a line of duty disability may be eligible to receive a retirement allowance of at least 10 percent of FAS and 2 percent per year of service beyond five years. The first 10 percent of the FAS is not subject to federal income tax.

LEOFF Plan 2 retirees may return to work in an eligible position covered by another retirement system, choose membership in that system and suspend their pension benefits, or not choose membership and continue receiving pension benefits without interruption.

LEOFF Plan 2 members who apply for retirement may purchase up to five years of additional service credit. The cost of this credit is the actuarial equivalent of the resulting increase in the member's benefit.

LEOFF Plan 2 members can purchase service credit for military service that interrupts employment. Additionally, LEOFF Plan 2 members who become totally incapacitated for continued employment while servicing in the uniformed services may apply for interruptive military service credit. Should any such member die during this active duty, the member's surviving spouse or eligible child(ren) may purchase service credit on behalf of the deceased member.

LEOFF Plan 2 members may also purchase up to 24 consecutive months of service credit for each period of temporary duty disability.

Beneficiaries of a LEOFF Plan 2 member who is killed in the course of employment receive retirement benefits without actuarial reduction, if found eligible by the Director of the Department of Labor and Industries.

Benefits to eligible surviving spouses and dependent children of LEOFF Plan 2 members killed in the course of employment include the payment of on-going health care insurance premiums paid to the Washington state Health Care Authority.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 2 member who dies as a result of injuries or illness sustained in the course of employment, if found eligible by the Department of Labor and Industries.

There are 372 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2009:

Retirees and Beneficiaries Receiving Benefits	9,454
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	674

Active Plan Members Vested	13,363
Active Plan Members Non-vested	<u>3,944</u>
Total	27,435

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, 2010 were:

	<u>LEOFF Plan I</u>	<u>LEOFF Plan II</u>
Employer	0.16% *	5.24% **
Employee	0.00%	8.46%
State	N.A.	3.38%

* The employer rate includes .16% administrative fee.

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

Both 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>
2010	\$ 0	\$ 161,507
2009	\$ 109	\$ 153,662
2008	\$ 136	\$ 157,017

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 one of the following:

- 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.
- Primary responsibility to ensure the custody and security of incarcerated or probationary individuals.
- Limited authority to function as a Washington peace officer, as defined in RCW 10.93.020: OR
- 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.

PSERS Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. Eligibility is based on the member being totally incapacitated for continued employment with a PSERS employer and leaving that employment as a result of the disability. The disability allowance is 2 percent of the average final compensation (AFC) for each year of service. AFC is based on the member's 60 consecutive highest creditable months of service. Service credit is the total years and months of service credit at the time the member separates from employment. Benefits are actuarially reduced for each year that the member's age is less than 60 (with ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years).

PSERS Plan 2 members can purchase service credit for military service that interrupts employment. Additionally, PSERS members who become totally incapacitated for continued employment while serving in the uniformed services, may apply for interruptive military service credit. Should any such member die during this active duty, the member's surviving spouse or eligible child(ren) may purchase service credit on behalf of the deceased member.

PSERS members may also purchase up to 24 consecutive months of service credit for each period of temporary duty disability.

Beneficiaries of a PSERS Plan 2 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, if found eligible by the Director of the Department of Labor and Industries.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PSERS member who dies as a result of injuries or illness sustained in the course of employment, if found eligible by the Department of Labor and Industries.

There are 73 participating employers in PSERS. Membership in PSERS consisted of the following as of the latest actuarially valuation date for the plan of June 30, 2009:

Retirees and Beneficiaries Receiving Benefits	2
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members Vested	0
Active Plan Members Non-Vested	<u>4,340</u>
Total	4,342

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:

Employer*	Employee
7.85%	6.55%

* 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:

	PSERS Plan 2
December 31, 2010	\$390,142
December 31, 2009	\$300,601
December 31, 2008	\$311,496

NOTE 7 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFIT

LEOFF I OPEB

Plan Description

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

There are 24 participants eligible to receive these benefits. There are no LEOFF I members employed at the County who have not yet retired. 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.

The County does not issue a stand-alone financial report nor is the plan included in the report of another entity.

Funding Policy and Funding Status

The County has the authority to establish and amend contribution requirements. Plan members are not required to contribute to the plan.

This plan is not currently funded. The County was required to contribute \$538,181 but only contributed \$196,013 at December 31, 2010. The amount contributed differs from the Annual Required Contribution (ARC) because the plan is financed on a pay-as-you-go-basis. Since the County’s healthcare plan is experience rated, the annual required contributions can fluctuate. The difference between the OPEB costs and the required contribution is called the Net OPEB Obligation (NOO).

As of December 31, 2010, the most recent valuation date, the liability for benefits was \$6,379,253.

The County’s annual OPEB cost, the contribution, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligation for the current year and the two preceding years were as follows:

Year Ending December 31	Annual OPEB Cost	Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 538,181	\$ 196,013	36.42%	\$ 1,502,245
2009	665,076	282,966	42.55%	1,160,077
2008	703,146	384,383	54.67%	777,967

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, 2010, the amount actually contributed to the plans, and changes in the County’s net OPEB obligation:

Annual required contribution	\$ 593,997
Interest on net OPEB obligation	52,203
Adjustments to the annual required contribution	<u>(108,019)</u>
Annual OPEB cost (expense)	538,181
Employer Contributions made	<u>196,013</u>
Increase in the net OPEB obligation	342,168
Net OPEB obligation, beginning of year	<u>1,160,077</u>
Net OPEB obligation, end of year	<u><u>\$ 1,502,245</u></u>

Methods and Assumptions

The County has used the alternative measurement method permitted under GASB Statement No. 45 to calculate the annual required contribution of the employer. The actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about retirement ages, mortality and the healthcare cost trend. The actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule

of funding progress, presented as required supplementary information immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Additionally, calculations are based on the types of benefits provided under the terms of the plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. The specific actuarial methods and significant assumptions used to determine the ARC for the current year are as follows:

Valuation Date	12/31/2010
Actuarial Cost Method	Projected Unit Credit
Method used to determine the actuarial value of assets	N/A
Interest Rate for Discounting Future Liabilities	4.50%
Projected Payroll Growth	N/A
Investment Return	N/A
Amortization Method	Level Percentage
Amortization Period - Open	15

Additionally, a single retirement age of 56.24 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 June 30, 2007 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. These assumptions are individually and collectively reasonable for the purposes of this valuation.

NOTE 8 - RISK FINANCING

A. WASHINGTON COUNTIES RISK POOL

Cowlitz County was one of the twenty-seven members of the Washington Counties Risk Pool (“Pool”). Other members included: Adams, Benton, Chelan, Clallam and Clark, Columbia, Douglas and Franklin, Garfield, Grays Harbor, Island and Jefferson, Kittitas, Lewis and Mason, Okanogan, Pacific, Pend Oreille and San Juan, Skagit, Skamania, Spokane and Thurston, Walla Walla, Whatcom and Yakima Counties. Kitsap County terminated its membership September 30, 2010. Klickitat and Whitman Counties were former Pool members, but terminated their memberships effective October 2002 and 2003 respectively.

Contingent Liability: The Pool is a cooperative program with joint liability amongst its participating members. Contingent liabilities occur when assets are not sufficient to cover liabilities. Deficits resulting from any of the Pool’s fiscal years are financed by proportional reassessments (aka retroactive assessments) against the particular year’s membership.

The Pool’s reassessments receivable balance at December 31, 2010 remains at \$0.

Joint Self-Insurance Liability Program: The Pool has been providing its member counties with occurrence-based, jointly self-insured and/or jointly purchased liability coverage since October 1, 1988 for 3rd-party bodily injury, personal injury, property damage, errors and omissions, and advertising injury, including public officials' errors and omissions. Total coverage limits have grown from the \$1 million limit existing during the Pool's initial two months to \$5 million, then to \$10 million and onto \$15 million before reaching the \$20 million occurrence limit existing the past seven years. (Note: Additional limits of \$5 million have been available several recent years as an option for acquisition by individual member counties.)

Except for the Pool's self insured retention (the greater of the member's deductible or \$100,000), the initial \$10 million of coverage is fully reinsured by superior-rated commercial carriers. Members annually select a deductible amount of \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000. The remaining insurance (up to \$15 million) is acquired as "following form" excess insurance from superior-rated commercial carriers. There are no aggregate limits to the payments made for any one member county or all member counties combined.

The Pool's claims database increased during Py2010 with the addition of 769 new claims (and lawsuits) raising the 3rd-party liability claims to-date total submitted by member counties to 17,238. Estimates of incurred losses (payments made plus reserve estimates for *open* claims) increased \$17.8 million during the year to \$221.4 million.

Washington Counties Property Program: Since the Pool began offering a fully-insured and jointly-purchased property insurance coverage to its membership in October 2005 as an individual county option, participation has grown by more than 50% and the total value of covered properties has nearly doubled. Twenty seven member counties with covered properties totaling \$2.76 billion participated in this program during Py2010.

Coverage is for structures, vehicles, mobile equipment, EDP equipment, etc., and composite limits include \$500 million for normal (All Other Perils) exposures and \$200 million for catastrophe (Flood / Earthquake) exposures. Occurrence deductibles, which the participating counties are solely responsible for, range between \$5,000 and \$50,000 for the AOP coverage.

Superior-rated commercial insurers are responsible for covered losses exceeding the participant deductibles to the maximum limits of the policy. There were 7 property claims submitted for processing during Py2010 with incurred losses-to-date totaling \$0.33 million. But during its first five years as an optional WCRP insuring program, there have been 65 property claims filed with incurred losses-to-date totaling nearly \$9 million.

Other Insurances: Many member counties also use the Pool's producer (broker) for other insurance placements. Public officials bonds, or crime & fidelity, special events/concessionaires and environmental hazards insurance coverages are a few examples.

Background: The Pool was formed August 18, 1988 when several Washington counties approved an Interlocal (Cooperative) Agreement under Chapter 39.34 RCW to provide its member counties with "joint" programs and services including self-insurance, purchasing of insurance, and contracting for or hiring of personnel to provide administrative services, claims handling and risk management. The Pool operates under Washington's "pooling" laws, more specifically Chapters 48.62 RCW and 82.60 WAC. It is overseen by the State Risk Manager and subject to fiscal audits performed annually by the State Auditor.

The Pool's mission is: To provide comprehensive and economical risk coverage; to reduce the frequency and severity of losses; and to decrease costs incurred in the managing and litigation of claims. The Pool's core values include: being committed to learn, understand and respond to the member counties' insurance needs; being committed to establish working relationships with all members that identify business issues and jointly develop solutions; member counties commit to allocate necessary resources to risk management in their own operations; the Pool's board of

directors and professional staff share a commitment to manage the organization based on sound business principles, benchmarked industry standards and measurable outcomes; and being committed to continuous planning and innovation in product development and service delivery.

The enabling Interlocal Agreement was amended once (in 2000) to add a Membership Compact, a commitment to strengthen the Pool by helping its member counties implement and/or enhance local risk management efforts to reduce losses and support the best management of the Pool and its resources. The intent of the Compact was to obligate member counties to support these goals through three major elements; membership involvement, risk control practices, and a targeted risk management program.

New members can expect to pay the Pool modest admittance fees to cover that members' share of organizational expenses and costs to analyze its loss data and risk profile. Members contract initially to remain in the Pool for at least five years. Counties may terminate their memberships at the conclusion of any Pool fiscal year following the initial term if the county timely files its required advance written notice. Otherwise, the Interlocal Agreement is renewed automatically for another year. Even after termination, a former member remains responsible for reassessments from the Pool for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

Governance / Oversight: The Pool is governed by a board of directors consisting of one director (and at least one alternate director) appointed by each member county. The Pool's board of directors, made up of both elected and appointed county officials, meets three times each year with the summer meeting being the Annual Meeting. The board of directors is responsible for determining the 3rd-party liability coverage to be offered (approving the insuring document or coverage form), the reinsurance program to acquire, the excess insurance(s) to be jointly purchased or offered for optional purchase, for approval of the Pool's annual operating budget(s) and work program(s), and for approval of the member deposit assessment formulas.

Regular oversight of the Pool's operations is furnished by an 11-person executive committee. The committee persons are elected by the Pool's board of directors from its membership to staggered 3-year terms during each Annual Meeting. The committee meets several times throughout the year to approve all Pool disbursements and examine the Pool's financial health; to approve any case settlement exceeding the member's deductible by at least \$50,000, and to review all claims with incurred loss estimates exceeding \$100,000; to evaluate the Executive Director and the Pool's operations and program deliverables; and to participate in the board's standing committees (finance, personnel, risk management, and underwriting) for development or review/revision of the organization's policies and coverage documents.

Staffing and Support Teams: The Pool's 5-person claims staff with more than eighty years combined claims-handling experience handles or oversees the handling of the several hundred liability cases filed each year upon the Pool's member counties each year. This includes establishing reserves for reported and unreported covered events and estimating undiscounted future cash payments for losses and related claims adjustment expenses. Other Pool staffers provide various member services, including conducting risk assessments and compliance audits, coordinating numerous trainings, researching other coverages and marketing. Some address and support the organization's administrative needs.

Professionals from some of the most respected organizations worldwide are called upon regularly to address specific needs of the Pool. For example, independent actuarial services are furnished by PricewaterhouseCoopers, LLP; insurance producer (brokerage) and advanced loss control services are provided by Arthur J. Gallagher Risk Management Services, Inc.; coverage counsel is provided by Stafford Frey Cooper; and independent claims auditing will be conducted by Strategic Claims Directions LLC with special claims audits frequently performed by the Pool's commercial reinsurers / insurers. These noted professionals are in addition to the many contracted and in-

county counselors assigned to defend Pool cases as well as the State Risk Manager and the State Auditor.

Financial Summary: The following constitute the more significant highlights from the Pool's most recently completed Policy (Fiscal) Year (October 2009 through September 2010):

- *Net Operating Income* was realized of \$1.8 million, a 59% increase from the prior year.
- *Total Assets* grew \$3.2 million (9%) to \$38.9 million. Current assets increased \$3.1 million (9%) while non-current assets increased \$0.1 million (12%).
- Total *Claims Reserves* for the Pool's direct reserving exposures increased to \$14.0 million, up 7% from the prior year. This total includes: \$6.1 million for losses in the Pool-only retained layer, down 13%; \$7.0 million for losses within the aggregated stop losses of the "corridor" program for automobile and general liabilities, up 37%; and \$0.9 million for unallocated loss adjustment expenses, down 2% from one year ago. *NOTE: The corridor program is only four years old and not fully matured. Its occurrence coverage maximum was increased to one million dollars in Py2010, up from the half million level that existed during the program's first three years. The program's occurrence minimum remains the greater of the applicable member's deductible or \$100,000.*
- *Net Assets* (aka *Members' Equity*) increased \$2 million to \$10.2 million as of September 30, 2010. Of the total, \$5.8 million is classified as *Restricted Net Assets* — \$1 million to satisfy the State's solvency provisions (WAC 82.60.03001) plus \$4.8 million for the Pool's Underwriting Policy requirements. \$0.2 million is invested in a real property (fraud) recovery and another \$1 million in *Capital Assets* (net of debt). The remaining \$3.2 million is *Non-Restricted Net Assets* that is available for use as directed by the Board of Directors.

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 8 through the Washington Counties Risk Pool. The County based the liability on information provided in year-end information from the Insurance Risk Pool and management judgment. Total claims liability - \$882,403 as of December 31, 2010.

2) The Industrial Insurance Safety Fund provides payments for workers compensation. The estimated claims payable at December 31, 2010 based on information provided from State Industrial Tables - \$595,000.

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, 2010 were \$882,403 for general liability and \$595,000 for workers compensation.

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

	Risk Management	Industrial Insurance	Total
Claims Payable 12-31-08	\$ 909,017	\$ 570,000	\$ 1,479,017
Provision for 2009	247,613	58,376	305,989
Increase (Decrease) in Provision for Prior Years	(165,838)	(121,168)	(287,006)
Less:			
Payment of Claims in Current Year Events	5,007	35,946	40,953
Payment of Claims in Prior Year Events	71,891	117,262	189,153
Claims Payable 12-31-09	913,894	354,000	1,267,894
Provision for 2010	191,918	196,853	388,771
Increase (Decrease) in Provision for Prior Years	(190,535)	139,950	(50,585)
Less:			
Payment of Claims in Current Yr. Events	4,027	64,270	68,297
Payment of Claims in Prior Yr. Events	28,847	31,533	60,380
Claims Payable 12-31-10	<u>\$ 882,403</u>	<u>\$ 595,000</u>	<u>\$ 1,477,403</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 \$323,631 at December 31, 2010 available to help meet the projected future estimate of claims to be paid out of \$595,000. This results in a December 31, 2010 negative net assets balance of \$284,927.

The Risk Management Fund has \$1,472,863 at December 31, 2010 in net cash and investments to meet actual and projected claims to be paid of \$882,403.

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, 2010 the fund has a deficit net assets balance of \$19,230 compared to positive net assets of \$24,770 at December 31, 2009.

NOTE 9 – LONG-TERM DEBT AND CAPITAL LEASES

A. LONG-TERM DEBT

Note 9 summarizes long-term debt as follows: 1) Description of primary government individual debt issues and related debt service requirements to maturity on general obligation bonds and notes

2) Debt Service Requirements to Maturity 3) Discretely Presented Component Units – Three Rivers Wastewater Authority, and Public Facilities District and their long-term debt, 4) summary of changes in long-term debt, 5) presents the County’s legal debt margin, and 6) Capital lease information.

1. Description of Primary Government Individual Long-term Liabilities

<i>Bonds and Other Long Term Liabilities – Governmental Activities</i>	<i>Debt Outstanding</i>
<p>\$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.</p>	<p>\$4,285,000</p>
<p>\$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 payments of \$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.</p>	<p>\$5,310,000</p>
<p>\$700,000 Public Work Building Note Payable issued on May 15, 2008 for the purchase of the new Public Works facility. Principal payments are \$17,500 quarterly. Interest is equal to the published Monthly Net Earnings Rate of the Washington State Local Government Investment Pool for the month preceding such calendar quarter.</p>	<p>\$507,500</p>
<p>\$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.</p>	<p>\$7,495,000</p>
<p>\$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 it full faith a credit to deposit into the bond fund.</p>	<p>\$11,760,000</p>

<i>Special Assessment Debt</i>	<i>Debt Outstanding</i>
\$172,038 Road Improvement District Special Assessment Bond issued October 23, 2009 to finance road improvement. The interest rate on the bonds is 4.5%, with the entire principal payment due on October 1, 2021. The debt is paid from assessments collected from benefitted property owners; principal payments can be made annually on October 1, without pre-payment penalty, if assessments are collected. This County is required to establish a reserve to cover defaults by property owners.	\$149,192
<i>Revenue Debt – Business Type Activity</i>	<i>Debt Outstanding</i>
\$653,050 2002 Water Sewer Washington State Department of Community Development Public Works Trust Fund (PWTF) Loan. The funds were for improvements to the Toutle Wastewater Treatment Facility. 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.	\$346,226
\$1,084,158 2005 Water Sewer PWTF Loan. The funds were for improvements to the Ryderwood Water Treatment Plant. 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.	\$783,003
\$322,035 2008 Water-Sewer PWTF Loan. The funds were for County Water Systems Reservoir Coating The loan has an interest rate of .50% with annual principal payments of 16,949 through July 1, 2027. .	\$306,102
\$68,900 2008 Water-Sewer PWTF Loan. The funds were used for the Toutle Sewer Lift Station Rehabilitation. No interest is due on the loan, with annual payments of \$17,225 through July 1, 2012.	\$34,450
\$25,200 2008 Water-Sewer PWTF Loan. The funds were used for Water-Sewer Umbrella Plan. \$6,531 was returned as unspent in 2009. No interest is due on the loan, with annual payments of \$4,667.14 through July 1, 2012.	\$9,334
\$629 2010 Water-Sewer DOE Loan. The funds are being used for the Ryderwood Infiltration and Inflow Removal. The loan has a 1% percent interest rate. \$629 has been drawn from the \$669,470 available. The term of the loan is 20 years.	\$629

2. DEBT SERVICE REQUIREMENTS TO MATURITY

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

Year Ending	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
December 31		
2011	855,000	701,268
2012	905,000	662,511
2013	955,000	620,824
2014	990,000	575,499
2015	1,040,000	528,389
2016-2020	5,585,000	1,862,401
2021-2025	4,330,000	652,770
2026-2027	745,000	43,255
Total	\$ 15,405,000	\$ 5,646,917

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

Annual debt service requirements for notes payables are as follows:

Year Ending	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
<u>December 31</u>		
2011	70,000	1,080
2012	70,000	926
2013	70,000	766
2014	70,000	609
2015	70,000	451
2016-2018	157,500	442
Total	\$ 507,500	\$ 4,274

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

Year Ending	Special Assessment Debt	
	<u>Principal</u>	<u>Interest</u>
<u>December 31</u>		
2011	150,000	98,792
2012	160,000	90,563
2013	165,000	81,742
2014	180,000	72,667
2015	185,000	55,025
2016-2020	994,192	145,400
Total	\$ 1,834,192	\$ 544,189

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:

Year Ending	Special Sewer Revenue Bonds	
	<u>Principal</u>	<u>Interest</u>
<u>December 31</u>		
2011	555,000	563,281
2012	575,000	539,269
2013	605,000	514,194
2014	630,000	487,950
2015	660,000	460,538
2016-2020	3,795,000	1,786,369
2025-2026	4,940,000	653,525
Total	\$ 11,760,000	\$ 5,005,126

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

Water Sewer - Notes Payable - St. of Wa.		
<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2011	134,752	12,786
2012	135,381	11,791
2013	112,859	10,746
2014	112,859	9,707
2015	112,859	8,668
2016-2020	564,299	27,762
2021-2025	270,723	5,864
2026-2027	36,012	270
Total	<u>\$ 1,479,744</u>	<u>\$ 87,594</u>

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

TRRWA has issued revenue bonds, government loans and notes with its primary government to finance the construction, purchase and improvement of wastewater facilities, infrastructure and equipment. Current debt obligations are as follows:

Revenue Bonds	Outstanding at 12/31/2010
\$35,400,000 2002 Special Revenue Refunding Bonds - 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 \$1.6 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.	\$ 20,535,000

Notes Payable (Government Loans)	Outstanding at 12/31/2010
\$7,000,000 1999 Public Works Trust Fund Loan from State of Washington - \$6,300,000 issued August 23, 1999 and \$700,000 issued May 12, 2004 for improvements to the sewer facilities. Interest is 1% per annum with \$375,329 future annual principal payments on June 30, 2005 through June 30, 2019.	\$ 3,377,961
\$3,000,000 2001 Public Works Trust Fund Loan from State of Washington \$2,850,000 issued May 26, 2001 and \$150,000 issued May 10, 2004 for improvements to treatment plant. Interest is .05% per annum with \$158,333 future annual principal payments on June 30, 2005 through June 30 2021.	\$ 1,741,667
\$510,000 2006 Public Works Trust Fund Loan from State of Washington - \$382,500 issued through August 7, 2006 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.	\$ 60,736
\$776,287 2006 City of Longview , a public works trust fund loan. September 21, 2006 TRRWA received \$750,000 and \$26,387 from the City in June 2007. Interest is .05% per annum with future annual principal payments of \$40,487 beginning June 30, 2007 through June 30, 2025.	\$ 612,858

<p>\$6,630,750 2008 Public Works Trust Fund Loan 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 \$331,538 beginning July 1, 2009 through July 1, 2027.</p>	<p>\$ 5,967,675</p>
---	---------------------

Due to Primary Government	Outstanding at 12/31/2010
<p>\$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.</p>	<p>\$ 2,944,525</p>
<p>\$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.</p>	<p>\$ 11,760,000</p>
<p>\$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.</p>	<p>\$ 0</p>

Annual debt service for the TRRWA is shown below:

	Bonds		Notes		Due to Primary Government	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 1,870,000	\$ 1,069,556	\$ 966,794	\$ 75,737	\$ 555,000	\$ 563,281
2012	1,945,000	994,756	906,057	70,031	575,000	539,269
2013	2,030,000	914,525	906,057	62,614	3,549,525	514,194
2014	2,135,000	807,950	906,057	56,204	630,000	487,950
2015	2,250,000	690,525	906,057	49,794	660,000	460,538
2016-2020	10,305,000	1,455,300	4,154,954	152,834	3,795,000	1,427,369
2021-2025	-	-	2,020,308	53,630	4,940,000	653,525
2026-2028	-	-	994,613	9,946	-	-
Total	\$ 20,535,000	\$ 5,932,612	\$ 11,760,897	\$ 530,790	\$ 14,704,525	\$ 4,646,126

Discretely Presented Component Unit – Public Facilities District

The PFD is responsible for a portion of the bonds that were issued by other governments to finance the construction and improvements to the Regional Convention Center and the Columbia Theater for the Performing Arts in the City of Longview. Additionally, the PFD is liable for operating loans used to cover tax shortfalls.

Public Facilities Dist. – Due to Primary Government (Cowlitz County)	Debt Outstanding
\$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. Sales tax revenues imposed on March 20, 2002 of .033 percent are used to repay this loan. Interest varies from 2% to 4.35% on future principal payments of \$135,000 to \$490,000 through October 1, 2027.	\$5,310,000
Up to \$810,000 from Cowlitz County Solid Waste fund to cover shortfalls in retained sales tax receipts. Loan is to be paid back when funds are not restricted for other debt, but must be repaid by July 1, 2033. No scheduled payments, but interest accrues monthly at the Washington State Local Government Investment Pool rate.	\$392,736

Public Facilities Dist. - Notes Payable due to City of Longview	Debt Outstanding
\$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. Sales and use tax received under EHB2388, effective July 22, 2007 are received to repay this loan. 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.	\$5,885,000

Annual Debt service for amounts Due to Primary Government (Cowlitz County) for the Public Facilities District follows:

Public Facilities District				
Due to Primary Government - Cowlitz County				
		Principal	Interest	Total
2011	\$	180,000	\$ 206,243	\$ 386,243
2012		195,000	200,393	395,393
2013		210,000	193,568	403,568
2014		225,000	186,743	411,743
2015		240,000	179,430	419,430
2016-2020		1,480,000	756,750	2,236,750
2021-2025		2,035,000	427,046	2,462,046
2026-2027		745,000	43,256	788,256
	\$	5,310,000	\$ 2,193,429	\$ 7,503,429

Annual debt service requirements payable to the City of Longview are as follows:

**Public Facilities District
Due to City of Longview**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 95,000	\$ 247,825	\$ 342,825
2012	105,000	243,825	348,825
2013	120,000	239,325	359,325
2014	130,000	234,325	364,325
2015	145,000	228,825	373,825
2016-2020	945,000	1,028,425	1,973,425
2021-2025	1,390,000	792,323	2,182,323
2026-2030	1,965,000	444,615	2,409,615
2031-2032	990,000	44,220	1,034,220
	<u>\$ 5,885,000</u>	<u>\$ 3,503,708</u>	<u>\$ 9,388,708</u>

The PFD’s bond covenants require the district to maintain a rate stabilization fund for the regional events center, and a revenue stabilization and depreciation reserve account for the Columbia Theater Project. At December 31, 2010, these funds were as follows:

<u>Purpose</u>	<u>Amount</u>
Regional Events Center Rate Stabilization	\$ 244,796
Columbia Theater Revenue Stabilization	20,811
Columbia Theater Depreciation Reserve	91,284
	<u>\$ 356,891</u>

4. CHANGES IN LONG-TERM DEBT

Changes in Governmental Activities General Long Term Debt

	<u>Balance 1/1/2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2010</u>	<u>Due Within One Year</u>
General Obligation Bonds	\$ 16,360,000	\$ -	(955,000)	\$ 15,405,000	\$ 1,005,000
Special Assessment Bonds with governmental commitment	1,997,038	-	(162,848)	1,834,190	150,000
Special Revenue Bonds	12,290,000	-	(530,000)	11,760,000	555,000
Less deferred amounts:					
for premium	127,410	-	(9,211)	118,199	9,211
on refunding	-	-	-	-	-
	<u>30,774,448</u>	<u>-</u>	<u>(1,657,059)</u>	<u>29,117,389</u>	<u>1,719,211</u>
Notes Payable	577,500	-	(70,000)	507,500	70,000
Other post employee benefits	1,160,077	538,181	(196,013)	1,502,245	
Compensated Absences	2,750,225	2,580,007	(2,563,507)	2,766,725	
Capital Lease - Int Svc.	92,506	-	(23,078)	69,428	13,008
Comp. Absences - Int Svc.	156,267	128,988	(129,953)	155,302	
Claims/Judgements-Int Svc.	1,267,894	338,186	(128,677)	1,477,403	390,831
Total Gen'l Long-Term Debt	<u>\$ 36,778,917</u>	<u>\$ 3,585,362</u>	<u>\$ (4,768,287)</u>	<u>\$ 35,595,992</u>	<u>\$ 2,193,050</u>

Changes in Business Type Activities Long-Term Debt

	<u>Balance</u> <u>1/1/2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2010</u>	<u>Due Within</u> <u>One Year</u>
Notes Payable State of Wa.	\$ 1,594,845	\$ -	\$ (115,102)	\$ 1,479,743	\$ 134,752
Compensated Absences	349,812	298,489	(282,196)	366,105	-
Landfill Closure and Postclosure Care	12,370,963	346,871	-	12,717,834	-
	<u>\$ 14,315,620</u>	<u>\$ 645,360</u>	<u>\$ (397,298)</u>	<u>\$ 14,563,682</u>	<u>134,752</u>

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

	<u>Balance</u> <u>1/1/2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2010</u>	<u>Due Within</u> <u>One Year</u>
Revenue Refunding Bonds	\$ 22,340,000	\$ -	\$ (1,805,000)	\$ 20,535,000	\$ 1,870,000
Less: deferred amounts:					
for premium	1,154,986	-	(117,456)	1,037,530	(117,456)
Total bonds payable	23,494,986	-	(1,922,456)	21,572,530	1,752,544
Notes Payable-Other Govts.	12,768,548	-	(1,007,651)	11,760,897	966,794
Due to Primary Government	15,364,525	-	(660,000)	14,704,525	555,000
Less: deferred amounts:					
for premiums	364,409	-	(23,895)	340,514	23,859
Total Due to Primary Gov't	15,728,934	-	(683,895)	15,045,039	578,859
Compensated Absences	182,469	149,609	(181,903)	150,175	-
Total Debt	<u>\$ 52,174,937</u>	<u>\$ 149,609</u>	<u>\$ (3,795,905)</u>	<u>\$ 48,528,641</u>	<u>\$ 3,298,197</u>

Changes in Long-Term Debt Component Unit (Public Facilities District)**CHANGES IN LONG-TERM DEBT (PUBLIC FACILITIES DISTRICT)**

	<u>1/31/10</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/10</u>	<u>Due Within</u> <u>One Year</u>
Due to Primary Government Bonds	\$ 5,480,000		\$ (170,000)	\$ 5,310,000	\$ 180,000
Interfund Loan	-	392,736		392,736	-
Less deferred amounts:					
For issuance discounts	(65,863)	-	3,660	(62,203)	(3,660)
Due to Primary Government (net)	5,414,137	392,736	(166,340)	5,640,533	176,340
Notes Payable	5,970,000	-	(85,000)	5,885,000	85,000
Less deferred amounts:					
For issuance discounts	(46,394)	-	2,017	(44,377)	(2,017)
Due to Other Governments (net)	5,923,606	-	(82,983)	5,840,623	82,983
Total Long Term Debt	<u>\$ 11,337,743</u>	<u>\$ 392,736</u>	<u>\$ (249,323)</u>	<u>\$ 11,481,156</u>	<u>\$ 259,323</u>

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</u> <u>INDEBTEDNESS</u>	<u>REMAINING</u> <u>CAPACITY</u>
General Government (No vote required)	\$ 108,507,043
General Government (Vote required)	\$ 202,138,900

6. CAPITALIZED LEASES

The County has entered into two separate lease agreements as lessee for computer servers and related equipment. These lease agreements qualify as capital leases for accounting purposes, as, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The value of assets acquired through capital lease for governmental activities is \$88,176 (\$111, 607 less accumulated depreciation of \$23,431).

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2010, were as follows:

2011	25,833
2012	25,833
2013	17,885
2014	9,937
Total minimum lease payments	<u>79,488</u>
Less amount representing interest	<u>(10,060)</u>
Present value of minimum lease payments	<u>\$ 69,428</u>

NOTE 10 –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 up to 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 County reported \$12.7 million as landfill closure and post closure care liability at December 31, 2010. This represents the cumulative amount reported to date based on the capacity used. This cost is an estimate; actual costs may be higher due to inflation, deflation, changes in technology or changes in applicable laws or regulations.

The County’s landfill consists of two separate regulatory units, the unlined landfill and the lined landfill.

The unlined landfill was at full capacity in 1992 and is monitored under WAC 173-304, which requires a twenty year monitoring period. This landfill was treated separately under Washington State regulations. As a result, 100% of the postclosure care costs have been included as a liability, in the amount of \$1.5 million. Although monitoring requirements for this section are 20 years, the County is recognizing 30 years of postclosure monitoring voluntarily, due to the difficulties of monitoring this site separately from the lined site. The voluntary postclosure costs for the additional ten years is included in the liability.

The lined landfill is at 83 percent of the estimated refuse capacity at December 31, 2010. As a result, \$11.2 million is reported as landfill closure and post closure care liability, related to this section of the landfill. The county will recognize the remaining estimated costs of closure and post closure care of \$2.2 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 2010. The estimated life for the landfill is 3 years, with final closure in 2013. This landfill will close under WAC 173-351 requirements implemented by the Washington State Department of Ecology and the Cowlitz County Environmental Health Department. The lined landfill is required to be monitored for 30 years after closure.

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, 2010 the County had \$12.7 million in cash and investments held for these purposes. The amounts are reported as restricted cash and investment on the balance sheet.

NOTE 11 – 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 12 – OTHER DISCLOSURES**A. PRIOR PERIOD ADJUSTMENTS**

In the governmental column of the Statement of Activities, a prior period adjustment of \$801,636 is presented. \$713,816 represents capital asset corrections made during preparation of the 2010 financial statements. This includes \$91,018 of items included in assets and construction in progress which were expensed in the current year because projects were dropped or assets did not materialize. It also corrects \$804,834 in asset costs from prior years which were expensed.

\$68,010.78 of the \$801,636 represents corrections related to grant revenue estimates.

\$19,810 of the \$801,636 represents 2009 operating grants that was not reported in the financial statements.

A prior period adjustment in the amount of \$508,512 is recognized in the Water Sewer Major Enterprise Fund Statement. During 2010, it was determined that a construction in progress project should be expensed. As a result, the Reservoir Coating Project costs incurred in 2009 and prior were removed from construction in progress.

In the Solid Waste Major Enterprise Fund, a prior period adjustment in the amount of \$66,034 is presented. In 2009, the costs associated with a landfill acquisition were expensed. During 2010, these costs were added to construction in progress.

During 2002, the Third Avenue Interceptor project was removed from the construction in progress because the TRRWA thought the asset would be contributed to another government. In 2010, it was discovered that this asset belonged to the TRRWA and therefore, added the asset back to the financial statements. \$1,158,976 was added into Depreciable Assets on the Statement of Net Assets. This represents \$1,540,846 in capital assets and \$381,870 of accumulated depreciation, for a net prior period adjustment of \$1,158,976.

A prior period adjustment of \$51,810 is recognized in the Statement of Revenues, Expenses and Changes in Fund Net Assets. This is to correct 2009 Sales and Use tax received in 2010, but not recorded as a receivable.

B. SUBSEQUENT EVENTS

The County is unaware of any subsequent events that would materially effect the financial statement presentation.

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 the General Fund, in accordance with the County's legally adopted Budget.

Cowlitz County, Washington
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2010

	General Fund			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
<i>Revenues:</i>				
Taxes	\$ 23,170,059	\$ 23,170,059	\$ 24,121,733	\$ 951,674
Licenses & Permits	71,707	71,707	59,064	(12,643)
Intergovernmental	6,409,337	6,409,337	7,371,719	962,382
Charges for services	5,240,840	5,240,840	5,227,639	(13,201)
Fines and forfeits	1,323,705	1,323,705	1,126,565	(197,140)
Interest	417,990	417,990	266,248	(151,742)
Miscellaneous	450,296	450,296	506,304	56,008
<i>Total revenues</i>	<u>37,083,934</u>	<u>37,083,934</u>	<u>38,679,272</u>	<u>1,595,338</u>
<i>Expenditures:</i>				
General government	9,811,461	9,842,261	9,228,474	613,787
Public safety	18,255,022	18,255,022	17,796,352	458,670
Judicial	5,813,135	5,813,135	5,600,180	212,955
Physical environ. (animal cont./soil cons.)	246,837	246,837	165,524	81,313
Economic environment	1,189,380	1,189,380	1,005,301	184,079
Transportation (airport)	19,250	19,250	20,149	(899)
Mental & physical health	479,207	496,608	462,528	34,080
Culture & recreation	592,916	593,441	547,933	45,508
Other				
Debt Service - Principal	-	-	-	-
Capital outlay	50,000	50,000	53,247	(3,247)
<i>Total Expenditures</i>	<u>36,457,208</u>	<u>36,505,934</u>	<u>34,879,688</u>	<u>1,626,246</u>
Excess (deficiency) of revenues over expenditures	<u>626,726</u>	<u>578,000</u>	<u>3,799,584</u>	<u>3,221,584</u>
<i>Other financial sources (uses):</i>				
Proceeds-sale fixed assets	210,000	210,000	-	(210,000)
Transfers In	136,054	136,054	100,799	(35,255)
Transfers (out)	(2,039,617)	(2,039,617)	(1,754,414)	285,203
<i>Total Other financial sources (uses):</i>	<u>(1,693,563)</u>	<u>(1,693,563)</u>	<u>(1,653,615)</u>	<u>39,948</u>
Net change in fund balances	(1,066,837)	(1,115,563)	2,145,969	3,261,532
Fund balance, January 1	4,921,056	4,921,056	6,391,369	1,470,313
Prior Period Adjustments	-	-	222,008	222,008
Fund balance, December 31	<u>\$ 3,854,219</u>	<u>\$ 3,805,493</u>	<u>\$ 8,759,346</u>	<u>\$ 4,953,853</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 Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2010

	County Road			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
<i>Revenues:</i>				
Taxes	\$ 8,528,641	\$ 8,528,641	\$ 8,015,936	\$ (512,705)
Licenses & Permits	-	-	-	-
Intergovernmental	11,788,942	11,788,942	5,314,729	(6,474,213)
Charges for services	103,500	103,500	244,276	140,776
Fines and forfeits	-	-	-	-
Interest	15,000	15,000	9,529	(5,471)
Miscellaneous	52,500	52,500	104,946	52,446
<i>Total revenues</i>	<u>20,488,583</u>	<u>20,488,583</u>	<u>13,689,416</u>	<u>(6,799,167)</u>
<i>Expenditures:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Judicial	-	-	-	-
Physical environ. (animal cont./soil cons.)	-	-	-	-
Economic environment	-	-	-	-
Transportation (airport)	16,060,435	16,060,435	11,740,643	4,319,792
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Other	-	-	142,671	-
Debt Service - Principal	-	-	71,599	(71,599)
Capital outlay	1,951,001	1,951,001	2,361,704	(410,703)
<i>Total Expenditures</i>	<u>18,011,436</u>	<u>18,011,436</u>	<u>14,316,617</u>	<u>3,694,819</u>
Excess (deficiency) of revenues over expenditures	<u>2,477,147</u>	<u>2,477,147</u>	<u>(627,201)</u>	<u>(3,104,348)</u>
<i>Other financial sources (uses):</i>				
Proceeds-sale fixed assets	250,000	250,000	-	(250,000)
Transfers In	491,100	491,100	313,963	(177,137)
Transfers (out)	(46,728)	(46,728)	(121,728)	(75,000)
<i>Total Other financial sources (uses):</i>	<u>694,372</u>	<u>694,372</u>	<u>192,235</u>	<u>(502,137)</u>
Net change in fund balances	3,171,519	3,171,519	(434,966)	(3,606,485)
Fund balance, January 1	615,833	615,833	4,991,726	4,375,893
Prior Period Adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 3,787,352</u>	<u>\$ 3,787,352</u>	<u>\$ 4,556,760</u>	<u>\$ 769,408</u>

The notes to the financial statements are an integ

Cowlitz County, Washington
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2010

	Community Mental Health			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual Amounts	
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-
Intergovernmental	10,635,571	10,635,571	11,131,983	496,412
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest	24,000	24,000	7,431	(16,569)
Miscellaneous	500	500	5,106	4,606
<i>Total revenues</i>	<u>10,660,071</u>	<u>10,660,071</u>	<u>11,144,520</u>	<u>484,449</u>
<i>Expenditures:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Judicial	-	-	-	-
Physical environ. (animal cont./soil cons.)	-	-	-	-
Economic environment	-	-	-	-
Transportation (airport)	-	-	-	-
Mental & physical health	10,725,102	10,725,102	10,164,904	560,198
Culture & recreation	-	-	-	-
Other	-	-	-	-
Debt Service - Principal	500	500	-	500
Capital outlay	-	-	-	-
<i>Total Expenditures</i>	<u>10,725,602</u>	<u>10,725,602</u>	<u>10,164,904</u>	<u>560,698</u>
Excess (deficiency) of revenues over expenditures	<u>(65,531)</u>	<u>(65,531)</u>	<u>979,616</u>	<u>1,045,147</u>
<i>Other financial sources (uses):</i>				
Proceeds-sale fixed assets	-	-	-	-
Transfers In	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total Other financial sources (uses):</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(65,531)	(65,531)	979,616	1,045,147
Fund balance, January 1	1,857,460	1,827,460	2,633,645	806,185
Prior Period Adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 1,791,929</u>	<u>\$ 1,761,929</u>	<u>\$ 3,613,261</u>	<u>\$ 1,851,332</u>

The notes to the financial statements are an integ

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, 2010**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash, cash equivalents & pooled investments	\$ 5,830,310	\$ 947,172	\$ 6,777,482
Taxes Receivable	21,855	-	21,855
Accounts Receivable	17,139	-	17,139
Interest Receivable	742	200.00	942
Due from other funds	18,198	-	18,198
Prepaid Expense	-	-	-
Long Term Receivables	524,176	4,042,850.00	4,567,026
Restricted Cash Deposits	26,784	-	26,784
<i>Total Assets</i>	\$ 6,439,204	\$ 4,990,222	\$ 11,429,426
LIABILITIES AND FUND BALANCES			
<i>Liabilities</i>			
Accounts Payable	\$ 349,294	\$ -	\$ 349,294
Retainage Payable	-	-	-
Due to other funds	52,014	-	52,014.00
Due to other Governments	51,708	-	51,708.00
Deferred Revenue	36,855	997,850	1,034,705.00
Other Accrued Liabilities	255,614	-	255,614.00
Customer Deposits-Confiscated	26,786	-	26,786
<i>Total Liabilities</i>	772,271	997,850	1,770,121
<i>Fund Balances</i>			
Reserved for interfund loans	-	-	-
Reserved for long-term loans receivable	-	3,045,000	3,045,000
Unreserved fund balance	5,666,933	947,372	6,614,305
<i>Total Fund Balances</i>	5,666,933	3,992,372	9,659,305
<i>Total Liabilities and Fund Balances</i>	\$ 6,439,204	\$ 4,990,222	\$ 11,429,426

Cowlitz County, Washington
Combining Statement of Revenues, Expenditures & Changes Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ 1,380,448	\$ -	\$ 1,380,448
Licenses & permits	1,262,101	-	1,262,101
Intergovernmental	2,875,482	-	2,875,482
Charges for services	1,408,618	-	1,408,618
Fines & forfeits	86,576	-	86,576
Special assessments	332,655	330,750	663,405
Interest	10,855	48,669	59,524
Rents	65	-	65
Miscellaneous	41,601	178,825	220,426
<i>Total revenues</i>	7,398,401	558,244	7,956,645
Expenditures:			
General government	508,012	-	508,012
Public safety	1,750,489	-	1,750,489
Physical environment	390,571	-	390,571
Transportation	14,944	-	14,944
Economic environment	2,356,242	-	2,356,242
Mental & physical health	3,559,097	-	3,559,097
Culture & recreation	221,979	-	221,979
Capital outlays	34,842	-	34,842
Debt service - principal	-	817,846	817,846
Debt service - interest	10	533,679	533,689
<i>Total expenditures</i>	8,836,186	1,351,525	10,187,711
Excess (deficiency) of revenues over expenditures	(1,437,785)	(793,281)	(2,231,066)
Other financing sources (uses):			
Special Assessment bonds issued	-	-	-
Premium on refunding bonds	-	-	-
Payment to refunded bond escrow	-	-	-
Sale of capital assets	9,417	-	9,417
Transfers in	1,606,054	882,579	2,488,633
Transfers (out)	(288,254)	(238,750)	(527,004)
<i>Total other financing sources (uses)</i>	1,327,217	643,829	1,971,046
Net Change in Fund Balances	(110,568)	(149,452)	(260,020)
Fund Balance, January 1	5,931,499	4,141,824	10,073,323
Prior period adjustment	(153,998)	-	(153,998)
<i>Fund Balance, December 31</i>	\$ 5,666,933	\$ 3,992,372	\$ 9,659,305

Cowlitz County, Washington
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2010

	Paths & Trails	Stormwater	Noxious Weed	Bldg & Planning	Stadium		Veterans Relief	Graphic	
					Convention Center	Law Library		Information Systems	Human Services
Cash, cash equivalents & pooled investments	\$ 112,703	\$ 316,434	\$ 266,843	\$ 1,005,682	\$ 8,268	\$ 40,430	\$ 222,909	\$ 185,151	\$ 266,535
Taxes receivable	-	-	-	-	-	-	6,784	-	15,071
Accounts receivable	-	-	-	3,585	-	-	-	-	-
Interest receivable	21	65	-	-	-	-	47	-	42
Due from other funds	-	-	-	1,048	-	-	-	-	3,060
Due from other governments	9,050	50,000	-	-	12,336	-	-	-	54,764
Restricted Cash Deposits	-	-	-	-	-	-	-	-	-
Total assets	\$ 121,774	\$ 366,499	\$ 266,843	\$ 1,010,315	\$ 20,604	\$ 40,430	\$ 229,740	\$ 185,151	\$ 339,472

Liabilities

Accounts Payable	\$ -	\$ 683	\$ 235	\$ 271,736	\$ -	\$ 3,107	\$ 5,140	\$ 593	\$ 8,183
Due to other funds	-	608	816	9,598	-	-	119	131	12,864
Due to other governments	-	366	-	-	-	91	-	50	9,606
Deferred Revenue	-	-	-	-	-	-	6,784	-	15,071
Other accrued liabilities	-	11,028	4,338	52,771	-	(126)	-	6,835	39,520
Customer Deposits-Confiscated	-	-	-	-	-	-	-	-	-
Total liabilities	\$ -	\$ 12,685	\$ 5,389	\$ 334,105	\$ -	\$ 3,072	\$ 12,043	\$ 7,609	\$ 85,244

Fund Balances

Reserved for interfund loans	121,774	353,814	261,454	676,210	20,604	37,358	217,697	177,542	254,228
Unreserved fund balance	-	-	-	-	-	-	-	-	-
Total fund balance	121,774	353,814	261,454	676,210	20,604	37,358	217,697	177,542	254,228

Total liabilities and fund balance

Total liabilities and fund balance	\$ 121,774	\$ 366,499	\$ 266,843	\$ 1,010,315	\$ 20,604	\$ 40,430	\$ 229,740	\$ 185,151	\$ 339,472
---	-------------------	-------------------	-------------------	---------------------	------------------	------------------	-------------------	-------------------	-------------------

Cowlitz County, Washington
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2010

	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	\$ 53,677	\$ 176,235	\$ 414,892	\$ 127,277	\$ 20,690	\$ 407,901	\$ 61,324	\$ 55,078	\$ 83,831
Taxes receivable	-	-	-	-	-	-	-	-	-
Accounts receivable	13,554	-	-	-	-	-	-	-	-
Interest receivable	-	40	64	-	-	74	-	-	15
Due from other funds	14,090	-	-	-	-	-	-	-	-
Due from other governments	222,063	-	-	8,866	-	39,951	-	-	-
Restricted Cash Deposits	-	-	-	-	-	26,784	-	-	-
Total assets	\$ 303,384	\$ 176,275	\$ 414,956	\$ 136,143	\$ 20,690	\$ 474,710	\$ 61,324	\$ 55,078	\$ 83,846

Liabilities

Accounts Payable	\$ 24,600	\$ -	\$ 3,596	\$ -	\$ 6,059	\$ 23,745	\$ -	\$ -	\$ -
Due to other funds	25,822	-	-	1,251	-	786	-	-	-
Due to other governments	27,588	-	-	-	-	14,007	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-	-
Other accrued liabilities	85,100	-	336	8,117	310	10,529	-	-	-
Customer Deposits-Confiscated	-	-	-	-	-	26,784	-	-	-
Total liabilities	163,110	-	3,932	9,368	6,369	75,851	2	-	-

Fund Balances

Reserved for interfund loans	140,274	176,275	411,024	126,775	14,321	398,859	61,322	55,078	83,846
Unreserved fund balance	140,274	176,275	411,024	126,775	14,321	398,859	61,322	55,078	83,846
Total fund balance	280,548	352,550	822,048	253,550	28,642	797,718	122,644	110,156	167,692

Total liabilities and fund balance

Total liabilities and fund balance	\$ 303,384	\$ 176,275	\$ 414,956	\$ 136,143	\$ 20,690	\$ 474,710	\$ 61,324	\$ 55,078	\$ 83,846
---	-------------------	-------------------	-------------------	-------------------	------------------	-------------------	------------------	------------------	------------------

Cowlitz County, Washington
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2010

	Low Income Housing	Law & Justice Funding	Benefits Admin.	Cumulative Reserve	Total
Assets					
Cash, cash equivalents & pooled investments	\$ 1,149,370	\$ 264,234	\$ 567,187	\$ 23,659	\$ 5,830,310
Taxes receivable	-	-	-	-	21,855
Accounts receivable	-	-	-	-	17,139
Interest receivable	230	32	112	-	742
Due from other funds	-	-	-	-	18,198
Due from other governments	-	127,146	-	-	524,176
Restricted Cash Deposits	-	-	-	-	26,784
<i>Total assets</i>	<i>\$ 1,149,600</i>	<i>\$ 391,412</i>	<i>\$ 567,299</i>	<i>\$ 23,659</i>	<i>\$ 6,439,204</i>
Liabilities					
Accounts Payable	\$ -	\$ -	\$ 1,617	\$ -	\$ 349,294
Due to other funds	-	-	19	-	52,014
Due to other governments	-	-	-	-	51,708
Deferred Revenue	15,000	-	-	-	36,855
Other accrued liabilities	-	36,612	244	-	255,614
Customer Deposits-Confiscated	-	-	-	-	26,786
<i>Total liabilities</i>	<i>15,000</i>	<i>36,612</i>	<i>1,880</i>	<i>-</i>	<i>772,271</i>
Fund Balances					
Reserved for interfund loans					
Unreserved fund balance	1,134,600	354,800	565,419	23,659	5,666,933
<i>Total fund balance</i>	<i>1,134,600</i>	<i>354,800</i>	<i>565,419</i>	<i>23,659</i>	<i>5,666,933</i>
<i>Total liabilities and fund balance</i>	<i>\$ 1,149,600</i>	<i>\$ 391,412</i>	<i>\$ 567,299</i>	<i>\$ 23,659</i>	<i>\$ 6,439,204</i>

Cowlitz County, Washington
Combining Statement of Revenues, Expenditures Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Path & Trails	Stormwater	Noxious Weed	Bldg. & Planning	Convention Center	Superior Court Law Library	Veterens Relief	Graphic Information System
Revenues:								
Taxes	\$ -	\$ 1,561	\$ 84	\$ -	\$ 40,157	\$ -	\$ 106,526	\$ -
Licenses & permits	-	-	-	931,091	-	-	-	-
Intergovernmental	55,816	50,000	39,454	-	-	-	4	-
Charges for services	-	-	-	542,268	-	50,670	-	3,079
Fines & forfeits	-	-	-	-	-	-	-	-
Interest	242	597	2,160	-	-	-	661	-
Rents	-	-	-	-	-	-	20	-
Special Assessments	-	177,726	154,929	-	-	-	-	-
Miscellaneous	-	-	420	-	-	-	8,970	-
Total revenues	56,058	229,884	197,047	1,473,359	40,157	50,670	116,181	3,079
Expenditures:								
General government	-	-	-	-	-	71,069	-	187,804
Public safety	-	-	-	-	-	-	-	-
Physical environment	-	221,673	168,898	-	-	-	-	-
Transportation	14,944	-	-	-	-	-	-	-
Economic environment	-	-	-	1,963,166	-	-	177,373	-
Mental & physical health	-	-	-	-	-	-	-	-
Culture & recreation	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-	-
Debt service -interest	-	-	-	-	-	-	-	-
Total expenditures	14,944	221,673	168,898	1,963,166	-	71,069	177,373	187,804
Excess (deficiency) of revenues over expenditures	41,114	8,211	28,149	(489,807)	40,157	(20,399)	(61,192)	(184,725)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	121,728	-	300,000	-	-	-	111,568
Transfers (out)	-	-	-	-	(23,000)	(7,184)	-	-
Total other financing sources (uses)	-	121,728	-	300,000	(23,000)	(7,184)	-	111,568
Net Change in Fund Balances	41,114	129,939	28,149	(189,807)	17,157	(27,583)	(61,192)	(73,157)
Fund balance, January 1	80,660	223,875	233,305	866,017	3,447	64,941	278,889	250,699
Prior period adjustment	-	-	-	-	-	-	-	-
Fund Balance, December 31	\$ 121,774	\$ 353,814	\$ 261,454	\$ 676,210	\$ 20,604	\$ 37,358	\$ 217,697	\$ 177,542

Cowlitz County, Washington
Combining Statement of Revenues, Expenditures Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Human Services	Health Dept.	Treasurer's Oper. & Mtce.	Auditor's Oper. & Mtce.	P.A. Victim Witness	Tourism Develop.	Drug Task Force	Boat Safety
Revenues:								
Taxes	\$ 236,718	\$ -	\$ -	\$ -	\$ -	\$ 127,443	\$ -	\$ -
Licenses & permits	-	331,010	-	-	-	-	-	-
Intergovernmental	866,441	1,263,830	-	68,626	26,598	6,325	433,860	44,528
Charges for services	-	129,801	46,776	50,432	91,036	-	-	-
Fines & forfeits	-	-	-	-	3,229	-	72,445	-
Interest	483	51	602	653	-	-	1,242	-
Rents	45	-	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-	-	-
Miscellaneous	1,007	21,473	-	-	-	-	40	-
Total revenues	1,104,694	1,746,165	47,378	119,711	120,863	133,768	507,587	44,528
Expenditures:								
General government	-	-	24,772	60,198	149,169	-	-	-
Public safety	-	-	-	-	-	-	642,053	31,473
Physical environment	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Mental & physical health	1,129,764	2,429,333	-	-	-	-	-	-
Culture & recreation	-	-	-	-	-	221,979	-	-
Capital outlays	-	-	-	-	-	-	29,884	-
Debt service - interest	-	-	-	-	-	10	-	-
Total expenditures	1,129,764	2,429,333	24,772	60,198	149,169	221,989	671,937	31,473
Excess (deficiency) of revenues over expenditures	(25,070)	(683,168)	22,606	59,513	(28,306)	(88,221)	(164,350)	13,055
Other financing sources (uses):								
Sale of capital assets	9,417	-	-	-	-	-	-	-
Transfers in	-	295,759	-	-	-	103,000	58,509	-
Transfers (out)	-	-	(46,000)	-	-	-	-	-
Total other financing sources (uses)	9,417	295,759	(46,000)	-	-	103,000	58,509	-
Net Change in Fund Balances	(15,653)	(387,409)	(23,394)	59,513	(28,306)	14,779	(105,841)	13,055
Fund balance, January 1	269,881	681,681	199,669	351,511	155,081	(458)	504,700	48,267
Prior period adjustment	-	(153,998)	-	-	-	-	-	-
Fund Balance, December 31	\$ 254,228	\$ 140,274	\$ 176,275	\$ 411,024	\$ 126,775	\$ 14,321	\$ 398,859	\$ 61,322

Cowlitz County, Washington
Combining Statement of Revenues, Expenditures Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	County Drug	Affordable Housing	Low Income Housing	Law & Justice Funding	Benefits Admin.	Cumulative Reserve	Total
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ 740,516	\$ -	\$ 127,443	\$ 1,380,448
Licenses & permits	-	-	-	-	-	-	1,262,101
Intergovernmental	-	-	20,000	-	-	-	2,875,482
Charges for services	-	90,049	404,507	-	-	-	1,408,618
Fines & forfeits	10,902	-	-	-	-	-	86,576
Interest	13	95	2,585	-	1,448	23	10,855
Rents	-	-	-	-	-	-	65
Special Assessments	-	-	-	-	-	-	332,655
Miscellaneous	-	-	8,858	62	771	-	41,601
Total revenues	10,915	90,144	435,950	740,578	2,219	127,466	7,398,401
Expenditures:							
General government	-	-	-	-	-	15,000	508,012
Public safety	-	-	-	880,880	196,083	-	1,750,489
Physical environment	-	-	-	-	-	-	390,571
Transportation	-	-	-	-	-	-	14,944
Economic environment	-	57,092	158,611	-	-	-	2,356,242
Mental & physical health	-	-	-	-	-	-	3,559,097
Culture & recreation	-	-	-	-	-	-	221,979
Capital outlays	4,958	-	-	-	-	-	34,842
Debt service - interest	-	-	-	-	-	-	10
Total expenditures	4,958	57,092	158,611	880,880	196,083	15,000	8,836,186
Excess (deficiency) of revenues over expenditures	5,957	33,052	277,339	(140,302)	(193,864)	112,466	(1,437,785)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	9,417
Transfers in	-	-	47,990	367,500	200,000	-	1,606,054
Transfers (out)	-	(47,990)	-	(29,453)	-	(134,627)	(288,254)
Total other financing sources (uses)	-	(47,990)	47,990	338,047	200,000	(134,627)	1,327,217
Net Change in Fund Balances	5,957	(14,938)	325,329	197,745	6,136	(22,161)	(110,568)
Fund balance, January 1	49,121	98,784	809,271	157,055	559,283	45,820	5,931,499
Prior period adjustment	-	-	-	-	-	-	(153,998)
Fund Balance, December 31	\$ 55,078	\$ 83,846	\$ 1,134,600	\$ 354,800	\$ 565,419	\$ 23,659	\$ 5,666,933

Cowlitz County, Washington
Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2010

	Paths & Trails			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	58,380	58,380	55,816	(2,564)
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Interest	500	500	242	(258)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>58,880</u>	<u>58,880</u>	<u>56,058</u>	<u>(2,822)</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	70,000	70,000	14,944	55,056
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>14,944</u>	<u>55,056</u>
Excess (deficiency) of revenues over expenditures	(11,120)	(11,120)	41,114	52,234
Other financing sources (uses):				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Transfer in	-	-	-	-
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(11,120)	(11,120)	41,114	52,234
Fund balance, January 1	65,000	65,000	80,660	15,660
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 53,880</u>	<u>\$ 53,880</u>	<u>\$ 121,774</u>	<u>\$ 67,894</u>

Cowlitz County, Washington
Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2010

	Stormwater			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Taxes	\$ -	\$ -	\$ 1,561	\$ 1,561
Licenses and permits	-	-	-	-
Intergovernmental	-	-	50,000	50,000
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Interest	1,400	1,400	597	(803)
Miscellaneous	184,320	184,320	-	(184,320)
<i>Total revenues</i>	<u>185,720</u>	<u>185,720</u>	<u>52,158</u>	<u>(133,562)</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	283,346	283,346	221,673	61,673
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	<u>283,346</u>	<u>283,346</u>	<u>221,673</u>	<u>61,673</u>
Excess (deficiency) of revenues over expenditures	(97,626)	(97,626)	(169,515)	(71,889)
Other financing sources (uses):				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Transfer in	46,728	46,728	121,728	75,000
Transfer (out)	(59,000)	(59,000)	-	59,000
<i>Total other financing sources (uses)</i>	<u>(12,272)</u>	<u>(12,272)</u>	<u>121,728</u>	<u>134,000</u>
Net change in fund balances	(109,898)	(109,898)	(47,787)	62,111
Fund balance, January 1	251,395	251,395	223,875	(27,520)
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 141,497</u>	<u>\$ 141,497</u>	<u>\$ 176,088</u>	<u>\$ 34,591</u>

Cowlitz County, Washington
Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2010

	Noxious Weed Program			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Taxes	\$ -	\$ -	\$ 84	\$ 84
Licenses and permits	-	-	-	-
Intergovernmental	25,000	25,000	39,454	14,454
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Interest	2,500	2,500	2,160	(340)
Miscellaneous	157,019	157,019	420	(156,599)
<i>Total revenues</i>	<u>184,519</u>	<u>184,519</u>	<u>42,118</u>	<u>(142,401)</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	186,583	186,583	168,898	17,685
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	<u>186,583</u>	<u>186,583</u>	<u>168,898</u>	<u>17,685</u>
Excess (deficiency) of revenues over expenditures	(2,064)	(2,064)	(126,780)	(124,716)
Other financing sources (uses):				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Transfer in	-	-	-	-
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,064)	(2,064)	(126,780)	(124,716)
Fund balance, January 1	200,000	200,000	233,305	33,305
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 197,936</u>	<u>\$ 197,936</u>	<u>\$ 106,525</u>	<u>\$ (91,411)</u>

Cowlitz County, Washington
Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2010

Building & Planning

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	946,314	946,314	931,091	(15,223)
Intergovernmental	-	-	-	-
Charges for services	408,600	408,600	542,268	133,668
Fines & forfeits	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,354,914</u>	<u>1,354,914</u>	<u>1,473,359</u>	<u>118,445</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	1,488,947	1,488,947	1,963,166	(474,219)
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	<u>1,488,947</u>	<u>1,488,947</u>	<u>1,963,166</u>	<u>(474,219)</u>
Excess (deficiency) of revenues over expenditures	(134,033)	(134,033)	(489,807)	(355,774)
Other financing sources (uses):				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Transfer in	300,000	300,000	300,000	-
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Net change in fund balances	165,967	165,967	(189,807)	(355,774)
Fund balance, January 1	425,453	425,453	866,017	440,564
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 591,420</u>	<u>\$ 591,420</u>	<u>\$ 676,210</u>	<u>\$ 84,790</u>

Cowlitz County, Washington
Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2010

	Stadium-Convention Center			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Taxes	\$ 33,800	\$ 33,800	\$ 40,157	\$ 6,357
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	33,800	33,800	40,157	6,357
Expenditures:				
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	33,800	33,800	40,157	6,357
Other financing sources (uses):				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Transfer in	-	-	-	-
Transfer (out)	(35,300)	(35,300)	(23,000)	12,300
<i>Total other financing sources (uses)</i>	(35,300)	(35,300)	(23,000)	12,300
Net change in fund balances	(1,500)	(1,500)	17,157	18,657
Fund balance, January 1	1,500	1,500	3,447	1,947
Prior period adjustments	-	-	-	-
Fund balance, December 31	\$ -	\$ -	\$ 20,604	\$ 20,604

Cowlitz County, Washington
Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2010

Superior Court Law Library

Budgeted Amounts

	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	51,310	51,310	50,670	(640)
Fines & forfeits	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>51,310</u>	<u>51,310</u>	<u>50,670</u>	<u>(640)</u>
Expenditures:				
General government	76,661	76,661	71,069	5,592
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	<u>76,661</u>	<u>76,661</u>	<u>71,069</u>	<u>5,592</u>
Excess (deficiency) of revenues over expenditures	(25,351)	(25,351)	(20,399)	4,952
Other financing sources (uses):				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Transfer in	-	-	-	-
Transfer (out)	-	(7,054)	(7,184)	(130)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(7,054)</u>	<u>(7,184)</u>	<u>(130)</u>
Net change in fund balances	(25,351)	(32,405)	(27,583)	4,822
Fund balance, January 1	82,490	82,490	64,941	(17,549)
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 57,139</u>	<u>\$ 50,085</u>	<u>\$ 37,358</u>	<u>\$ (12,727)</u>

Cowlitz County, Washington
Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2010

	Veterans Relief			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Taxes	\$ 110,752	\$ 110,752	\$ 106,526	\$ (4,226)
Licenses and permits	-	-	-	-
Intergovernmental	7	7	4	(3)
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Interest	7,000	7,000	661	(6,339)
Miscellaneous	5,025	5,025	8,970	3,945
<i>Total revenues</i>	122,784	122,784	116,161	(6,623)
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	99,902	99,902	177,373	(77,471)
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	99,902	99,902	177,373	(77,471)
Excess (deficiency) of revenues over expenditures	22,882	22,882	(61,212)	(84,094)
Other financing sources (uses):				
Capital leases	-	-	-	-
Sale of capital assets	2,000	2,000	-	(2,000)
Transfer in	-	-	-	-
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	2,000	2,000	-	(2,000)
Net change in fund balances	24,882	24,882	(61,212)	(86,094)
Fund balance, January 1	301,531	301,531	278,889	(22,642)
Prior period adjustments	-	-	-	-
Fund balance, December 31	\$ 326,413	\$ 326,413	\$ 217,677	\$ (108,736)

Cowlitz County, Washington
Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2010

	Geographic Information System			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	18,500	18,500	3,079	(15,421)
Fines & forfeits	-	-	-	-
Interest	600	600	-	(600)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>19,100</u>	<u>19,100</u>	<u>3,079</u>	<u>(16,021)</u>
Expenditures:				
General government	214,989	214,989	187,804	27,185
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	<u>214,989</u>	<u>214,989</u>	<u>187,804</u>	<u>27,185</u>
Excess (deficiency) of revenues over expenditures	(195,889)	(195,889)	(184,725)	11,164
Other financing sources (uses):				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Transfer in	223,135	223,135	111,568	(111,567)
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>223,135</u>	<u>223,135</u>	<u>111,568</u>	<u>(111,567)</u>
Net change in fund balances	27,246	27,246	(73,157)	(100,403)
Fund balance, January 1	236,148	236,148	250,699	14,551
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 263,394</u>	<u>\$ 263,394</u>	<u>\$ 177,542</u>	<u>\$ (85,852)</u>

Cowlitz County, Washington
Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2010

	Human Services			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Taxes	\$ 250,340	\$ 250,340	\$ 236,718	\$ (13,622)
Licenses and permits	-	-	-	-
Intergovernmental	777,161	777,161	866,441	89,280
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Interest	810	800	483	(317)
Miscellaneous	1,520	1,500	1,007	(493)
<i>Total revenues</i>	<u>1,029,831</u>	<u>1,029,801</u>	<u>1,104,649</u>	<u>74,848</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	1,015,717	1,015,717	1,129,764	(114,047)
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	<u>1,015,717</u>	<u>1,015,717</u>	<u>1,129,764</u>	<u>(114,047)</u>
Excess (deficiency) of revenues over expenditures	14,114	14,084	(25,115)	(39,199)
Other financing sources (uses):				
Capital leases	-	-	-	-
Sale of capital assets	2,281	2,281	9,417	7,136
Transfer in	-	-	-	-
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,281</u>	<u>2,281</u>	<u>9,417</u>	<u>7,136</u>
Net change in fund balances	16,395	16,365	(15,698)	(32,063)
Fund balance, January 1	290,147	290,147	269,881	(20,266)
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 306,542</u>	<u>\$ 306,512</u>	<u>\$ 254,183</u>	<u>\$ (52,329)</u>

Cowlitz County, Washington
Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2010

	Health Department			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Taxes			\$ -	\$ -
Licenses and permits	245,000	245,000	331,010	86,010
Intergovernmental	1,747,760	1,747,760	1,263,830	(483,930)
Charges for services	188,218	188,218	129,801	(58,417)
Fines & forfeits	-	-	-	-
Interest	1,500	1,500	51	(1,449)
Miscellaneous	60,500	60,500	21,473	(39,027)
<i>Total revenues</i>	<u>2,242,978</u>	<u>2,242,978</u>	<u>1,746,165</u>	<u>(496,813)</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	2,664,886	2,664,886	2,429,333	235,553
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	<u>2,664,886</u>	<u>2,664,886</u>	<u>2,429,333</u>	<u>235,553</u>
Excess (deficiency) of revenues over expenditures	(421,908)	(421,908)	(683,168)	(261,260)
Other financing sources (uses):				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Transfer in	295,759	295,759	295,759	-
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>295,759</u>	<u>295,759</u>	<u>295,759</u>	<u>-</u>
Net change in fund balances	(126,149)	(126,149)	(387,409)	(261,260)
Fund balance, January 1	520,217	520,217	681,681	161,464
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 394,068</u>	<u>\$ 394,068</u>	<u>\$ 294,272</u>	<u>\$ (99,796)</u>

Cowlitz County, Washington
Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2010

	Auditor's Operation & Maintenance			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	68,000	68,000	68,626	626
Charges for services	65,300	65,300	50,432	(14,868)
Fines & forfeits	-	-	-	-
Interest	1,300	1,300	653	(647)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>134,600</u>	<u>134,600</u>	<u>119,711</u>	<u>(14,889)</u>
Expenditures:				
General government	143,104	143,104	60,198	82,906
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	<u>143,104</u>	<u>143,104</u>	<u>60,198</u>	<u>82,906</u>
Excess (deficiency) of revenues over expenditures	(8,504)	(8,504)	59,513	68,017
Other financing sources (uses):				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Transfer in	-	-	-	-
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(8,504)	(8,504)	59,513	68,017
Fund balance, January 1	302,854	302,854	351,511	48,657
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 294,350</u>	<u>\$ 294,350</u>	<u>\$ 411,024</u>	<u>\$ 116,674</u>

Cowlitz County, Washington
Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2010

	P.A. Victim Witness			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	32,500	32,500	26,598	(5,902)
Charges for services	115,969	115,969	91,036	(24,933)
Fines & forfeits	1,200	1,200	3,229	2,029
Interest	-	-	-	-
Miscellaneous	1,000	1,000	-	(1,000)
<i>Total revenues</i>	150,669	150,669	120,863	(29,806)
Expenditures:				
General government	183,137	183,137	149,169	33,968
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	183,137	183,137	149,169	33,968
Excess (deficiency) of revenues over expenditures	(32,468)	(32,468)	(28,306)	4,162
Other financing sources (uses):				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Transfer in	-	-	-	-
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	(32,468)	(32,468)	(28,306)	4,162
Fund balance, January 1	130,000	130,000	155,081	25,081
Prior period adjustments	-	-	-	-
Fund balance, December 31	\$ 97,532	\$ 97,532	\$ 126,775	\$ 29,243

Cowlitz County, Washington
Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2010

	Tourism Development			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Taxes	\$ 148,060	\$ 148,060	\$ 127,443	\$ (20,617)
Licenses and permits	-	-	-	-
Intergovernmental	6,325	6,325	6,325	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Interest	-	-	-	-
Miscellaneous	42,000	42,000	-	(42,000)
<i>Total revenues</i>	196,385	196,385	133,768	(62,617)
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	233,856	233,856	221,979	11,877
Capital outlays	-	-	-	-
Debt service interest	-	-	10	(10)
<i>Total expenditures</i>	233,856	233,856	221,989	11,867
Excess (deficiency) of revenues over expenditures	(37,471)	(37,471)	(88,221)	(50,750)
Other financing sources (uses):				
Capital leases			-	-
Sale of capital assets			-	-
Transfer in	46,650	46,650	103,000	56,350
Transfer (out)			-	-
<i>Total other financing sources (uses)</i>	46,650	46,650	103,000	56,350
Net change in fund balances	9,179	9,179	14,779	5,600
Fund balance, January 1	26,932	26,932	(458)	(27,390)
Prior period adjustments	-	-	-	-
Fund balance, December 31	\$ 36,111	\$ 36,111	\$ 14,321	\$ (21,790)

Cowlitz County, Washington
Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2010

	Drug Task Force			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	423,342	423,342	433,860	10,518
Charges for services	-	-	-	-
Fines & forfeits	102,500	102,500	72,445	(30,055)
Interest	3,500	3,500	1,242	(2,258)
Miscellaneous	250	250	40	(210)
<i>Total revenues</i>	<u>529,592</u>	<u>529,592</u>	<u>507,587</u>	<u>(22,005)</u>
Expenditures:				
General government	-	-	-	-
Public safety	669,385	669,385	642,053	27,332
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	30,000	30,000	29,884	116
Debt service interest	-	-	-	-
<i>Total expenditures</i>	<u>699,385</u>	<u>699,385</u>	<u>671,937</u>	<u>27,448</u>
Excess (deficiency) of revenues over expenditures	(169,793)	(169,793)	(164,350)	5,443
Other financing sources (uses):				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Transfer in	58,509	58,509	58,509	-
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>58,509</u>	<u>58,509</u>	<u>58,509</u>	<u>-</u>
Net change in fund balances	(111,284)	(111,284)	(105,841)	5,443
Fund balance, January 1	446,266	446,266	504,700	58,434
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 334,982</u>	<u>\$ 334,982</u>	<u>\$ 398,859</u>	<u>\$ 63,877</u>

Cowlitz County, Washington
Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2010

	Boat Safety			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	41,703	41,703	44,528	2,825
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	41,703	41,703	44,528	2,825
Expenditures:				
General government	-	-	-	-
Public safety	43,606	43,606	31,473	12,133
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	43,606	43,606	31,473	12,133
Excess (deficiency) of revenues over expenditures	(1,903)	(1,903)	13,055	14,958
Other financing sources (uses):				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Transfer in	-	-	-	-
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	(1,903)	(1,903)	13,055	14,958
Fund balance, January 1	1,903	1,903	48,267	46,364
Prior period adjustments	-	-	-	-
Fund balance, December 31	\$ -	\$ -	\$ 61,322	\$ 61,322

Cowlitz County, Washington
Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2010

	County Drug			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	12,500	12,500	10,902	(1,598)
Interest	-	-	13	13
Miscellaneous	100	100	-	(100)
<i>Total revenues</i>	12,600	12,600	10,915	(1,685)
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	4,958	(4,958)
Debt service interest	-	-	-	-
<i>Total expenditures</i>	-	-	4,958	(4,958)
Excess (deficiency) of revenues over expenditures	12,600	12,600	5,957	(6,643)
Other financing sources (uses):				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Transfer in	-	-	-	-
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balances	12,600	12,600	5,957	(6,643)
Fund balance, January 1	32,397	32,397	49,121	16,724
Prior period adjustments	-	-	-	-
Fund balance, December 31	\$ 44,997	\$ 44,997	\$ 55,078	\$ 10,081

Cowlitz County, Washington
Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2010

	Affordable Housing			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	110,723	110,723	90,049	(20,674)
Fines & forfeits	-	-	-	-
Interest	1,750	1,750	95	(1,655)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>112,473</u>	<u>112,473</u>	<u>90,144</u>	<u>(22,329)</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	59,728	59,728	57,092	2,636
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	<u>59,728</u>	<u>59,728</u>	<u>57,092</u>	<u>2,636</u>
Excess (deficiency) of revenues over expenditures	52,745	52,745	33,052	(19,693)
Other financing sources (uses):				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Transfer in	-	-	-	-
Transfer (out)	(51,070)	(51,070)	(47,990)	3,080
<i>Total other financing sources (uses)</i>	<u>(51,070)</u>	<u>(51,070)</u>	<u>(47,990)</u>	<u>3,080</u>
Net change in fund balances	1,675	1,675	(14,938)	(16,613)
Fund balance, January 1	102,798	102,798	98,784	(4,014)
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 104,473</u>	<u>\$ 104,473</u>	<u>\$ 83,846</u>	<u>\$ (20,627)</u>

Cowlitz County, Washington
Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2010

	Low Income Housing			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	20,000	20,000
Charges for services	272,054	272,054	404,507	132,453
Fines & forfeits	-	-	-	-
Interest	5,000	5,000	2,585	(2,415)
Miscellaneous	-	-	8,858	8,858
<i>Total revenues</i>	<u>277,054</u>	<u>277,054</u>	<u>435,950</u>	<u>158,896</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	1,092,801	1,092,801	158,611	934,190
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	<u>1,092,801</u>	<u>1,092,801</u>	<u>158,611</u>	<u>934,190</u>
Excess (deficiency) of revenues over expenditures	(815,747)	(815,747)	277,339	1,093,086
Other financing sources (uses):				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Transfer in	51,070	51,070	47,990	(3,080)
Transfer (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>51,070</u>	<u>51,070</u>	<u>47,990</u>	<u>(3,080)</u>
Net change in fund balances	(764,677)	(764,677)	325,329	1,090,006
Fund balance, January 1	764,677	764,677	809,271	44,594
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,134,600</u>	<u>\$ 1,134,600</u>

Cowlitz County, Washington
Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2010

	Law and Justice Funding			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Taxes	\$ 650,000	\$ 650,000	\$ 740,516	\$ 90,516
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	62	62
<i>Total revenues</i>	<u>650,000</u>	<u>650,000</u>	<u>740,578</u>	<u>90,578</u>
Expenditures:				
General government	-	-	-	-
Public safety	913,308	913,308	880,880	32,428
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	<u>913,308</u>	<u>913,308</u>	<u>880,880</u>	<u>32,428</u>
Excess (deficiency) of revenues over expenditures	(263,308)	(263,308)	(140,302)	123,006
Other financing sources (uses):				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Transfer in	367,500	367,500	367,500	-
Transfer (out)	(29,453)	(29,453)	(29,453)	-
<i>Total other financing sources (uses)</i>	<u>338,047</u>	<u>338,047</u>	<u>338,047</u>	<u>-</u>
Net change in fund balances	74,739	74,739	197,745	123,006
Fund balance, January 1	5,261	5,261	157,055	151,794
Prior period adjustments	-	-	-	-
Fund balance, December 31	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 354,800</u>	<u>\$ 274,800</u>

Cowlitz County, Washington
Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2010

	Benefits Administration			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Interest	4,000	22,000	1,448	(20,552)
Miscellaneous	-	-	771	771
<i>Total revenues</i>	4,000	22,000	2,219	(19,781)
Expenditures:				
General government	-	-	-	-
Public safety	376,902	376,902	196,083	180,819
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	376,902	376,902	196,083	180,819
Excess (deficiency) of revenues over expenditures	(372,902)	(354,902)	(193,864)	161,038
Other financing sources (uses):				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
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	(172,902)	(154,902)	6,136	161,038
Fund balance, January 1	596,173	596,173	559,283	(36,890)
Prior period adjustments	-	-	-	-
Fund balance, December 31	\$ 423,271	\$ 441,271	\$ 565,419	\$ 124,148

Cowlitz County, Washington
Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2010

	Cumulative Reserve			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Taxes	\$ 148,060	\$ 148,060	\$ 127,443	\$ (20,617)
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Interest	1,000	1,000	23	(977)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	149,060	149,060	127,466	(21,594)
Expenditures:				
General government	-	-	15,000	(15,000)
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service interest	-	-	-	-
<i>Total expenditures</i>	-	-	15,000	(15,000)
Excess (deficiency) of revenues over expenditures	149,060	149,060	112,466	(36,594)
Other financing sources (uses):				
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Transfer in	-	-	-	-
Transfer (out)	(245,014)	(245,014)	(134,627)	110,387
<i>Total other financing sources (uses)</i>	(245,014)	(245,014)	(134,627)	110,387
Net change in fund balances	(95,954)	(95,954)	(22,161)	73,793
Fund balance, January 1	95,954	95,954	45,820	(50,134)
Prior period adjustments	-	-	-	-
Fund balance, December 31	\$ -	\$ -	\$ 23,659	\$ 23,659

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.

2009 Limited General Obligation Bonds – this fund provides for the payment of principal and interest on a \$170,338 bond issue. The bond proceeds were used to finance part of the Silverdale subdivision road improvements.

Cowlitz County, Washington
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2010

	2005 Lmt.					Total
	GO					
	Refunding	2002 Lmt. GO	1999 Lmt GO	2009 Lmt.		
	Bonds	Bonds	Bonds	GO	Bonds	
Assets						
Cash, cash equivalents & pooled investments	\$ -	\$ -	\$ 939,368	\$ 7,804		\$ 947,172
Receivables	-	-	200	-		200
Due from other governments	3,045,000	-	-	-		3,045,000
Assessments receivable	-	-	997,850	-		997,850
<i>Total assets</i>	<u>\$ 3,045,000</u>	<u>\$ -</u>	<u>\$ 1,937,418</u>	<u>\$ 7,804</u>		<u>\$ 4,990,222</u>
Liabilities						
Deferred revenues	\$ -	\$ -	\$ 997,850	\$ -		\$ 997,850
<i>Total Liabilities</i>	-	-	997,850	-		997,850
Fund Balance						
Reserve for Long-Term Loan Receivable	3,045,000	-	-	-		3,045,000
Unreserved fund balance	-	-	939,568	7,804		947,372
<i>Total fund balance</i>	<u>3,045,000</u>	<u>-</u>	<u>939,568</u>	<u>7,804</u>		<u>3,992,372</u>
<i>Total liabilities</i> <i>and fund balance</i>	<u>\$ 3,045,000</u>	<u>\$ -</u>	<u>\$ 1,937,418</u>	<u>\$ 7,804</u>		<u>\$ 4,990,222</u>

Cowlitz County, Washington
Combining Statement of Revenue, Expenditures and
Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2010

	2005 Lmt. GO Refunding Bonds	2002 Lmt. GO Bonds	1999 Lmt GO Bonds	2009 Lmt. GO Bonds	Total
Revenues:					
Special Assessments	\$ -	\$ -	\$ 313,157	\$ 17,593	\$ 330,750
Miscellaneous Revenues	178,825	-	-	-	178,825
Interest Earnings	-	-	42,147	6,522	48,669
Total Revenues	<u>178,825</u>	<u>-</u>	<u>355,304</u>	<u>24,115</u>	<u>558,244</u>
Expenditures:					
General Government	-	-	-	-	-
Debt Service					
Principal	600,000	195,000	-	22,846	817,846
Interest	328,163	198,241	-	7,275	533,679
Total Expenditures	<u>928,163</u>	<u>393,241</u>	<u>-</u>	<u>30,121</u>	<u>1,351,525</u>
Excess (deficiency) of revenues over expenditures	(749,338)	(393,241)	355,304	(6,006)	(793,281)
Other Financing Sources					
(Uses):					
Special Assessment bonds issued	-	-	-	-	-
Premium on bonds	-	-	-	-	-
Payment to refunded bond escrow	-	-	-	-	-
Transfers in	489,338	393,241	-	-	882,579
Transfers out	-	-	(238,750)	-	(238,750)
Total other financing sources (uses)	<u>489,338</u>	<u>393,241</u>	<u>(238,750)</u>	<u>-</u>	<u>643,829</u>
Net change in fund balances	(260,000)	-	116,554	(6,006)	(149,452)
Fund Balance, January 1	3,305,000	-	823,014	13,810	4,141,824
Prior Period Adjustment	-	-	-	-	-
Fund Balance, December 31	<u>\$ 3,045,000</u>	<u>\$ -</u>	<u>\$ 939,568</u>	<u>\$ 7,804</u>	<u>\$ 3,992,372</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

Cowlitz County, Washington
Combining Statement of Net Assets
Nonmajor Enterprise Funds
For the Year Ended December 31, 2010

	911 Communications	Law Enforcement Records	Exposition Center	Emergency Mgmt.	Total
ASSETS					
<i>Current assets:</i>					
Cash, cash equivalents & pooled investments	\$ 1,725,372	\$ 377,461	\$ 119,318	\$ 151,576	\$ 2,373,727
Receivables (net)	120,688	-	31,644	-	152,332
Interest receivable	339	35	4	26	404
Due from other funds	7,965	-	-	-	7,965
Interfund loan receivable	-	-	-	-	-
Due from other governments	6,730	-	-	67,134	73,864
Inventories	-	-	-	-	-
Prepaid items	23,150	14,046	6,188	3,150	46,534
Customer deposits-restricted cash and cash equivalents	-	-	30,865	-	30,865
<i>Total Current Assets</i>	<u>1,884,244</u>	<u>391,542</u>	<u>188,019</u>	<u>221,886</u>	<u>2,685,691</u>
<i>Noncurrent assets:</i>					
Restricted cash & investments:					-
Customer deposits-cash	-	-	-	-	-
<i>Capital assets:</i>					
Land	-	-	636,573	-	636,573
Construction in progress	-	-	22,734	-	22,734
Buildings and system	-	-	555,865	-	555,865
Improvements other than bldgs.	1,852,380	9,262	258,066	-	2,119,708
Machinery and equipment	2,154,540	131,452	191,747	-	2,477,739
Intangible	936,711	470,501	-	-	1,407,212
Less accumulated depreciation	(2,496,949)	(568,555)	(756,671)	-	(3,822,175)
Total capital assets (net of accum depr.)	<u>2,446,682</u>	<u>42,660</u>	<u>908,314</u>	<u>-</u>	<u>3,397,656</u>
Total assets	<u><u>4,330,926</u></u>	<u><u>434,202</u></u>	<u><u>1,096,333</u></u>	<u><u>221,886</u></u>	<u><u>6,083,347</u></u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	9,690	880	56,791	1,102	68,463
Due to other government	12,039	9	16,389	7,495	35,932
Due to other funds	1,119	800	1,370	156	3,445
Notes payable	-	-	-	-	-
Interfund loans payable-current	101,000	-	-	-	101,000
Other current liabilities	84,164	46,038	19,964	10,269	160,435
Customer deposits payable from restricted assets	-	-	11,750	-	11,750
<i>Total current liabilities</i>	<u>208,012</u>	<u>47,727</u>	<u>106,264</u>	<u>19,022</u>	<u>381,025</u>
<i>Noncurrent liabilities:</i>					
Compensated absences	158,219	53,667	44,422	11,004	267,312
Notes payable	-	-	-	-	-
Interfund loans payable	263,330	-	-	-	263,330
Other noncurrent liabilities	-	-	-	-	-
<i>Total non current liabilities</i>	<u>421,549</u>	<u>53,667</u>	<u>44,422</u>	<u>11,004</u>	<u>530,642</u>
Total liabilities	<u><u>629,561</u></u>	<u><u>101,394</u></u>	<u><u>150,686</u></u>	<u><u>30,026</u></u>	<u><u>911,667</u></u>
NET ASSETS					
Invested in capital assets, net of related debt	2,446,682	42,660	908,314	-	3,397,656
Restricted for club activities	-	-	19,115	-	19,115
Unrestricted	1,254,683	290,148	18,218	191,860	1,754,909
Total net assets	<u><u>\$ 3,701,365</u></u>	<u><u>\$ 332,808</u></u>	<u><u>\$ 945,647</u></u>	<u><u>\$ 191,860</u></u>	<u><u>\$ 5,171,680</u></u>

Cowlitz County, Washington
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended December 31, 2010

	911 Communications	Law Enforcement Records	Exposition Center	Emergency Mgmt.	Total
OPERATING REVENUES					
<i>Charges for Services:</i>					
Public Safety	\$ 1,736,461	\$ 1,037,837	\$ -	\$ 255,781	\$ 3,030,079
Culture & Recreation	-	-	1,966,630	-	1,966,630
Other services	-	-	-	-	-
Total operating revenues	1,736,461	1,037,837	1,966,630	255,781	4,996,709
OPERATING EXPENSES					
Public Safety	2,353,733	1,055,301	-	354,238	3,763,272
Culture and Recreation	-	-	2,206,830	-	2,206,830
Depreciation	347,140	14,661	24,997	-	386,798
Total operating expenses	2,700,873	1,069,962	2,231,827	354,238	6,356,900
Operating income (loss)	(964,412)	(32,125)	(265,197)	(98,457)	(1,360,191)
NONOPERATING REVENUES (EXPENSES)					
Taxes	682,469	-	-	-	682,469
Intergovernmental	85,925	-	40,144	63,175	189,244
Investments earnings	4,206	321	212	306	5,045
Interest expense	(1,242)	-	-	-	(1,242)
Gain (loss) on disposition of fixed assets	-	-	-	-	-
Interest expense	-	-	-	-	-
Miscellaneous nonoperating revenues	15,039	2,667	12,772	6,788	37,266
Total nonoperating income (expense)	786,397	2,988	53,128	70,269	912,782
Income before contributions and transfers	(178,015)	(29,137)	(212,069)	(28,188)	(447,409)
Culture and recreation					
Transfers in	-	29,453	219,127	-	248,580
(Transfers out)	-	-	(11,000)	-	(11,000)
Capital Contributions	-	-	37,506	-	37,506
Change in net assets	(178,015)	316	33,564	(28,188)	(172,323)
Net assets-beginning	3,879,380	332,492	912,083	220,048	5,344,003
Prior period adjustment	-	-	-	-	-
Net assets-ending	\$ 3,701,365	\$ 332,808	\$ 945,647	\$ 191,860	\$ 5,171,680

Cowlitz County, Washington
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2010

	911 Communications	Law Enforcement Records	Exposition Center	Emergency Mgmt.	Total
Cash flows from operating activities					
Cash received from customers	\$ 1,743,910	\$ 1,037,837	\$ 1,984,784	\$ 263,002	\$ 5,029,533
Cash payments for goods and services	(675,523)	(158,240)	(1,749,898)	(160,189)	(2,743,850)
Cash payments to employees for services	(1,689,784)	(903,540)	(414,237)	(198,778)	(3,206,339)
Miscellaneous revenue	7,074	2,667	12,772	-	22,513
<i>Net cash provided (used) by operating activities</i>	<u>(614,323)</u>	<u>(21,276)</u>	<u>(166,579)</u>	<u>(95,965)</u>	<u>(898,143)</u>
Cash flows from noncapital financing a					
State fair funds received	-	-	40,144	-	40,144
Operating grants received	85,925	-	-	63,175	149,100
Receipts from 911 tax	678,169	-	-	-	678,169
Payment of claims liability n other funds	-	-	-	-	-
Transfers in from County Funds	-	29,453	224,127	-	253,580
Transfers out to other County funds	-	-	(16,000)	-	(16,000)
<i>Net cash provided by noncapital financing activities</i>	<u>764,094</u>	<u>29,453</u>	<u>248,271</u>	<u>63,175</u>	<u>1,104,993</u>
Cash flows from capital and related financing activities					
System development fees & hookup fees	-	-	-	-	-
Acquisition and construction of capital assets	(10,790)	-	(15,041)	-	(25,831)
Payment on interfund loan	(100,758)	-	-	-	(100,758)
Interest paid on capital debt	(1,242)	-	-	-	(1,242)
Capital grant received	-	-	14,772	-	14,772
<i>Net cash provided (used) for capital and related financing activities</i>	<u>(112,790)</u>	<u>-</u>	<u>(269)</u>	<u>-</u>	<u>(113,059)</u>
Cash flows from investing activities					
Interest on investments	4,271	302	216	304	5,093
<i>Net cash provided (used) by investment activities</i>	<u>4,271</u>	<u>302</u>	<u>216</u>	<u>304</u>	<u>5,093</u>
Net increase (decrease) in cash and cash equivalents	41,252	8,479	81,639	(32,486)	98,884
<i>Cash and cash equivalents, January 1</i>	1,684,120	368,982	68,544	184,062	2,305,708
<i>Cash and cash equivalents, December 31</i>	<u>\$ 1,725,372</u>	<u>\$ 377,461</u>	<u>\$ 150,183</u>	<u>\$ 151,576</u>	<u>\$ 2,404,592</u>
Reconciliation of operating income to net cash provided (used) by operating activities					
Operating income (loss)	(964,412)	(32,125)	(265,197)	(98,457)	(1,360,191)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	347,140	14,661	24,997	-	386,798
(Increase) decrease in accounts receivable	7,449	-	21,098	-	28,547
(Increase) decrease in due from other funds	(7,965)	-	-	433	(7,532)
(Increase) decrease in due from other governments	-	-	-	(8,983)	(8,983)
(Increase) decrease in prepaid expense	(1,334)	(101)	(556)	(150)	(2,141)
Increase (decrease) in accounts payable and other accrued liabilities	2,329	172	32,064	6,126	40,691
Increase (decrease) in due to other funds	167	66	723	(223)	733
Increase (decrease) in due to other gov	(18,871)	-	5,204	-	(13,667)
Increase (decrease) in employee leave benefits	6,135	(6,616)	5,260	(1,499)	3,280
Miscellaneous revenue	15,039	2,667	12,772	6,788	37,266
Increase (decrease) in customer deposits	-	-	(2,944)	-	(2,944)
<i>Total adjustments</i>	<u>350,089</u>	<u>10,849</u>	<u>98,618</u>	<u>2,492</u>	<u>462,048</u>
<i>Net cash provided by operating activities</i>	<u>\$ (614,323)</u>	<u>\$ (21,276)</u>	<u>\$ (166,579)</u>	<u>\$ (95,965)</u>	<u>\$ (898,143)</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, 2010

	Assets									
	Equipment Rental & Revolving	Central Services	Risk Management	Industrial Accident Insurance	Motor Pool	Unemploy. Comp.	Purchasing Services	Election Reserve	Total	
Current assets:										
Cash, cash equivalents & pooled investments	\$ 4,030,974	\$ 1,032,182	\$ 1,472,863	\$ 323,631	\$ 2,802,239	\$ 38,511	\$ 156,598	\$ 528,825	\$ 10,385,823	
Accounts receivable	20,085	-	-	-	-	-	0	-	20,085	
Interest receivable	727	314	69	611	8	-	-	-	1,729	
Due from other funds	327,460	3,615	14,395	80	-	-	58,906	-	404,456	
Interfund loan governments	-	-	-	-	-	-	-	-	-	
Due from other governments	4,312	-	-	-	-	-	1,736	77,130	83,178	
Due from component unit	-	-	-	-	-	-	-	-	-	
Inventories	512,330	-	-	-	-	-	37,248	-	549,578	
Prepaid expenses	9,713	54,145	2,100	-	-	-	1,050	55,978	122,986	
Total current assets	4,905,601	1,089,942	1,489,672	323,700	2,802,930	38,519	255,538	661,933	11,567,835	
Noncurrent assets:										
Land	-	-	-	-	20,795	-	-	-	20,795	
Buildings	-	-	-	-	428,217	-	-	-	428,217	
Other improvements	-	-	-	-	-	-	-	-	-	
Machinery & equipment	8,147,198	629,006	-	-	4,534,082	-	22,849	37,988	13,371,123	
Intangible	-	1,000,199	-	-	-	-	-	87,313	1,087,512	
Accumulated depreciation	(4,902,007)	(1,455,716)	-	-	(3,424,492)	-	(22,493)	(24,450)	(9,829,158)	
Total fixed assets	3,245,191	173,489	-	-	1,558,602	-	356	100,851	5,078,489	
Total assets	\$ 8,150,792	\$ 1,263,431	\$ 1,489,672	\$ 323,700	\$ 4,361,532	\$ 38,519	\$ 255,894	\$ 762,784	\$ 16,646,324	
Liabilities										
Current liabilities:										
Accounts payable	\$ 69,996	\$ 15,756	\$ 361	\$ 13,627	\$ -	\$ -	\$ 15,192	\$ 2,571	\$ 117,503	
Due to other funds	7,506	1,856	786	-	36,655	-	-	858	47,661	
Due to other governments	5,365	3,809	-	-	-	57,749	1,148	4,660	72,731	
Contract retainage payable	744	-	-	-	-	-	-	-	744	
Other accrued liabilities	36,137	28,490	7,535	-	-	-	2,408	7,660	82,230	
Notes /Lease Payable	-	21,939	-	-	-	-	-	-	21,939	
Claims payable-current	-	-	188,718	202,113	-	-	-	-	390,831	
Total current liabilities	119,748	71,850	197,400	215,740	36,655	57,749	18,748	15,749	733,639	
Noncurrent liabilities										
Employee leave benefits	33,569	77,394	34,876	-	-	-	2,513	6,951	155,303	
Notes/Lease Payable	-	47,489	-	-	-	-	-	-	47,489	
Claims payable	-	-	693,685	392,887	-	-	-	-	1,086,572	
Total noncurrent liabilities	33,569	124,883	728,561	392,887	-	-	2,513	6,951	1,289,364	
Total liabilities	153,317	196,733	925,961	608,627	36,655	57,749	21,261	22,700	2,023,003	
Net Assets										
Capital contributions										
Investment in Capital assets, net of related debt.	3,245,191	104,061	-	-	1,558,602	-	356	100,851	5,009,061	
Unrestricted	4,752,284	962,637	563,711	(284,927)	2,766,275	(19,230)	234,277	639,233	9,614,260	
Total net assets	\$ 7,997,475	\$ 1,066,698	\$ 563,711	\$ (284,927)	\$ 4,324,877	\$ (19,230)	\$ 234,633	\$ 740,084	\$ 14,623,321	

COWLITZ COUNTY, WASHINGTON
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2010

	Equipment Rental & Revolving	Central Services	Risk Management	Industrial Accident Insurance	Motor Pool	Unemp. Comp.	Purch. Services	Election Reserve	Total
Operating revenues:									
Changes for services	\$ 3,382,161	\$ 1,070,446	\$ 975,895	\$ 385,492	\$ 756,180	\$ 78,032	\$ 412,352	\$ 145,754	\$ 7,206,312
<i>Total operating revenues</i>	<u>3,382,161</u>	<u>1,070,446</u>	<u>975,895</u>	<u>385,492</u>	<u>756,180</u>	<u>78,032</u>	<u>412,352</u>	<u>145,754</u>	<u>7,206,312</u>
Operating expenses:									
Personal services	664,482	590,114	158,817	-	4,380	-	50,213	174,206	1,642,212
Supplies	699,644	365,926	5,114	-	654	-	56,342	33,814	1,161,494
Other services and charges	393,722	408,755	703,001	473,813	599,809	122,224	318,048	260,571	3,279,943
Depreciation	438,792	169,690	-	-	402,658	-	2,114	17,036	1,030,290
<i>Total operating expenses</i>	<u>2,196,640</u>	<u>1,534,485</u>	<u>866,932</u>	<u>473,813</u>	<u>1,007,501</u>	<u>122,224</u>	<u>426,717</u>	<u>485,627</u>	<u>7,113,939</u>
Operating income (loss)	1,185,521	(464,039)	108,963	(88,321)	(251,321)	(44,192)	(14,365)	(339,873)	92,373
Non-operating revenues (expenses):									
Interest revenue	8,343	655	3,726	987	7,951	192	-	142	21,996
Interest expense	-	(5,239)	-	-	-	-	-	-	(5,239)
Operating grants	2,180	-	-	-	-	-	-	81,496	83,676
Gain (loss) on sale of equipment	82,074	-	-	-	6,572	-	-	-	88,646
Miscellaneous revenue	28,061	-	370	148	46,484	-	81	8,258	83,402
<i>Total non-operating revenues (expenses)</i>	<u>120,658</u>	<u>(4,584)</u>	<u>4,096</u>	<u>1,135</u>	<u>61,007</u>	<u>192</u>	<u>81</u>	<u>89,896</u>	<u>272,481</u>
Income (loss) before contributions and transfers in	1,306,179	(468,623)	113,059	(87,186)	(190,314)	(44,000)	(14,284)	(249,977)	364,854
Capital contribution-grant	-	-	-	-	-	-	-	52,403	52,403
Capital contribution-other	-	21,077	-	-	-	-	60,000	175,000	256,077
Transfers in	-	(447,546)	113,059	(87,186)	(190,314)	(44,000)	45,716	(22,574)	673,334
<i>Change in net assets</i>	<u>1,306,179</u>	<u>(447,546)</u>	<u>113,059</u>	<u>(87,186)</u>	<u>(190,314)</u>	<u>(44,000)</u>	<u>45,716</u>	<u>(22,574)</u>	<u>673,334</u>
Net assets-January 1	6,671,485	1,514,244	450,652	(197,741)	4,515,191	24,770	188,917	762,658	13,930,176
Prior period adjustment	19,811	-	-	-	-	-	-	-	19,811
<i>Net Assets-December 31</i>	<u>\$ 7,997,475</u>	<u>\$ 1,066,698</u>	<u>\$ 563,711</u>	<u>\$ (284,927)</u>	<u>\$ 4,324,877</u>	<u>\$ (19,230)</u>	<u>\$ 234,633</u>	<u>\$ 740,084</u>	<u>\$ 14,623,321</u>

Cowlitz County, Washington
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2010

	Equipment Rental & Revolving	Central Services	Risk Management	Industrial Accident Insurance	Motor Pool	Unemp. Comp.	Purch. Services	Election Reserve	Total
Cash flows from operating activities:									
Receipts from customers and users	\$ 3,246,810	\$ 1,098,102	\$ 961,500	\$ 385,492	\$ 756,692	\$ 86,935	\$ 414,999	\$ 145,754	\$ 7,096,284
Payments for goods and services	(1,514,640)	(700,408)	(710,493)	(209,296)	(555,812)	(131,170)	(389,231)	(351,870)	(4,562,920)
Payment to employees	(648,152)	(587,080)	(152,059)	-	(43,182)	-	(49,340)	(172,068)	(1,651,881)
Miscellaneous revenue	27,613	-	370	148	46,484	-	-	62,429	137,044
<i>Net cash provided by operating activities</i>	<u>1,111,631</u>	<u>(189,386)</u>	<u>99,318</u>	<u>176,344</u>	<u>204,182</u>	<u>(44,235)</u>	<u>(23,572)</u>	<u>(315,755)</u>	<u>1,018,527</u>
Cash flows from noncapital financing activities:									
Transfers in from County Funds	-	21,077	-	-	-	-	60,000	175,000	256,077
Transfer out	-	-	-	-	-	-	-	-	-
Operating grant	-	-	-	-	-	-	-	81,496	81,496
Payment of claims liability recognized in prior years	-	-	-	-	-	-	-	-	-
<i>Net cash provided by noncapital financing activities</i>		<u>(28,847)</u>	<u>(28,847)</u>	<u>(31,533)</u>			<u>60,000</u>	<u>256,496</u>	<u>277,193</u>
Cash flows from capital and related financing activities:									
Acquisition and construction of capital assets	(710,126)	(9,849)	-	-	(265,533)	-	-	(104,806)	(1,090,314)
Contributed Capital	-	-	-	-	-	-	-	-	-
Principal paid on note/lease	-	(23,078)	-	-	-	-	-	-	(23,078)
Interest paid on capital debt	-	(5,239)	-	-	-	-	-	-	(5,239)
Capital Grants	-	-	-	-	-	-	-	52,403	52,403
Proceeds from sale of capital assets	82,074	-	-	-	9,531	-	-	-	91,605
<i>Net cash used for capital and related financing activities</i>	<u>(628,052)</u>	<u>(38,166)</u>	<u>-</u>	<u>-</u>	<u>(256,002)</u>	<u>-</u>	<u>-</u>	<u>(52,403)</u>	<u>(974,623)</u>
Cash flows from investing activities:									
Interest on investments	8,464	655	3,790	959	8,086	206	-	204	22,364
<i>Net cash provided (used) by investing activities</i>	<u>8,464</u>	<u>655</u>	<u>3,790</u>	<u>959</u>	<u>8,086</u>	<u>206</u>	<u>-</u>	<u>204</u>	<u>22,364</u>
Net incr(decr) in cash and cash equivalents	<u>492,043</u>	<u>(205,820)</u>	<u>74,261</u>	<u>145,770</u>	<u>(43,734)</u>	<u>(44,029)</u>	<u>36,428</u>	<u>(111,458)</u>	<u>343,461</u>
Cash and cash equivalents at beginning of year	<u>3,538,931</u>	<u>1,238,002</u>	<u>1,398,602</u>	<u>177,861</u>	<u>2,845,973</u>	<u>82,540</u>	<u>120,170</u>	<u>640,283</u>	<u>10,042,362</u>
Cash and cash equivalents at end of year	<u>\$ 4,030,974</u>	<u>\$ 1,032,182</u>	<u>\$ 1,472,863</u>	<u>\$ 323,631</u>	<u>\$ 2,802,239</u>	<u>\$ 38,511</u>	<u>\$ 156,598</u>	<u>\$ 528,825</u>	<u>\$ 10,385,823</u>

Cowlitz County, Washington
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2010

	Equipment Rental & Revolving	Central Services	Risk Management	Industrial Accident Insurance	Motor Pool	Unemp. Comp.	Purch. Services	Election Reserve	Total
	\$ 1,185,521	\$ (464,039)	\$ 108,963	\$ (88,321)	\$ (251,321)	\$ (44,192)	\$ (14,365)	\$ (339,873)	\$ 92,373
Operating income (loss)									
Adjustments to reconcile operating income to net cash provided by operating activities:									
Depreciation	438,792	169,690	-	-	402,658	-	2,114	17,036	1,030,290
(Increase) decrease in accounts receivable	(20,085)	38	(14,395)	-	512	-	172	-	(33,758)
(Increase) decrease in due from other funds	(115,266)	27,299	-	-	-	8,903	(2,585)	-	(81,649)
(Increase) decrease in due from other govts.	(2,628)	319	-	-	-	-	4,979	54,171	56,841
(Increase) decrease in inventory	(442,451)	-	-	-	31,824	-	(14,886)	-	(425,513)
(Increase) decrease in prepaid items	(3,277)	55,479	(276)	-	950	-	(100)	(54,028)	(1,252)
Increase (decrease) in accounts payable and other accrued liabilities	29,147	15,331	753	(8,016)	(37,409)	-	174	2,543	2,523
Increase (decrease) in due to other governments	4,075	3,809	(111)	-	28,479	(8,946)	(29)	(4,710)	22,567
Increase (decrease) in due to other funds	660	(346)	292	-	(1,445)	-	-	(306)	(1,145)
Increase (decrease) in contract retainage payable									
Increase (decrease) in employee leave benefits	6,902	3,034	6,366	-	(16,550)	-	873	1,154	1,779
Increase (decrease) in estimated future claims payable	-	-	(2,644)	272,533	-	-	-	-	269,889
Miscellaneous revenue	30,241	-	370	148	46,484	-	81	8,258	85,582
<i>Total adjustments</i>	(73,890)	274,653	(9,645)	264,665	455,503	(43)	(9,207)	24,118	926,154
<i>Net cash provided by operating activities</i>	\$ 1,111,631	\$ (189,386)	\$ 99,318	\$ 176,344	\$ 204,182	\$ (44,235)	\$ (23,572)	\$ (315,755)	\$ 1,018,527

Non cash investing, capital and financing activities

Contributions from other funds	-
Purchase of capital assets with capital lease	-

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, 2010

	<u>Court Clearing Sheriff Comm.</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	\$ 409,888	\$ 77,985	\$ 46,073	\$ 3,895,229	\$ 20,639	\$ -	\$ 463,570	\$ 37,599,061	\$ 5,413,290
Deposit with fiscal agent	-	-	-	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-	1,308,852	2,332,714	415,879
Assessments receivable, current	-	-	-	-	-	-	50,234	-	-
<i>Total assets</i>	<u>\$ 409,888</u>	<u>\$ 77,985</u>	<u>\$ 46,073</u>	<u>\$ 3,895,229</u>	<u>\$ 20,639</u>	<u>\$ -</u>	<u>\$ 1,822,656</u>	<u>\$ 39,931,775</u>	<u>\$ 5,829,169</u>

Assets

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

Due to other governments	\$ 409,888	\$ 77,985	-	\$ 20,639	\$ -	\$ 1,822,656	\$ 34,326,810	\$ 5,708,381	
Warrants payable	-	-	\$ 46,073	\$ 3,895,229	-	-	5,604,965	120,788	
<i>Total liabilities</i>	<u>\$ 409,888</u>	<u>\$ 77,985</u>	<u>\$ 46,073</u>	<u>\$ 3,895,229</u>	<u>\$ 20,639</u>	<u>\$ -</u>	<u>\$ 1,822,656</u>	<u>\$ 39,931,775</u>	<u>\$ 5,829,169</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 Ctr Districts</u>
Cash, cash equivalents & pooled & pooled investments	\$ 1,373	\$ 1,785,834	\$ 1,777,759	\$ 124,020	\$ 359,983	\$ 209,932	\$ 49,621,256	\$ 5,234,513	\$ 1,825,736
Deposit with fiscal agent	-	-	-	-	-	-	-	-	-
Taxes receivable	9,346	21,401	-	778,922	51,462	-	-	-	-
Assessments receivable, current	-	-	-	-	-	16,555	-	-	-
<i>Total assets</i>	<u>\$ 10,719</u>	<u>\$ 1,807,235</u>	<u>\$ 1,777,759</u>	<u>\$ 902,942</u>	<u>\$ 411,445</u>	<u>\$ 226,487</u>	<u>\$ 49,621,256</u>	<u>\$ 5,234,513</u>	<u>\$ 1,825,736</u>

Assets

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

Due to other governments	\$ 10,719	\$ 1,807,235	\$ 1,777,759	\$ 902,942	\$ 411,445	\$ 222,659	\$ 49,468,340	\$ 5,234,513	\$ 1,825,736
Warrants payable	-	-	-	-	-	3,828	152,916	-	-
<i>Total liabilities</i>	<u>\$ 10,719</u>	<u>\$ 1,807,235</u>	<u>\$ 1,777,759</u>	<u>\$ 902,942</u>	<u>\$ 411,445</u>	<u>\$ 226,487</u>	<u>\$ 49,621,256</u>	<u>\$ 5,234,513</u>	<u>\$ 1,825,736</u>

Liabilities

Due to other governments
Warrants payable
Total liabilities

	<u>Diking & Drainage Districts</u>	<u>Cowlitz Co. Com Network</u>	<u>Woodland Swimming Pool & Recr. Dist.</u>	<u>Transit Authority</u>	<u>Lower Columbia Fish Recovery</u>	<u>Council of Governments</u>	<u>Total</u>
Cash, cash equivalents & pooled & pooled investments	\$ 9,569,334	\$ 4,482	\$ 2,498	\$ 3,405,562	\$ 108,155	\$ 171,639	\$ 122,127,811
Deposit with fiscal agent	-	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-	4,918,576
Assessments receivable, current	-	-	-	-	-	-	66,789
<i>Total assets</i>	<u>\$ 9,569,334</u>	<u>\$ 4,482</u>	<u>\$ 2,498</u>	<u>\$ 3,405,562</u>	<u>\$ 108,155</u>	<u>\$ 171,639</u>	<u>\$ 127,113,176</u>

Assets

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

Due to other governments	\$ 9,569,334	\$ 4,482	\$ 2,498	\$ 3,405,562	\$ 108,155	\$ 171,639	\$ 117,289,377
Warrants payable	-	-	-	-	-	-	9,823,799
<i>Total liabilities</i>	<u>\$ 9,569,334</u>	<u>\$ 4,482</u>	<u>\$ 2,498</u>	<u>\$ 3,405,562</u>	<u>\$ 108,155</u>	<u>\$ 171,639</u>	<u>\$ 127,113,176</u>

Liabilities

Due to other governments
 Warrants payable
Total liabilities

COWLITZ COUNTY, WASHINGTON

STATISTICAL SECTION

December 31, 2010

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	129
Changes in Net Assets- Last 5 Years	130
Fund Balances of Governmental Funds	132
Changes in Fund Balances of Governmental Funds	133
General Governmental Tax Revenue Revenues by Source –Last 10 Years	134

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	135
Property Tax Rates – Direct and Overlapping Governments	136
Principal Taxpayers – Last Two Years	137
Property Tax Levies and Collections – Last 10 years	138

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	139
Legal Debt Margin - Last 10 Years	140

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	141
Principal Employers	142

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	143
--------------------------------------	-----

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

Schedule 1

	2006	2007	2008	2009	2010
Governmental Activities					
Invested in capital assets, net of related debt	\$ 129,836,308	\$ 137,230,538	\$ 141,263,011	\$ 144,560,273	\$ 140,772,368
Restricted	14,201,750	15,841,207	13,286,578	15,188,345	15,043,650
Unrestricted	13,070,068	17,251,534	14,021,479	15,094,110	20,777,047
Total Government activities net assets	\$ 157,108,126	\$ 170,323,279	\$ 168,571,068	\$ 174,842,728	\$ 176,593,065
Business-type activities					
Invested in capital assets, net of related debt	\$ 15,288,738	\$ 16,742,682	\$ 14,665,554	\$ 13,731,064	\$ 14,739,525
Restricted	17,534	18,377	18,377	19,060	19,115
Unrestricted	13,912,540	15,286,144	19,062,576	19,565,358	19,618,974
Total business-type activities net assets	\$ 29,218,812	\$ 32,047,203	\$ 33,746,507	\$ 33,315,482	\$ 34,377,614
Primary government					
Invested in capital assets, net of related debt	\$ 145,125,046	\$ 153,973,220	\$ 155,928,565	\$ 158,291,337	\$ 155,511,893
Restricted	14,219,284	15,859,584	13,304,955	15,207,405	15,062,765
Unrestricted	26,982,608	32,537,678	33,084,055	34,659,468	40,396,021
Total primary government net assets	\$ 186,326,938	\$ 202,370,482	\$ 202,317,575	\$ 208,158,210	\$ 210,970,679

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

Schedule 2

Page 1 of 2

Expenses

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<i>Governmental Activities:</i>					
General government	\$ 10,301	\$ 10,713	\$ 11,139	\$ 9,859	\$ 10,193
Public safety	18,237	20,881	22,453	21,241	20,886
Judicial	4,735	5,506	6,119	5,625	5,700
Physical environment	284	518	1,036	515	577
Roads & bridges	13,288	13,765	13,085	15,117	15,529
Economic environment	2,228	4,138	3,140	3,225	3,337
Health	12,446	13,368	14,560	14,524	14,262
Culture & recreation	1,158	1,186	1,312	1,125	1,086
Interest on long-term debt	1,254	1,670	1,617	2,142	1,369
Total governmental activities expenses	63,931	71,745	74,461	73,373	72,939
<i>Business-Type Activities</i>					
Water/Sewer	1,201	1,398	1,388	1,476	1,398
Solid waste landfill	3,857	3,946	4,021	4,129	3,722
Public safety	3,990	3,606	3,837	4,092	4,125
Culture & recreation	1,082	1,425	1,446	1,918	2,231
Total business-type activity expenses	10,130	10,375	10,692	11,615	11,476
Total primary government expenses	\$ 74,061	\$ 82,120	\$ 85,153	\$ 84,988	\$ 84,415
Program Revenues					
<i>Governmental Activities:</i>					
Charges for services:					
General government	\$ 3,090	\$ 4,772	\$ 3,906	\$ 3,161	\$ 3,090
Health	8,915	9,050	9,900	10,147	10,497
Public safety	3,314	4,056	5,275	5,270	5,340
Other activities	6,106	7,070	6,662	6,870	6,263
Operating grants & contributions	6,501	7,530	6,423	7,537	7,112
Capital grants & contributions	7,189	9,002	2,411	5,793	1,439
Total governmental activity program revenues	35,115	41,480	34,577	38,778	33,741
<i>Business-Type Activities</i>					
Charges for services:					
Water/Sewer	1,306	1,232	1,400	1,432	1,347
Solid waste landfill	5,002	4,971	4,716	4,071	3,978
Public safety (911 Com., Law Enf.Records, Emerg. Mgt.)	2,748	3,207	3,116	3,261	3,055
Culture & recreation	835	1,177	1,174	1,611	1,979
Operating grants & contributions	307	105	278	313	272
Capital grants & contributions	1,748	491	19	34	1,296
Total business-type activities program revenues	11,946	11,183	10,703	10,722	11,927
Total primary government program revenues	\$ 47,061	\$ 52,663	\$ 45,280	\$ 49,500	\$ 45,668

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

Page 2 of 2

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Net (expense)/revenue	\$ (28,816)	\$ (30,265)	\$ (39,884)	\$ (34,595)	\$ (39,198)
Governmental activities	1,816	808	11	(893)	451
Business-type activities	\$ (27,000)	\$ (29,457)	\$ (39,873)	\$ (35,488)	\$ (38,747)
Total primary government net expense					

General Revenues & Other Changes in

Net Assets

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities					
Taxes					
Property taxes	\$ 21,584	\$ 22,872	\$ 23,889	\$ 25,368	\$ 26,104
Sales taxes	6,678	7,516	6,996	7,748	8,176
Other taxes	7,500	9,635	5,939	4,411	4,236
Investment earnings	2,854	2,791	1,136	889	420
Gain on sale of capital assets (primarily timber)	581	893	484	971	1,450
Transfers in (out)	(226)	(228)	(312)	(225)	(239)
Total governmental activities:	38,971	43,479	38,132	39,162	40,147
Business-type activities					
911 Communication taxes	619	654	678	683	682
Investment earnings	915	1,161	698	187	87
Gain on sale of capital assets		(23)	-	(275)	46
Transfers	226	228	312	225	239
Total business-type activities	1,760	2,020	1,688	820	1,054
Total primary government	\$ 40,731	\$ 45,499	\$ 39,820	\$ 39,982	\$ 41,201

Change in Net Assets

Governmental activities	\$ 10,155	\$ 13,214	\$ (1,752)	\$ 4,567	\$ 949
Business-type activities	3,576	2,828	1,699	(73)	1,505
Total primary government	\$ 13,731	\$ 16,042	\$ (53)	\$ 4,494	\$ 2,454

Prior period adjustment increase (decrease) net assets

Governmental activities	131	-	-	1,705	801,636
Business activities	386	-	-	(358)	(442)

Cowlitz County, Washington
Fund Balance of Governmental Funds
Last Ten Fiscal Years
Schedule 3

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund Reserved	\$ 4,439,808	\$ 5,105,114	\$ 5,929,025	\$ 4,699,512	\$ 8,362,395	\$ 9,834,130	\$ 8,861,399	\$ 5,340,364	\$ 6,391,369	\$ 8,759,346
Unreserved	\$ 4,439,808	\$ 5,105,114	\$ 5,929,025	\$ 4,699,512	\$ 8,362,395	\$ 9,834,130	\$ 8,861,399	\$ 5,340,364	\$ 6,391,369	\$ 8,759,346
Total general fund	\$ 4,328,777	\$ 5,531,201	\$ 14,699,324	\$ 15,068,059	\$ 15,344,582	\$ 28,259,868	\$ 27,014,866	\$ 27,564,564	\$ 23,646,457	\$ 22,064,657
All other governmental funds Reserved	\$ 11,542,394	\$ 10,364,684	\$ 10,022,677	\$ 10,494,629	\$ 10,964,480	\$ 11,683,600	\$ 13,638,833	\$ 14,015,717	\$ 14,393,694	\$ 14,784,326
Unreserved, reported in Special Revenue Funds	\$ 2,998,986	\$ 3,484,899	\$ 10,815,617	\$ 6,390,233	\$ 1,498,402	\$ 2,636,953	\$ 6,924,249	\$ 6,619,792	\$ 6,359,958	\$ 5,522,213
Debt Service Funds	\$ 18,870,157	\$ 19,380,784	\$ 35,762,618	\$ 32,604,104	\$ 28,613,337	\$ 43,986,203	\$ 49,164,034	\$ 48,200,073	\$ 44,400,109	\$ 42,371,196
Capital Project Funds										
Total all other governmental funds	\$ 23,309,965	\$ 24,485,898	\$ 41,691,643	\$ 37,303,616	\$ 36,975,732	\$ 53,820,333	\$ 58,025,433	\$ 53,540,437	\$ 50,791,478	\$ 51,130,542
Total Fund Balance										

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

Revenues	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Taxes	\$ 31,540	\$ 34,775	\$ 33,194	\$ 33,684	\$ 35,214
Licenses & permits	2,225	2,101	1,600	1,488	1,321
Intergovernmental	26,640	31,198	25,136	30,232	26,758
Charges for services	6,522	7,458	6,491	6,606	6,881
Fines	1,383	1,726	1,590	1,485	1,213
Investment earnings	2,645	2,791	1,361	483	401
Rents & leases	283	822	391	310	303
Special assessments	278	296	295	399	691
Miscellaneous	887	1,495	1,590	1,706	1,367
Total revenues	72,403	82,662	71,648	76,393	74,149
Expenditures					
General government	9,498	10,378	10,794	9,541	10,029
Public safety	17,653	20,061	20,995	19,403	19,578
Judicial	4,683	5,403	6,024	5,461	5,600
Physical environment	252	518	1,034	516	577
Economic environment	2,214	4,207	3,177	3,159	3,362
Roads & bridges	10,904	11,430	11,942	12,927	11,776
Health & human services	11,654	13,312	14,532	14,379	14,195
Culture and recreation	963	978	1,109	805	914
Capital outlay	9,901	9,527	5,119	8,428	3,161
Other				606	1,143
Debt service:					
Principal	905	1,435	1,498	1,545	1,718
Interest	1,077	1,511	1,448	1,400	1,341
Other charges	2	1	1	1	-
Total expenditures	69,706	78,761	77,673	78,171	73,394
Excess of revenues over (under) expenditures	2,697	3,901	(6,025)	(1,778)	755
Other financing sources (uses)					
Transfers in	3,445	4,256	3,050	3,791	2,915
Transfers out	(3,882)	(4,754)	(3,639)	(4,285)	(3,409)
Refunding Bonds issued					
Premium on bonds issued					
Bonds issued	13,760			172	10
Discount on bonds issued					
Payments to refunded bond escrow agent					
Sales of capital assets	732	801	515	966	-
Total other financing sources (uses)	14,055	303	(74)	644	(484)
Net change in fund balances	\$ 16,752	\$ 4,204	\$ (6,099)	\$ (1,134)	\$ 271
Debt service as a percentage of noncapital expenditures	3.32%	4.26%	4.06%	4.22%	4.36%

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 & Penalty on Delinquent Taxes</u>	<u>Total Taxes & Penalty</u>
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
2009	23,809	7,748	242	836	1,049	33,684
2010	24,668	8,176	268	749	1,375	35,236

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	Total Taxable Assessed Value	General Fund Levy Rate per thousand	Year of Levy
<u>County General Fund</u>					
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	1.626654	2009
2009	10,444,074	1,080,888	9,363,186	1.654756	2010
2010	10,686,247	1,386,448	9,299,799	1.694195	2011
<u>County Road Fund</u>					
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
2009	5,280,692	360,933	4,919,759	1.696330	2010
2010	5,552,714	624,093	4,928,621	1.759171	2011
<u>Veterans Relief</u>					
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
2009	10,444,074	1,080,888	9,363,186	0.01107	2010
2010	10,686,247	1,386,448	9,299,799	0.01125	2011
<u>Human Services (Mental Health)</u>					
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
2009	10,444,074	1,080,888	9,363,186	0.025	2010
2010	10,686,247	1,386,448	9,299,799	0.025	2011

**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 General Fund		County Road Fund	County Total	Cities & Towns	Ports	Fire Districts	Emergency Service Districts	Cemeteries	State of WA Schools	Local Levies Schools	Rural Partial Library Dist.	Total (2)
	Fund	Fund	Fund	Total						Schools	Schools	Library Dist.	Total
2001	1.80	2.00	2.00	3.80	2.76	0.42	1.11	0.36	0.09	3.07	3.67	0.44	15.72
2002	1.80	2.10	2.10	3.90	2.95	0.42	1.11	0.37	0.09	2.91	4.25	0.44	16.44
2003	1.80	2.10	2.10	3.90	2.84	0.40	1.19	0.78	0.09	2.76	3.66	0.40	16.02
2004	1.80	2.10	2.10	3.90	2.81	0.40	1.09	0.39	0.09	2.76	3.77	0.42	15.63
2005	1.87	1.99	1.99	3.86	2.80	0.41	1.09	0.40	0.09	2.76	3.77	0.44	15.62
2006	1.87	1.99	1.99	3.86	2.77	0.39	1.08	0.40	0.09	2.57	3.68	0.42	15.26
2007	1.76	2.05	2.05	3.81	2.52	0.37	1.01	0.70	0.09	2.39	3.65	0.38	14.92
2008	1.68	1.90	1.90	3.58	2.33	0.34	0.97	0.36	0.08	2.23	3.58	0.37	13.84
2009	1.66	1.76	1.76	3.42	2.10	0.31	0.89	0.31	0.07	2.06	3.29	0.35	12.80
2010	1.69	1.70	1.70	3.39	2.25	0.29	0.95	0.36	0.07	2.11	3.49	0.37	13.28

(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.

(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

Taxpayer	2010 TAX YEAR			2011 TAX YEAR			
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	
Weyerhaeuser Company	\$ 563,116,390	1	6.01%	\$ 509,898,560	1	5.48%	
North Pacific Paper Corp	\$ 290,832,980	2	3.11%	\$ 269,281,570	2	2.90%	
Longview Fibre	\$ 124,008,960	3	1.32%	\$ 123,462,340	3	1.33%	
Steelscape	\$ 90,115,760	4	0.96%	\$ 104,000,000	4	1.12%	
Puget Sound Energy	\$ 79,558,089	6	0.85%	\$ 79,869,188	6	0.86%	
Equa Chlor	\$ 73,178,200	5	0.78%	\$ 70,000,000	5	0.75%	
Pacificorp	\$ 52,958,556	7	0.57%	\$ 60,945,414	7	0.66%	
Emerald Kalama	\$ 48,680,040	8	0.52%	\$ 60,334,390	8	0.65%	
Kalama Export	\$ 47,790,160	9	0.51%	\$ 60,056,560	9	0.65%	
Solvay Interox America	\$ 43,807,350	10	0.47%	\$ 51,856,560	10	0.56%	
Totals	\$ 1,414,046,485		15.10%	\$ 1,389,704,582		14.94%	
Total District Assessed Value 2009 Taxes:			\$ 9,363,185,718	Total District Assessed Value 2010 Taxes:			\$ 9,299,798,791

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>Subsequent Years</u>	<u>Amount</u>	<u>Percentage of Levy</u>	
2001	18,730,497	17,975,995	95.97%	752,678	18,728,673	99.99%	
2002	18,935,348	18,247,363	96.37%	684,434	18,931,797	99.98%	
2003	19,502,194	18,710,413	95.94%	769,142	19,479,555	99.88%	
2004	19,664,563	19,029,680	96.77%	641,147	19,670,827	100.03%	
2005	20,017,540	19,360,691	96.72%	658,156	20,018,847	100.01%	
2006	20,555,687	19,924,738	96.93%	633,675	20,558,413	100.01%	
2007	22,263,532	21,277,640	95.57%	981,492	22,259,132	99.98%	
2008	22,598,181	21,910,082	96.96%	526,654	22,436,736	99.29%	
2009	24,145,545	23,073,465	95.56%	666,260	23,739,725	98.32%	
2010	23,318,015	22,376,645	95.96%		22,376,645	95.96%	

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>Water/Sewer Note Payable State of Washington</u>	<u>Capital Lease</u>			
2001	11,490	1/		700	87	130	102	-			12,509	133.22	0.52%
2002	16,800			700	-	115	580	-		58	18,253	193.36	0.76%
2003	20,075			700	-	100	547	-		45	21,467	226.21	0.88%
2004	20,075	2,445		175	-	80	554	-		31	23,360	245.12	0.94%
2005	19,755	2,335		-	-	60	1,069	-		16	23,235	242.28	0.90%
2006	18,970	2,215	13,760	-	-	40	1,509	-		-	36,494	377.00	1.36%
2007	18,130	2,090	13,290	-	-	20	1,354	-		-	34,884	356.69	1.20%
2008	17,260	1,960	12,800	648	-	-	1,735	-		-	34,403	347.51	1.13%
2009	16,360	1,997	12,290	578	-	-	1,595	-		-	32,820	329.52	1.07%
2010	15,405	1,834	11,760	508	-	-	1,480	-		-	30,987	302.58	

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.

2/ The 2006 outstanding debt of the County of \$34.279 million includes \$26.3 million that went to other governments that have agreed to pay the debt principal and interest on as it come due.

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

Schedule 13

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt limit (without vote of people) 1.5% of property value	95,821	100,325	100,622	100,626	103,472	115,545	127,053	140,878	140,878	140,448
Total net debt applicable to limit	<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>	<u>33,380</u>	<u>31,941</u>
Legal debt margin	<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>	<u>\$ 107,498</u>	<u>\$ 108,507</u>
Total net debt applicable to the limit as a percentage of debt limit	53.79%	18.70%	23.26%	25.24%	23.82%	32.57%	29.01%	24.76%	23.69%	22.74%
Debt limit (with 3/5 vote of People) 2.5% of property value	\$ 159,702	\$ 167,209	\$ 167,704	\$ 167,710	172,453	192,575	211,755	234,797	234,797	234,080
Total debt applicable to limit	<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>	<u>33,380</u>	<u>31,941</u>
Legal debt margin	<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>	<u>\$ 201,417</u>	<u>\$ 202,139</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>
2001	93,900	11.0%	17,537	25,536	37.5
2002	94,400	10.8%	17,599	25,413	37.4
2003	94,900	10.2%	17,645	25,572	37.8
2004	95,300	8.7%	17,587	25,940	38.1
2005	95,900	7.3%	17,830	26,779	38.5
2006	96,800	6.6%	17,956	27,719	38.6
2007	97,800	6.3%	18,063	29,704	38.8
2008	99,000	7.9%	17,930	30,646	39.0
2009	99,600	12.9%	17,245	30,859	39.3
2010	102,410	12.8%	17,010	**	40.2

(1) Data from Washington State Office of Financial Management

(2) Data from Washington State Employment Security Department (preliminary data for 2009 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
2010

Schedule 15

<u>Employers</u>	<u>Employees</u>	<u>Percent of Total County Employment</u>
Peace Health/St. John Medical Center	1,650	4.66%
Weyerhaeuser	1,539	4.34%
Longview Fibre	1,028	2.90%
Longview School District	735	2.07%
Foster Farms	707	2.00%
J.H. Kelly	600	1.69%
Cowlitz County	549	1.55%
Safeway Grocery Stores	454	1.28%
Lower Columbia College	399	1.13%
City of Longview	352	0.99%
	<u>8,013</u>	<u>22.62%</u>
 Total Employment in Cowlitz County	 35,427	

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	2004	2005	2006	2007	2008	2009	2010
General Government								
Boundary Review	001-010	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Commissioners	001-015	6.0	6.0	6.0	6.5	7.0	6.0	6.0
Treasurer	001-050	9.0	9.0	9.0	9.5	10.0	9.0	9.0
Auditor and Auditor's O&M	001-055	13.3	13.3	13.3	14.3	14.3	13.3	13.3
Assessor	001-060	21.0	19.0	19.0	19.0	19.0	18.0	18.0
Admin Svcs	001-075	7.0	7.0	7.8	7.8	7.8	7.8	7.8
Prosecuting Atty	001-116	20.0	20.0	22.0	22.0	22.0	18.2	19.5
PA - Victim Witness	148	0.5	1.8	1.8	1.8	1.8	1.8	2.5
Child Support Svcs.	001-117	7.0	7.0	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	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	10.5	13.0
Law Library	122	0.5	0.5	0.5	0.5	0.5	0.5	0.3
Courthouse Facilitator	001-124	-	0.5	0.5	1.0	1.0	1.0	1.0
Graphic Info Syst.	135	5.0	5.0	4.0	4.0	4.0	2.0	2.0
Central Services	502	9.0	9.0	9.0	9.0	9.0	8.0	8.0
Risk Management	503	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Purchasing	509	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Elections	510	2.0	2.0	3.0	3.3	3.4	2.6	2.6
<i>Total Gen'l Govt.</i>		117.3	115.1	119.9	124.7	125.8	109.7	114.0
Public Safety								
Sheriff	001-105	50.0	52.0	52.0	56.0	57.0	47.0	50.0
Drug Task Force	160	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Law & Justice Funding	190	-	4.0	7.0	10.8	11.0	11.0	11.0
Benefits Administration	196	0.5	0.5	0.5	0.5	0.5	0.5	0.5
911 Communications	412	26.5	26.5	26.5	28.0	28.0	27.0	26.0
Law Enforcement Records	413	13.0	13.0	14.0	14.0	14.0	14.0	14.0
Emergency Management	414	2.3	2.8	3.0	3.0	3.0	3.0	3.0
Motor Pool	505	2.0	2.0	2.0	2.0	2.0	2.0	1.0
Probation Svcs.	001-109	7.0	7.0	7.0	8.0	8.0	7.0	7.0
Jail	001-110	53.0	53.0	60.0	67.5	69.0	62.0	62.0
Offender Svcs	001-111	16.0	12.0	12.0	14.0	14.0	10.0	10.0
Jail Concessions	001-112	1.0	1.0	1.0	1.0	1.0	0.3	0.3
Juvenile Prob.	001-115	-	15.5	15.5	17.0	19.0	17.0	17.5
Juvenile Deten.	001-114	45.0	27.0	22.0	22.0	22.0	21.0	19.0
<i>Total Public Safety</i>		219.3	219.3	225.5	246.8	251.5	224.8	224.3
Judicial								
Superior Crt	001-120	7.0	6.0	6.0	6.0	6.0	7.0	7.0
District Crt	001-121	16.0	17.0	17.0	17.5	18.5	18.0	18.0
Clerk	001-122	16.0	16.5	16.5	18.0	18.0	14.0	14.0
Family Crt	001-101	3.5	3.5	3.5	4.0	4.0	2.5	2.5
Office of Public Defense	001-126	-	-	3.0	10.0	11.0	12.0	12.0
<i>Total Judicial</i>		42.5	43.0	46.0	55.5	57.5	53.5	53.5
Economic Environment								
Community Long Range Planning	001-165	18.0	23.0	28.0	31.0	12.0	9.8	9.8
Bldg & Plng.	108	-	-	-	-	20.0	14.3	15.3
<i>Total Economic Environment</i>		18.0	23.0	28.0	31.0	32.0	24.1	25.1
Health								
Coroner	001-135	1.5	1.5	1.5	2.5	3.0	2.5	2.5
Drug Crt Grt Prog	001-285	1.0	1.0	1.0	2.0	2.0	1.8	2.0
Human Svcs	140	12.0	12.0	10.0	12.0	11.8	11.0	11.0
Health Dept.	143	27.0	28.0	30.0	30.0	28.0	29.8	28.0
<i>Total Health</i>		41.5	42.5	42.5	46.5	44.8	45.1	43.5
Culture & Recreation								
WSU Coop. Extension	001-140	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Museum	001-150	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Park & Recreation	235-237	3.0	3.0	3.3	3.3	3.3	2.3	2.3
Tourism	158	2.0	2.0	0.2	0.2	0.2	0.1	0.1
Expo. & Conf. Center	411	4.8	6.0	8.3	6.3	6.3	6.0	6.0
<i>Total Culture & Rec.</i>		11.8	13.0	13.8	11.8	11.8	10.4	10.4
Roads & Bridges								
County Road	101	74.0	74.0	73.0	73.0	73.0	74.0	74.0
Equip Rental & Rev	501	8.0	8.0	7.0	7.0	7.0	7.0	8.0
<i>Total Roads & Bridges</i>		82.0	82.0	80.0	80.0	80.0	81.0	82.0
Utilities and Environment								
Noxious Weed	106	-	-	-	-	1.0	1.0	1.0
Water/Sewer	407	3.0	4.0	5.0	5.0	5.0	5.0	6.0
Storm Water	104	-	-	0.5	0.5	0.5	1.0	1.0
Solid Waste	408	11.5	10.0	10.0	10.0	10.0	9.8	7.3
<i>Total Utilities and Environment</i>		14.5	14.0	15.5	15.5	16.5	16.8	15.3
Total		546.9	551.9	571.2	611.8	619.9	565.4	568.1