
SUMMARY OF FUND BALANCE PROJECTIONS

Projections of fund balance are an indicator of the estimated financial condition of the County at year-end. Fund balances are projected separately for General, Special Revenue, Enterprise, Internal Service, Debt, and Capital Project Fund types. For a description of the County's financial structure see the Strategic Planning and Budget Policies Section of the 2008 Adopted Budget. For descriptions of funds see the Summary section.

December 31, 2007 (unaudited)

The current year projection (year-end 2007) is based on year-to-date information together with departmental estimates of revenues, expenditures and net transfers for various fund types. Total combined estimates of fund balances at December 31, 2007 are projected at \$113.8 million, a decrease of \$5.9 million from December 31, 2006 year-end combined fund balances. Of the combined fund balance amount, \$81.3 million is reserved (by State Law, County Board ordinance, etc.) or designated for specific future use exclusively within each particular fund. A summary of projected fund balance by fund type is described below.

General Fund Balance - The estimated fund balance for the General Fund at December 31, 2007 is projected at \$54.3 million, virtually unchanged from 2006. Revenues over expenditures of \$2.0 million are estimated to be offset by \$2.0 million in planned use of fund balance, including \$650,000 for annual debt service and \$1.5 million to repay a portion of the County's Series 2000 general obligation notes. The unreserved, undesignated portion of the fund balance is estimated at \$29.9 million, an increase of \$0.3 million from 2006.

Special Revenue Fund Balance - The December 31, 2007 estimated fund balance is \$11.9 million, a decrease of \$0.4 million from 2006. This decrease results from projected departmental revenues under expenditures of \$650,000 and net transfers in of \$251,000. The unreserved, undesignated portion of fund balance is estimated at \$2.6 million, a decrease of \$0.6 million from 2006.

Working Capital - The unreserved General Fund balance combined with the unreserved Special Revenue Fund balance (governmental funds, excluding debt and capital projects) provides working capital for over eight weeks of operations based on the 2008 expenditure budget. In addition, the ratio of governmental funds unreserved fund balance to governmental expenditures for year-end 2007 is estimated at 16.7%, a decrease from the 17.5% at year-end 2006. This estimated percentage exceeds the County's goal of at least 11%, which provides sufficient cash flow for the County's operations, and indicates progress toward the target goal of 15%.

SUMMARY OF FUND BALANCE PROJECTIONS, Cont.

Enterprise Fund Balance - Fund balance is projected at \$14.3 million, a decrease of \$197,000 from 2006. This reflects the planned use of fund balance for the ice arenas and materials recycling facility. The enterprise funds include three golf courses, two indoor ice arenas, radio services, a materials recycling facility, and the airport operations and development fund.

Internal Service Fund Balance - Year-end 2007 fund balance is estimated at \$9.5 million, which is \$1.6 million less than 2006. This reflects mainly the \$1.2 million of fund balance use planned for the End User Technology fund and the \$0.4 million planned use of fund balance in the Risk Management fund.

Debt Service and Capital Projects - Projected combined fund balances at year-end 2007 total \$23.8 million, a decrease of \$3.8 million from the prior year. The entire fund balance in both of these fund types are reserved for existing capital projects and related debt retirement purposes.

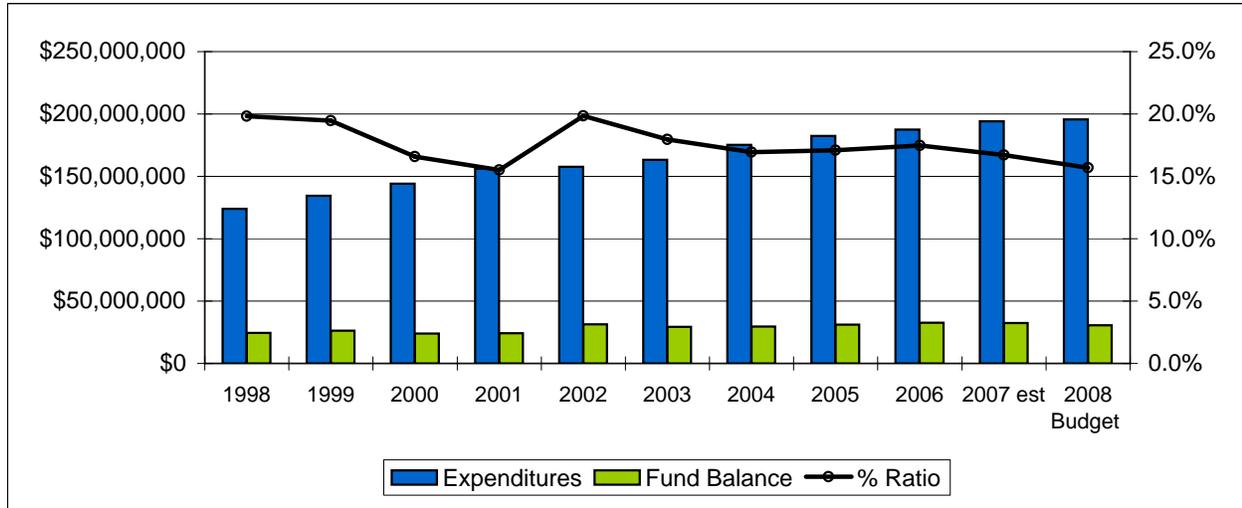
December 31, 2008

The year-end 2008 projection is based on 2008 budgeted revenues, expenditures, and estimates on completion of capital projects appropriated in prior years. At year-end 2008, total combined fund balances are estimated at \$104.4 million, a decrease of \$9.4 million from the estimated 2007 level. Of the estimated combined year end 2008 total fund balance, \$73.7 million is reserved (legally restricted) or designated for specific future use within the particular funds, and \$30.7 million is estimated to be the unreserved, undesignated fund balance. This is an estimated decrease in unreserved fund balance of about \$1.8 million from year-end 2007.

General Fund Balance - The estimated fund balance for the General Fund is projected at \$51.7 million, a decrease of \$2.6 million from the 2007 estimate. This decrease results from planned use of fund balance in the 2008 budget. The unreserved, undesignated portion of the fund balance is estimated at \$28.7 million, a decrease of \$1.2 million from the 2007 estimate.

Working Capital - The ratio of governmental funds unreserved fund balance to governmental expenditures for year-end 2008 is estimated at 15.7%, a decrease from the 16.7% estimate for year-end 2007. It indicates continued progress toward the County's target goal of 15%.

GENERAL & SPECIAL REVENUE FUNDS
Expenditures, Undesignated Fund Balance



Expenditures and Undesignated Fund Balance
 General and Special Revenue Funds

Year	Expenditures	Undesignated Fund Balance	% Ratio
1998	\$123,941,865	\$24,568,323	19.8%
1999	\$134,536,939	\$26,170,810	19.5%
2000	\$144,241,335	\$23,920,813	16.6%
2001	\$156,232,272	\$24,220,880	15.5%
2002	\$157,722,828	\$31,315,948	19.9%
2003	\$163,223,728	\$29,325,394	18.0%
2004	\$175,235,496	\$29,684,364	16.9%
2005	\$182,433,309	\$31,175,230	17.1%
2006	\$187,410,318	\$32,739,779	17.5%
2007 est	\$194,242,432	\$32,475,181	16.7%
2008 Budget	\$195,610,989	\$30,669,865	15.7%

Policy and Practice

The County will maintain unrestricted fund balances to provide necessary working capital to avoid cash flow interruptions and short-term borrowing to fund daily operations and to maintain the County's Aaa/AAA bond ratings.

The unrestricted governmental (general and special revenue) fund balance to governmental expenditures ratios will be maintained at a minimum of 11%. The current target is 15%, or about eight weeks of working capital for operations.

Fund balance reserves will not be used to offset continuous operation costs.

To the extent possible, reserves will be used to provide operating efficiencies over the long term.

The estimate for 2007 does not include unrealized gains or losses on investments. While the County typically holds these investments to maturity, generally accepted accounting principles require that these investments be recorded at their fair value.

**SUMMARY OF PROJECTED FUND BALANCE
AS OF DECEMBER 31, 2007**

SCHEDULE 1

	General Fund	Special Revenues	Enterprise	Internal Service	Debt Service	Capital Projects	Totals
Fund Balance Dec 31, 2006	\$54,303,054	\$12,285,323	\$14,461,142	\$11,073,204	\$3,003,389	\$24,570,394	\$119,696,506
Reserved/designated fund balance	24,724,698	9,123,900	14,461,142 (D)	11,073,204 (D)	3,003,389	24,570,394	86,956,727
Unreserved/undesig fund balance Jan 1,2007	29,578,356	3,161,423	\$0	\$0	\$0	\$0	\$32,739,779
Excess of Revenues over (under) Expenditures (A)	2,027,694	(649,627)	78,478	(1,466,020)	(1,982,330)	(3,918,858)	(5,910,663)
Net Operating Transfers in (out)	(2,030,572)	250,572	(275,000)	(95,000)	2,150,000	0	0
Excess of Revenues & Other Financing Sources over (under) Expenditures	(\$2,878)	(\$399,055)	(\$196,522)	(\$1,561,020)	\$167,670	(\$3,918,858)	(\$5,910,663)
Total Projected Fund Balance Dec 31, 2007	54,300,176	11,886,268	14,264,620	9,512,184	3,171,059	20,651,536	113,785,843
Reserved/Designated Fund Balance	24,385,318 (B)	9,325,945 (C)	14,264,620 (D)	9,512,184 (D)	3,171,059	20,651,536	81,310,662
Total Projected Unreserved Fund Balance	\$29,914,858	\$2,560,323	\$0	\$0	\$0	\$0	\$32,475,181

Footnotes:

(A) Negative amounts reflect planned use of reserved and designated fund balances for one time or temporary purposes.

(B) Includes \$4,163,069 designated in the 2008 budget.

(C) Includes \$1,162,495 designated in 2008 budget.

(D) The Enterprise and Internal Service Fund balances include fixed assets and funds budgeted for ongoing capital projects, and may include some unreserved funds.

**SUMMARY OF PROJECTED FUND BALANCE
AS OF DECEMBER 31, 2007**

SCHEDULE 2

	General Fund	Special Revenues	Enterprise	Internal Service	Debt Service	Capital Projects	Totals
Revenues:							
General Intergovernmental	\$9,759,014	\$68,621,996	\$1,000,000	\$ -	\$ -	\$1,866,000	\$81,247,010
Taxes	52,234,490	21,730,344	559,953	1,610,398	12,057,476	3,101,400	91,294,061
Fines/Licenses	2,637,050	565,000	-	-	-	-	3,202,050
Charges for Services	13,643,613	5,987,128	5,501,461	244,025	-	-	25,376,227
Interdepartmental Revenue	3,900,074	505,084	457,975	11,176,200	-	-	16,039,333
Interest Income	5,900,000	237,506	-	-	400,000	500,000	7,037,506
Other Revenue	4,177,249	5,721,951	1,143,109	1,306,854	-	10,000,000	22,349,163
Total Revenues	\$92,251,490	\$103,369,009	\$8,662,498	\$14,337,477	\$12,457,476	\$15,467,400	\$246,545,350
Expenditures:							
Personnel Costs	\$63,210,379	\$32,622,093	\$2,356,667	\$5,048,334	\$ -	\$ -	\$103,237,473
Operating Expenses	18,658,656	65,396,622	4,790,179	10,275,665	-	-	99,121,122
Interdepartmental Charges	7,503,306	5,948,416	1,437,174	479,498	-	-	15,368,394
Fixed Asset/Capital Projects	851,455	51,505	-	-	-	19,386,258	20,289,218
Debt Service	-	-	-	-	14,439,806	-	14,439,806
Total Expenditures	\$90,223,796	\$104,018,636	\$8,584,020 (A)	\$15,803,497 (A)	\$14,439,806	\$19,386,258	\$252,456,013
Excess of Revenues over (under) Expenditures	\$2,027,694	(\$649,627) (B)	\$78,478	(\$1,466,020) (B)	(\$1,982,330) (B)	(\$3,918,858) (B)	(\$5,910,663) (B)

Footnotes:

(A) Net of capital projects expenditures and revenues.

(B) Negative amounts reflect planned use of reserved and designated fund balances for one time or temporary purposes.

**SUMMARY OF PROJECTED FUND BALANCE
AS OF DECEMBER 31, 2008**

SCHEDULE 3

	General Fund	Special Revenues	Enterprise	Internal Service	Debt Service	Capital Projects	Totals
Fund Balance December 31, 2007	\$54,300,176	\$11,886,268	\$14,264,620	\$9,512,184	\$3,171,059	\$20,651,536	\$113,785,843
Reserved/designated fund balance	24,385,318	9,325,945	14,264,620	9,512,184	3,171,059	20,651,536	81,310,662
Unreserved Fund Balance January 1, 2008	\$29,914,858	\$2,560,323	\$0	\$0	\$0	\$0	\$32,475,181
Excess of Revenues over (under) Expenditures (A)	(1,629,671)	(825,495)	(554,667)	(1,779,126)	(980,000)	(3,622,000)	(9,390,959)
Net Operating Transfers in (out)	(938,398) (B)	(237,000)	(275,000) (C)	(134,602)	580,000	1,005,000	0
Excess of Revenues & Other Financing Sources over (under) Expenditures	(\$2,568,069)	(\$1,062,495)	(\$829,667)	(\$1,913,728)	(\$400,000)	(\$2,617,000)	(\$9,390,959)
Total Projected Fund Balance Dec. 31, 2008	51,732,107	10,823,773	13,434,953	7,598,456	2,771,059	18,034,536	104,394,884
Reserved/Designated Fund Balance	23,057,088	8,828,927	13,434,953 (D)	7,598,456 (D)	2,771,059	18,034,536	73,725,019
Total Projected Unreserved Fund Balance	\$28,675,019	\$1,994,846	\$0	\$0	\$0	\$0	\$30,669,865

Footnotes:

- (A) Budgeted fund balances are responsible for the deficit figures.
 (B) Includes planned transfer out of \$580,000 (prior year Jail Assessment fees) to fund debt service and \$650,000 to fund capital projects.
 (C) Planned \$275,000 transfer from MRF to fund Parks and Land Use operating expenditures.
 (D) The Enterprise and Internal Service Fund balances include fixed assets and may include some unreserved funds.