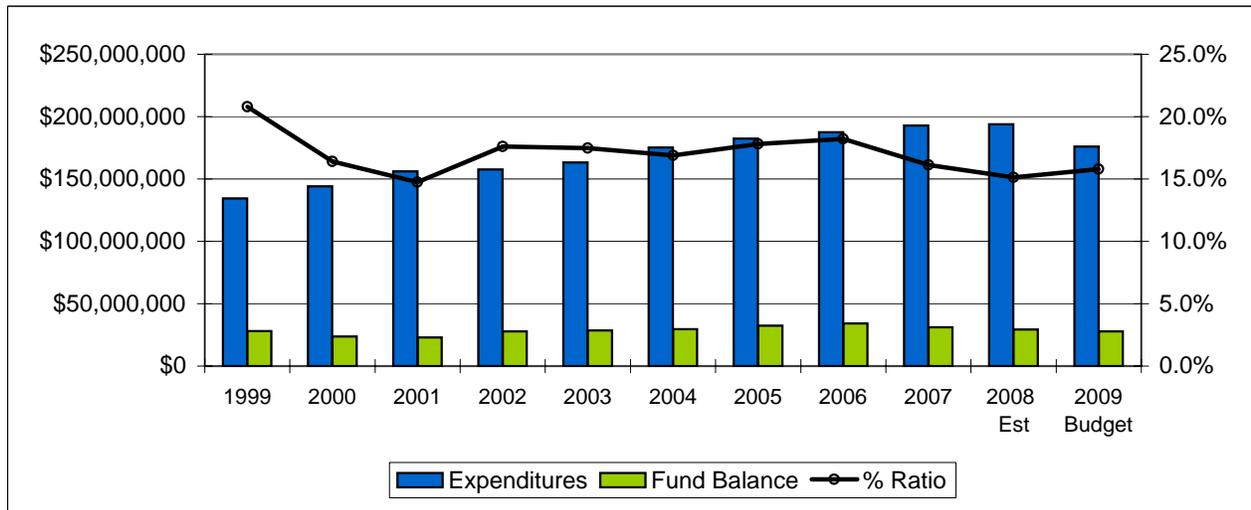


GENERAL & SPECIAL REVENUE FUNDS
Expenditures, Undesignated Fund Balance



Expenditures and Undesignated Fund Balance
 General and Special Revenue Funds

<u>Year</u>	<u>Expenditures</u>	<u>Undesignated Fund Balance*</u>	<u>% Ratio</u>
1999	\$134,536,939	\$27,959,153	20.8%
2000	\$144,241,335	\$23,675,331	16.4%
2001	\$156,232,272	\$23,055,172	14.8%
2002	\$157,722,828	\$27,755,168	17.6%
2003	\$163,223,728	\$28,510,461	17.5%
2004	\$175,235,496	\$29,596,034	16.9%
2005	\$182,433,309	\$32,507,004	17.8%
2006	\$187,410,318	\$34,138,957	18.2%
2007	\$192,949,494	\$31,116,045	16.1%
2008 Est	\$193,833,122	\$29,339,806	15.1%
2009 Budget	\$176,091,093	\$27,816,110	15.8%

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.

*Does not include unrealized gains or losses on investments. While the County typically holds these investments to maturity or life of the security, generally accepted accounting principles require that these investments be recorded at their fair value.

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 2009 Adopted Budget. For descriptions of funds see the Summary section.

December 31, 2008 (unaudited)

The current year projection (year-end 2008) 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, 2008 are projected at \$117.7 million, a decrease of \$9.3 million from December 31, 2007 year-end combined fund balances. Of the combined fund balance amount, \$87.2 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, 2008 is projected at \$56.5 million, a decrease of \$3.9 million decrease from 2007. Revenues were \$1.0 million under expenditures, reflecting \$1.0 million use of fund balance; \$1.6 had been planned in the budget. Transfers out of the General Fund were \$2.9 million. This included \$2.7 million used to fund capital projects, which also reduced the 2008 debt issue from \$12 million to \$10.0 million. The unreserved, undesignated portion of the fund balance is estimated at \$27.3 million, a decrease of \$2.3 million from 2007.

Special Revenue Fund Balance - The December 31, 2008 estimated fund balance is \$12.9 million, an increase of \$0.5 million from 2007. This increase results from projected departmental revenues over expenditures of \$775,000 and net transfers out of \$311,000. The unreserved, undesignated portion of fund balance is estimated at \$3.2 million, an increase of \$0.5 million from 2007.

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 nine weeks of operations based on the 2009 expenditure budget. In addition, the ratio of governmental funds unreserved fund balance to governmental expenditures for year-end 2008 is estimated at 15.1%, a decrease from the 16.1% at year-end 2007. This estimated percentage exceeds the County's goal of at least 11%, which provides sufficient cash flow for the County's operations, and indicates continued progress toward the target goal of 15%.

SUMMARY OF FUND BALANCE PROJECTIONS, Cont.

Enterprise Fund Balance - Fund balance is projected at \$15.4 million, a decrease of \$206,000 from 2007. This reflects excess revenues over expenses of \$69,000 offset by the planned transfer of \$275,000 from the materials recycling facility to the General fund. 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 2008 fund balance is estimated at \$7.9 million, which is \$1.7 million less than 2007. This reflects mainly the \$1.8 million of fund balance use planned for in the 2008 budget, including \$1.0 million in the End User Technology fund (EUTF) and the \$0.5 million in the Risk Management fund. The EUTF fund balance use of \$1.0 million reflects the second year of a five year plan to transfer costs to departments based on their formulated use. The fund had unrestricted net assets of \$4.6 million at year-end 2007, reflecting past years' tax levy and general fund seeding of the operations.

Debt Service and Capital Projects - Projected combined fund balances at year-end 2008 total \$25.0 million, a decrease of \$3.9 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, 2009

The year-end 2009 projection is based on 2009 budgeted revenues, expenditures, and estimates on completion of capital projects appropriated in prior years. At year-end 2009, total combined fund balances are estimated at \$106.1 million, a decrease of \$11.6 million from the estimated 2008 level. Of the estimated combined year end 2009 total fund balance, \$77.1 million is reserved (legally restricted) or designated for specific future use within the particular funds, and \$29.0 million is estimated to be the unreserved, undesignated fund balance. This is an estimated decrease in unreserved fund balance of about \$1.5 million from year-end 2008.

General Fund Balance - The estimated fund balance for the General Fund is projected at \$48.7 million, a decrease of \$7.8 million from the 2008 estimate. This decrease results from planned use of fund balance in the 2009 budget. The unreserved, undesignated portion of the fund balance is estimated at \$25.9 million, a decrease of \$1.5 million from the 2008 estimate.

Working Capital - The ratio of governmental funds unreserved fund balance to governmental expenditures for year-end 2009 is estimated at 15.8%, an increase from the 15.1% estimate for year-end 2008.

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

SCHEDULE 1

	General Fund	Special Revenues	Enterprise	Internal Service	Debt Service	Capital Projects	Totals
Fund Balance Dec 31, 2007	\$60,408,888	\$12,423,750	\$15,574,103	\$9,598,547	\$3,241,981	\$25,696,394	\$126,943,663
Reserved/designated fund balance	30,781,849	9,784,022	15,574,103 (D)	9,598,547 (D)	3,241,981	25,696,394	94,676,896
Unreserved/undesig fund balance Jan 1,2008	29,627,039	2,639,728	\$0	\$0	\$0	\$0	\$32,266,767
Excess of Revenues over (under) Expenditures (A)	(1,032,259)	775,050	68,558	(1,607,861)	(219,021)	(7,264,696)	(9,280,229)
Net Operating Transfers in (out)	(2,864,140)	(311,258)	(275,000)	(134,602)	580,000	3,005,000	0
Excess of Revenues & Other Financing Sources over (under) Expenditures	(\$3,896,399)	\$463,792	(\$206,442)	(\$1,742,463)	\$360,979	(\$4,259,696)	(\$9,280,229)
Total Projected Fund Balance Dec 31, 2008	56,512,489	12,887,542	15,367,661	7,856,084	3,602,960	21,436,698	117,663,434
Reserved/Designated Fund Balance	29,191,405 (B)	9,718,098 (C)	15,367,661 (D)	7,856,084 (D)	3,602,960	21,436,698	87,172,906
Total Projected Unreserved Fund Balance	\$27,321,084	\$3,169,444	\$0	\$0	\$0	\$0	\$30,490,528

Footnotes:

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

(B) Includes \$6,358,569 designated in the 2009 budget.

(C) Includes \$1,366,992 designated in 2009 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, 2008**

SCHEDULE 2

	General Fund	Special Revenues	Enterprise	Internal Service	Debt Service	Capital Projects	Totals
Revenues:							
General Intergovernmental	\$9,192,318	\$66,053,886	\$1,310,285	\$ -	\$ -	\$1,546,000	\$78,102,489
Taxes	53,170,267	22,841,950	202,563	1,455,245	12,368,306	3,150,000	93,188,331
Fines/Licenses	2,487,814	565,000	-	-	-	-	3,052,814
Charges for Services	13,615,705	6,029,815	5,192,008	262,294	-	-	25,099,822
Interdepartmental Revenue	3,939,758	572,020	477,554	11,447,872	-	-	16,437,204
Interest Income	5,556,256	222,600	-	-	400,000	500,000	6,678,856
Other Revenue	4,125,323	5,203,201	1,351,474	1,160,866	-	10,000,000	21,840,864
Total Revenues	\$92,087,441	\$101,488,472	\$8,533,884	\$14,326,277	\$12,768,306	\$15,196,000	\$244,400,380
Expenditures:							
Personnel Costs	\$65,197,674	\$34,551,112	\$2,443,227	\$5,099,338	\$ -	\$ -	\$107,291,351
Operating Expenses	18,832,473	59,350,507	4,469,967	10,364,489	-	-	93,017,436
Interdepartmental Charges	7,891,157	6,471,303	1,552,132	470,311	-	-	16,384,903
Fixed Asset/Capital Projects	1,198,396	340,500	-	-	-	22,460,696	23,999,592
Debt Service	-	-	-	-	12,987,327	-	12,987,327
Total Expenditures	\$93,119,700	\$100,713,422	\$8,465,326 (A)	\$15,934,138 (A)	\$12,987,327	\$22,460,696	\$253,680,609
Excess of Revenues over (under) Expenditures	(\$1,032,259)	\$775,050 (B)	\$68,558	(\$1,607,861) (B)	(\$219,021) (B)	(\$7,264,696) (B)	(\$9,280,229) (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, 2009**

SCHEDULE 3

	General Fund	Special Revenues	Enterprise	Internal Service	Debt Service	Capital Projects	Totals
Fund Balance December 31, 2008	\$56,512,489	\$12,887,542	\$15,367,661	\$7,856,084	\$3,602,960	\$21,436,698	\$117,663,434
Reserved/designated fund balance	29,191,405	9,718,098	15,367,661	7,856,084	3,602,960	21,436,698	87,172,906
Unreserved Fund Balance January 1, 2009	\$27,321,084	\$3,169,444	\$0	\$0	\$0	\$0	\$30,490,528
Excess of Revenues over (under) Expenditures (A)	(1,123,569)	(1,366,992)	152,634	(3,965,676)	(570,000)	(4,677,000)	(11,550,603)
Net Operating Transfers in (out)	(6,690,000) (B)	230,000	(275,000) (C)	3,405,000	570,000	2,760,000	0
Excess of Revenues & Other Financing Sources over (under) Expenditures	(\$7,813,569)	(\$1,136,992)	(\$122,366)	(\$560,676)	\$0	(\$1,917,000)	(\$11,550,603)
Total Projected Fund Balance Dec. 31, 2009	48,698,920	11,750,550	15,245,295	7,295,408	3,602,960	19,519,698	106,112,831
Reserved/Designated Fund Balance	22,836,220	8,646,418	15,245,295 (D)	7,295,408 (D)	3,602,960	19,519,698	77,145,999
Total Projected Unreserved Fund Balance	\$25,862,700	\$3,104,132	\$0	\$0	\$0	\$0	\$28,966,832

Footnotes:

- (A) Budgeted fund balances are responsible for the deficit figures.
(B) Includes planned transfer out of \$2.7 million for capital projects and \$2.6 million for the new health/dental insurance fund.
(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.