

## **NONMAJOR ENTERPRISE FUNDS**

Enterprise funds are established to account for the financing of goods and services provided by Thurston County to the County's residents and customers primarily through user charges on a cost reimbursement basis. All enterprise utilities and programs are funded by user fees and charges, including the Storm Water Utility which is funded by storm water tax assessments, except for Utility Planning which is funded by real estate excise taxes and interfund service payments.

**Boston Harbor Utility** – Funds established to account for user fees and charges for the maintenance and operation of the Boston Harbor water and wastewater systems.

**Community Loan Programs** – Funds established to account for loans provided to Thurston County residents to upgrade and improve failing septic systems.

**Development Services** – A fund that uses development license fees and service charges to provide planning, permitting and development inspection services within the unincorporated sections of Thurston County.

**Olympic View Utility** – Funds established to account for user fees and charges for the maintenance and operation of the Olympic View wastewater system.

**Storm and Surface Water Utility** – Funds established to account for assessments levied to minimize the harmful effects of storm water run-off and to construct and improve storm water run-off facilities within the utility's boundaries in unincorporated Thurston County.

**Tamoshan Utility** – Funds established to account for user fees and charges for the maintenance and operation of the Tamoshan water and wastewater system and the wastewater system serving Beverly Beach.

**Utilities Planning** – A fund that uses real estate excise taxes and interfund service payments to fund cost of feasibility analyses and planning activities associated with development and rehabilitation of rural community water and wastewater systems and for policy development for water supply and wastewater issues.

**Combining Statement Of Net Assets**  
**Nonmajor Enterprise Funds**  
**December 31, 2008**  
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<b>ASSETS</b>	<b>Boston Harbor Utility</b>	<b>Community Loan Programs</b>	<b>Development Services</b>	<b>Olympic View Utility</b>
<b>Current Assets:</b>				
Cash & Pooled Investments	\$ 598,588	\$ 416,840	\$ -	\$ 58,279
<i>Receivables:</i>				
Special Assessment Receivables	-	-	-	-
Accrued Interest & Penalties	-	3,926	48,940	858
Customer Account Receivables	28,346	-	-	-
Due From Other Funds	586	2,800	27,239	293
Due From Other Government Units	-	-	24,624	-
<i>Restricted Assets:</i>				
Cash and Pooled Investments	-	-	-	25,462
<b>Long-Term Assets:</b>				
Community Loans Receivable	-	164,785	-	-
Special Assessment Receivables	46,508	-	-	15,552
Capital Assets	6,378,989	-	522,546	66,388
Accumulated Depreciation	(4,271,672)	-	(381,241)	(65,802)
<b>Total Assets</b>	<b>2,781,345</b>	<b>588,351</b>	<b>242,108</b>	<b>101,030</b>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts Payable	30,728	15,329	1,115,292	1,311
Notes Payable	-	34,482	11,588	5,822
Due To Other Funds	6,158	-	18,048	92
Compensated Absences	-	-	231,273	-
Unearned Revenue	1,100	-	-	-
<b>Long-Term Liabilities:</b>				
Compensated Absences Payable & OPEB Payable	-	-	251,144	-
Intergovernmental Loans & Contracts Payable	-	501,129	71,930	40,751
Advances From Other Funds	-	-	800,000	-
<b>Total Liabilities</b>	<b>37,986</b>	<b>550,940</b>	<b>2,499,275</b>	<b>47,976</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net Of Related Debt	2,107,317		57,787	
<b>Restricted For:</b>				
Debt Service				
Unrestricted (Deficit)	636,042	37,411	(2,314,954)	53,054
<b>Total Net Assets</b>	<b>\$ 2,743,359</b>	<b>\$ 37,411</b>	<b>\$ (2,257,167)</b>	<b>\$ 53,054</b>

**Combining Statement Of Net Assets**  
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<b>ASSETS</b>	<b>Storm &amp; Surface Water Utility</b>	<b>Tamoshan Utility</b>	<b>Total</b>
<b>Current Assets:</b>			
Cash & Pooled Investments	\$ 1,336,955	\$ 74,615	\$ 2,485,277
<i>Receivables:</i>			
Special Assessment Receivables	165,434	-	165,434
Accrued Interest & Penalties	17,534	2,047	73,305
Customer Account Receivables	-	24,909	53,255
Due From Other Funds	72,846	6,661	110,425
Due From Other Government Units	213,981	-	238,605
<i>Restricted Assets:</i>			
Cash and Pooled Investments	-	281,187	306,649
<b>Long-Term Assets:</b>			
Community Loans Receivable	-	-	164,785
Special Assessment Receivables	-	937,045	999,105
Capital Assets	7,609,245	2,265,163	16,842,331
Accumulated Depreciation	(1,723,465)	(362,527)	(6,804,707)
<b>Total Assets</b>	<b>7,692,530</b>	<b>3,229,100</b>	<b>14,634,464</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	135,085	2,283	1,300,028
Notes Payable	-	78,282	130,174
Due To Other Funds	172,623	5,972	202,893
Compensated Absences	-	-	231,273
Unearned Revenue	-	-	1,100
<b>Long-Term Liabilities:</b>			
Compensated Absences Payable & OPEB Payable	-	-	251,144
Intergovernmental Loans & Contracts Payable	5,881	1,095,954	1,715,645
Advances From Other Funds	-	2,766	802,766
<b>Total Liabilities</b>	<b>313,589</b>	<b>1,185,257</b>	<b>4,635,023</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net Of Related Debt	5,879,899	728,400	8,773,403
<b>Restricted For:</b>			
Debt Service	-	42,570	42,570
Unrestricted (Deficit)	1,499,042	1,272,873	1,183,468
<b>Total Net Assets</b>	<b>\$ 7,378,941</b>	<b>\$ 2,043,843</b>	<b>\$ 9,999,441</b>

**Combining Statement Of Revenues,  
Expenses and Changes In Fund Net Assets  
Nonmajor Enterprise Funds  
For The Year Ended December 31, 2008**

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	Boston Harbor Utility	Community Loan Programs	Development Services	Olympic View Utility
<b>Operating Revenues:</b>				
Charges for Services	\$ 284,775	\$ -	\$ 3,097,930	\$ 21,520
Miscellaneous	1,145	-	4,625	-
<b>Total Operating Revenues</b>	<b>285,920</b>	<b>-</b>	<b>3,102,555</b>	<b>21,520</b>
<b>Operating Expenses:</b>				
Salaries and Benefits	196,700	-	4,271,500	6,329
Other Supplies and Expenses	23,757	-	60,571	2,265
Contractual Services	53,568	15,550	459,600	1,320
Interfund Services and Charges	40,188	610	999,145	2,889
Depreciation/Amortization	298,402	-	51,419	-
<b>Total Operating Expenses</b>	<b>612,615</b>	<b>16,160</b>	<b>5,842,235</b>	<b>12,803</b>
<b>Operating Income (Loss)</b>	<b>(326,695)</b>	<b>(16,160)</b>	<b>(2,739,680)</b>	<b>8,717</b>
<b>Nonoperating Revenue (Expenses):</b>				
Interest Revenue	34,134	23,914	-	4,264
Other Nonoperating Revenue (Expense)	(7,298)	(12,066)	126,162	(620)
Interest Expense & Fiscal Charges	-	(14,133)	(41,777)	(2,620)
<b>Total Nonoperating Revenue (Expense)</b>	<b>26,836</b>	<b>(2,285)</b>	<b>84,385</b>	<b>1,024</b>
<b>Income Before Contributions and Transfers:</b>	<b>(299,859)</b>	<b>(18,445)</b>	<b>(2,655,295)</b>	<b>9,741</b>
Capital Contributions	21,628	-	6,460	-
Transfers In (Out)	7,415	-	591,515	586
<b>Change in Net Assets</b>	<b>(270,816)</b>	<b>(18,445)</b>	<b>(2,057,320)</b>	<b>10,327</b>
Net Assets as of January 1	3,014,175	55,856	(199,847)	42,727
<b>Net Assets as of December 31</b>	<b>\$ 2,743,359</b>	<b>\$ 37,411</b>	<b>\$ (2,257,167)</b>	<b>\$ 53,054</b>

**Combining Statement Of Revenues,  
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	<b>Storm &amp; Surface Water Utility</b>	<b>Tamoshan Utility</b>	<b>Utilities Planning</b>	<b>Total</b>
<b>Operating Revenues:</b>				
Charges for Services	\$ 3,082,421	\$ 194,536	\$ -	\$ 6,681,182
Miscellaneous	-	747	-	6,517
<b>Total Operating Revenues</b>	<b>3,082,421</b>	<b>195,283</b>	<b>-</b>	<b>6,687,699</b>
<b>Operating Expenses:</b>				
Salaries and Benefits	1,135,035	102,984	-	5,712,548
Other Supplies and Expenses	151,058	12,458	-	250,109
Contractual Services	794,735	23,844	-	1,348,617
Interfund Services and Charges	317,353	15,702	293	1,376,180
Depreciation/Amortization	342,890	44,421	-	737,132
<b>Total Operating Expenses</b>	<b>2,741,071</b>	<b>199,409</b>	<b>293</b>	<b>9,424,586</b>
<b>Operating Income (Loss)</b>	<b>341,350</b>	<b>(4,126)</b>	<b>(293)</b>	<b>(2,736,887)</b>
<b>Nonoperating Revenue (Expenses):</b>				
Interest Revenue	67,999	17,320	-	147,631
Other Nonoperating Revenue (Expense)	419,514	(4,674)	-	521,018
Interest Expense & Fiscal Charges	-	(222)	(317)	(59,069)
<b>Total Nonoperating Revenue (Expense)</b>	<b>487,513</b>	<b>12,424</b>	<b>(317)</b>	<b>609,580</b>
<b>Income Before Contributions and Transfers:</b>	<b>828,863</b>	<b>8,298</b>	<b>(610)</b>	<b>(2,127,307)</b>
Capital Contributions	-	-	-	28,088
Transfers In (Out)	63,156	22,836	(1,011)	684,497
<b>Change in Net Assets</b>	<b>892,019</b>	<b>31,134</b>	<b>(1,621)</b>	<b>(1,414,722)</b>
Net Assets as of January 1	6,486,922	2,012,709	1,621	11,414,163
<b>Net Assets as of December 31</b>	<b>\$ 7,378,941</b>	<b>\$ 2,043,843</b>	<b>\$ -</b>	<b>\$ 9,999,441</b>

**Combining Statement Of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For The Year Ended December 31, 2008**  
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	<b>Boston Harbor Utility</b>	<b>Community Loan Programs</b>	<b>Development Services</b>	<b>Olympic View Utility</b>
<b>Cash Flows from Operating Activities:</b>				
Cash Received from Customers	\$ 281,422	\$ -	\$ 4,170,335	\$ 21,227
Cash Paid for Goods & Services	(114,135)	(5,215)	(1,539,978)	(6,486)
Cash Paid to Employees	(196,700)	-	(4,199,972)	(6,329)
Net Cash Provided (Used) by Operating Activities	(29,413)	(5,215)	(1,569,615)	8,412
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfers In	7,415	-	595,953	586
Transfers Out	-	-	(4,438)	-
Grant Proceeds	162	-	125,278	-
Receipts On Community Loans	-	(9,836)	-	-
Payments On Community Loans	-	37,274	-	-
Tax Payments	(7,298)	-	-	(620)
Net Cash Provided (Used) by Noncapital Financing Activities	279	27,438	716,793	(34)
<b>Cash Flows from Capital &amp; Related Financing Activities:</b>				
Cash Disbursements for Purchases of Capital Assets	(6,315)	(12,066)	(52,047)	(586)
Bond/Loan Payments	-	-	(38,179)	(5,822)
Bond/Loan Proceeds	-	-	853,700	-
Contributed Capital	21,628	-	-	-
Assessment Receipts	32,329	-	-	2,493
Interest Payments	-	(14,133)	(41,777)	(2,620)
Net Cash Provided (Used) by Capital & Related Financing Activities	47,642	(26,199)	721,697	(6,535)
<b>Cash Flows from Investing Activities:</b>				
Interest Receipts	34,140	23,856	-	4,236
Net Cash Provided (Used) by Investing Activities	34,140	23,856	-	4,236
<b>Net Increase (Decrease) in Cash &amp; Pooled Investments</b>				
Cash & Pooled Investments as of January 1	545,940	396,960	131,125	77,662
<b>Cash &amp; Pooled Investments as of December 31</b>	<b>\$ 598,588</b>	<b>\$ 416,840</b>	<b>\$ -</b>	<b>\$ 83,741</b>

**Combining Statement Of Cash Flows**  
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	<b>Storm &amp; Surface Water Utility</b>	<b>Tamoshan Utility</b>	<b>Utilities Planning</b>	<b>Total</b>
<b>Cash Flows from</b>				
<b>Operating Activities:</b>				
Cash Received from Customers	\$ 3,009,575	\$ 186,797	\$ -	\$ 7,669,356
Cash Paid for Goods & Services	(1,208,566)	(54,871)	(47,113)	(2,976,364)
Cash Paid to Employees	(1,135,035)	(102,984)	-	(5,641,020)
Net Cash Provided (Used) by Operating Activities	665,974	28,942	(47,113)	(948,028)
<b>Cash Flows from Noncapital</b>				
<b>Financing Activities:</b>				
Transfers In	825,916	22,836	48,309	1,501,015
Transfers Out	(762,760)	-	(1,011)	(768,209)
Grant Proceeds	323,653	-	-	449,093
Receipts On Community Loans	-	-	-	(9,836)
Payments On Community Loans	-	-	-	37,274
Tax Payments	(36,202)	(4,673)	-	(48,793)
Net Cash Provided (Used) by Noncapital Financing Activities	350,607	18,163	47,298	1,160,544
<b>Cash Flows from Capital &amp; Related Financing Activities:</b>				
Cash Disbursements for Purchases of Capital Assets	(871,431)	(22,836)	-	(965,281)
Bond/Loan Payments	-	(81,049)	-	(125,050)
Bond/Loan Proceeds	5,881	-	-	859,581
Contributed Capital	-	-	-	21,628
Assessment Receipts	(85,212)	88,912	-	38,522
Interest Payments	-	(222)	(317)	(59,069)
Net Cash Provided (Used) by Capital & Related Financing Activities	(950,762)	(15,195)	(317)	(229,669)
<b>Cash Flows from Investing Activities:</b>				
Interest Receipts	68,711	17,162	132	148,237
Net Cash Provided (Used) by Investing Activities	68,711	17,162	132	148,237
<b>Net Increase (Decrease) in Cash &amp; Pooled Investments</b>				
Cash & Pooled Investments as of January 1	1,202,425	306,730	-	2,660,842
<b>Cash &amp; Pooled Investments as of December 31</b>	<b>\$ 1,336,955</b>	<b>\$ 355,802</b>	<b>\$ -</b>	<b>\$ 2,791,926</b>

**Combining Statement Of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For The Year Ended December 31, 2008**  
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	Boston Harbor Utility	Community Loan Programs	Development Services	Olympic View Utility
<b>Reconciliation of Operating Income To Net Cash Provided (Used) by Operating Income:</b>				
Operating Income	\$(326,695)	\$ (16,160)	\$ (2,739,680)	\$ 8,717
<b>Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Depreciation Expense	298,402	-	51,419	-
<b>(Increase) Decrease in:</b>				
Customer Account Receivables	(4,074)	-	-	-
Due from Other Funds	(424)	(2,800)	(26,430)	(293)
<b>Increase (Decrease) in:</b>				
Accounts Payable	11,935	13,745	1,068,410	246
Due to Other Funds	(8,557)	-	5,138	(258)
Claims and Judgments				
Compensated Absences Payable			71,528	
Accumulated Landfill Closure				
<b>Total Adjustments</b>	<b>297,282</b>	<b>10,945</b>	<b>1,170,065</b>	<b>(305)</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (29,413)</b>	<b>\$ (5,215)</b>	<b>\$ (1,569,615)</b>	<b>\$ 8,412</b>

**Noncash Investing, Capital, and Financing Activities:**

Gain on Purchase/Sale Of Fixed Assets	\$	-	\$	-	\$	(477)	\$	-
Contribution of Capital Assets	\$	-	\$	-	\$	6,460	\$	-

**Combining Statement Of Cash Flows  
Nonmajor Enterprise Funds  
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	Storm & Surface Water Utility	Tamoshan Utility	Utilities Planning	Total
<b>Reconciliation of Operating Income To Net Cash Provided (Used) by Operating Income:</b>				
Operating Income	\$ 341,350	\$ (4,126)	\$ (293)	\$ (2,736,887)
<b>Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Depreciation Expense	342,890	44,421	-	737,132
<b>(Increase) Decrease in:</b>				
Customer Account Receivables	-	(1,825)	-	(5,899)
Due from Other Funds	(72,846)	(6,661)	-	(109,454)
<b>Increase (Decrease) in:</b>				
Accounts Payable	66,022	(747)	(38,336)	1,121,275
Due to Other Funds	(11,442)	(2,120)	(8,484)	(25,723)
Claims and Judgments				
Compensated Absences Payable				71,528
Accumulated Landfill Closure				
<b>Total Adjustments</b>	324,624	33,068	(46,820)	1,788,859
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 665,974</b>	<b>\$ 28,942</b>	<b>\$ (47,113)</b>	<b>\$ (948,028)</b>
<hr/>				
<b>Noncash Investing, Capital, and Financing Activities:</b>				
Gain on Purchase/Sale Of Fixed Assets	\$ -	\$ -	\$ -	\$ (477)
Contribution of Capital Assets	\$ -	\$ -	\$ -	\$ 6,460

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## INTERNAL SERVICE FUNDS

Internal service funds are established to account for the financing of goods and services provided by one department, agency, or government unit to other departments, agencies or other government units on a cost reimbursement basis.

**Central Services** – A fund established to account for technology and building and maintenance service charges and fees to maintain, acquire and service equipment and facilities and to provide associated services including computer operations, micrographics, central mailing and custodial cleaning and maintenance services.

**Enterprise Administration** – A fund established to account for administrative, payroll and benefit charges used to finance administrative, payroll and benefit costs for utility funds managed by the Department of Water & Waste Management.

**Enterprise Engineering** – A fund established to account for professional engineering and technical service fees used to finance engineering and technical services for utility funds managed by the Department of Water & Waste Management.

**Equipment Rental and Revolving** – Funds established to account for equipment usage and replacement charges used to finance the maintenance, operation and acquisition of vehicles and equipment.

**Insurance Risk Management** – A fund established to account for risk service charges used to finance the costs of insurance coverage for Thurston County.

**Benefits Administration** – A fund established to account for interfund contributions used to finance the benefits administration costs of County employees.

**Unemployment Compensation** – A fund established to account for interfund contributions used to self insure the County against unemployment claims and settlements from former County employees.

**Combining Statement Of Net Assets**  
**Internal Service Funds**  
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<b>ASSETS</b>	<b>Central Services</b>	<b>Enterprise Admin</b>	<b>Enterprise Engineering</b>	<b>Equipment Rental &amp; Revolv.</b>
<b>Current Assets:</b>				
Cash & Pooled Investments	\$ 2,461,208	\$ 92,701	\$ 40,994	\$ 14,965,840
<i>Receivables:</i>				
Accrued Interest & Penalties	1,917	-	-	137,255
Customer Account Receivables	1,185	-	-	-
Due From Other Funds	191,804	149,103	21,187	277,530
Inventory	-	-	-	215,314
Prepayments	85,157	-	-	-
<b>Long-Term Assets:</b>				
Capital Assets	70,166,812	32,460	1,661	22,237,143
Accumulated Depreciation	(19,091,726)	(26,060)	(941)	(13,708,253)
<b>Total Assets</b>	<b>53,816,357</b>	<b>248,204</b>	<b>62,901</b>	<b>24,124,829</b>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts Payable	229,960	26,208	136	648,986
Notes Payable	7,992	6,385	-	-
Due To Other Funds	126,648	762	17,826	210,541
Compensated Absences	339,525	321,845	-	96,684
Lim.Tax G.O.Bond-Current Portion	65,000	-	-	-
<b>Long-Term Liabilities:</b>				
Limited G.O. Bonds Payable	360,115	-	-	-
Compensated Absences Payable & OPEB Payable	286,719	250,385	-	61,343
Claims and Judgments Payable	-	-	-	-
Intergovernmental Loans & Contracts Payable	4,434	-	-	-
<b>Total Liabilities</b>	<b>1,420,393</b>	<b>605,585</b>	<b>17,962</b>	<b>1,017,554</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net Of Related Debt	50,645,537	6,400	720	8,528,890
Unrestricted (Deficit)	1,750,427	(363,781)	44,219	14,578,385
<b>Total Net Assets</b>	<b>\$ 52,395,964</b>	<b>\$ (357,381)</b>	<b>\$ 44,939</b>	<b>\$ 23,107,275</b>

**Combining Statement Of Net Assets  
Internal Service Funds  
December 31, 2008  
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<b>ASSETS</b>	<b>Insurance Risk Management</b>	<b>Benefits Admin</b>	<b>Unempl. Comp.</b>	<b>Total</b>
<b>Current Assets:</b>				
Cash & Pooled Investments	\$ 5,478,209	\$ 1,302,981	\$ 2,124,210	\$ 26,466,143
<i>Receivables:</i>				
Accrued Interest & Penalties	-	7,762	15,242	162,176
Customer Account Receivables	-	-	318,254	319,439
Due From Other Funds	-	-	-	639,624
Inventory	-	-	-	215,314
Prepayments	-	-	-	85,157
<b>Long-Term Assets:</b>				
Capital Assets	6,933	-	-	92,445,009
Accumulated Depreciation	(6,933)	-	-	(32,833,913)
<b>Total Assets</b>	<b>5,478,209</b>	<b>1,310,743</b>	<b>2,457,706</b>	<b>87,498,949</b>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts Payable	21,054	7,147	-	933,491
Notes Payable	-	-	-	14,377
Due To Other Funds	510	517	-	356,804
Compensated Absences	51,887	3,703	21,140	834,784
Lim.Tax G.O.Bond-Current Portion	-	-	-	65,000
<b>Long-Term Liabilities:</b>				
Limited G.O. Bonds Payable	-	-	-	360,115
Compensated Absences Payable & OPEB Payable	18,332	8,214	5,333	630,326
Claims and Judgments Payable	3,700,869	-	-	3,700,869
Intergovernmental Loans & Contracts Payable	-	-	-	4,434
<b>Total Liabilities</b>	<b>3,792,652</b>	<b>19,581</b>	<b>26,473</b>	<b>6,900,200</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net Of Related Debt	-	-	-	59,181,547
Unrestricted (Deficit)	1,685,557	1,291,162	2,431,233	21,417,202
<b>Total Net Assets</b>	<b>\$ 1,685,557</b>	<b>\$ 1,291,162</b>	<b>\$ 2,431,233</b>	<b>\$ 80,598,749</b>

**Combining Statement Of Revenues,  
Expenses and Changes In Fund Net Assets  
Internal Service Funds  
For The Year Ended December 31, 2008**

Page 1 of 2

	Central Services	Enterprise Admin	Enterprise Engineering	Equipment Rental & Revolv.
<b>Operating Revenues:</b>				
Charges for Services	\$ 2,271	\$ 28	\$ 61,727	\$ 2,642
Equipment Rental	-	-	-	5,763,120
Interfund Contributions	11,800,206	4,802,214	810,036	12,074
Miscellaneous	14,121	281	-	1,109
<b>Total Operating Revenues</b>	<b>11,816,598</b>	<b>4,802,523</b>	<b>871,763</b>	<b>5,778,945</b>
<b>Operating Expenses:</b>				
Salaries and Benefits	5,294,667	4,618,509	771,775	1,177,767
Other Supplies and Expenses	766,301	48,359	1,709	2,288,023
Contractual Services	4,426,705	7,462	11,939	104,015
Interfund Services and Charges	601,944	384,864	42,112	310,208
Depreciation/Amortization	1,916,923	9,101	332	2,139,536
Claims Payments	3,413	-	-	-
<b>Total Operating Expenses</b>	<b>13,009,953</b>	<b>5,068,295</b>	<b>827,867</b>	<b>6,019,549</b>
<b>Operating Income (Loss)</b>	<b>(1,193,355)</b>	<b>(265,772)</b>	<b>43,896</b>	<b>(240,604)</b>
<b>Nonoperating Revenue (Expenses):</b>				
Interest Revenue	40,547	-	-	651,710
Other Nonoperating Revenue (Expense)	(12,451)	-	-	246,943
Interest Expense & Fiscal Charges	(1,068)	(3,672)	(560)	-
<b>Total Nonoperating Revenue (Expense)</b>	<b>27,028</b>	<b>(3,672)</b>	<b>(560)</b>	<b>898,653</b>
<b>Income Before Contributions and Transfers:</b>	<b>(1,166,327)</b>	<b>(269,444)</b>	<b>43,336</b>	<b>658,049</b>
Capital Contributions	11,016,886	-	-	-
Transfers In (Out)	34,184	-	-	307,973
<b>Change in Net Assets</b>	<b>9,884,743</b>	<b>(269,444)</b>	<b>43,336</b>	<b>966,022</b>
Net Assets as of January 1	42,936,336	(87,937)	1,603	22,141,253
Prior Period Adjustments	(425,115)	-	-	-
Net Assets as of January 1 - Restated	42,511,221	(87,937)	1,603	22,141,253
<b>Net Assets as of December 31</b>	<b>\$ 52,395,964</b>	<b>\$ (357,381)</b>	<b>\$ 44,939</b>	<b>\$ 23,107,275</b>

**Combining Statement Of Revenues,  
Expenses and Changes In Fund Net Assets  
Internal Service Funds  
For The Year Ended December 31, 2008**

Page 2 of 2

	Insurance Risk Management	Benefits Admin	Unempl. Comp.	Total
<b>Operating Revenues:</b>				
Charges for Services	\$ -	\$ -	\$ -	\$ 66,668
Equipment Rental	-	-	-	5,763,120
Interfund Contributions	2,387,126	477,268	442,959	20,731,883
Miscellaneous	-	-	-	15,511
<b>Total Operating Revenues</b>	<b>2,387,126</b>	<b>477,268</b>	<b>442,959</b>	<b>26,577,182</b>
<b>Operating Expenses:</b>				
Salaries and Benefits	307,096	149,567	220,086	12,539,467
Other Supplies and Expenses	5,148	71	-	3,109,611
Contractual Services	350,292	235,542	-	5,135,955
Interfund Services and Charges	23,585	-	-	1,362,713
Depreciation/Amortization	-	-	-	4,065,892
Claims Payments	1,584,760	-	-	1,588,173
<b>Total Operating Expenses</b>	<b>2,270,881</b>	<b>385,180</b>	<b>220,086</b>	<b>27,801,811</b>
<b>Operating Income (Loss)</b>	<b>116,245</b>	<b>92,088</b>	<b>222,873</b>	<b>(1,224,629)</b>
<b>Nonoperating Revenue (Expenses):</b>				
Interest Revenue	-	54,364	90,305	836,926
Other Nonoperating Revenue (Expense)	-	-	-	234,492
Interest Expense & Fiscal Charges	-	-	-	(5,300)
<b>Total Nonoperating Revenue (Expense)</b>	<b>-</b>	<b>54,364</b>	<b>90,305</b>	<b>1,066,118</b>
<b>Income Before Contributions and Transfers:</b>	<b>116,245</b>	<b>146,452</b>	<b>313,178</b>	<b>(158,511)</b>
Capital Contributions	-	-	-	11,016,886
Transfers In (Out)	(43,000)	-	-	299,157
<b>Change in Net Assets</b>	<b>73,245</b>	<b>146,452</b>	<b>313,178</b>	<b>11,157,532</b>
Net Assets as of January 1	1,612,312	1,144,710	2,118,055	69,866,332
Prior Period Adjustments	-	-	-	(425,115)
Net Assets as of January 1 - Restated	1,612,312	1,144,710	2,118,055	69,441,217
<b>Net Assets as of December 31</b>	<b>\$ 1,685,557</b>	<b>\$ 1,291,162</b>	<b>\$ 2,431,233</b>	<b>\$ 80,598,749</b>

**Combining Statement Of Cash Flows**  
**Internal Service Funds**  
**For The Year Ended December 31, 2008**  
**Page 1 of 4**

	Central Services	Enterprise Admin	Enterprise Engineering	Equipment Rental & Revolv.
<b>Cash Flows from Operating Activities:</b>				
Cash Received from Customers	\$ 11,702,783	\$ 4,968,278	\$ 888,595	\$ 5,525,367
Cash Paid for Goods & Services	(5,980,566)	(468,716)	(75,266)	(2,193,660)
Cash Paid to Employees	(5,093,132)	(4,396,257)	(771,775)	(1,143,025)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>629,085</b>	<b>103,305</b>	<b>41,554</b>	<b>2,188,682</b>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfers In	370,362	-	-	502,973
Transfers Out	(336,178)	-	-	(195,000)
Insurance Recoveries	-	-	-	57,682
Tax Payments	(6,756)	-	-	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>27,428</b>	<b>-</b>	<b>-</b>	<b>365,655</b>
<b>Cash Flows from Capital &amp; Related Financing Activities:</b>				
Cash Proceeds from Sale of Capital Assets	2,200	-	-	46,080
Cash Disbursements for Purchases of Capital Assets	(224,684)	-	-	(2,965,818)
Bond/Loan Payments	(9,352)	(9,064)	-	-
Bond/Loan Proceeds	12,400	-	-	-
Interest Payments	(1,068)	(1,540)	(560)	-
<b>Net Cash Provided (Used) by Capital &amp; Related Financing Activities</b>	<b>(220,504)</b>	<b>(10,604)</b>	<b>(560)</b>	<b>(2,919,738)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest Receipts	40,550	-	-	644,602
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>40,550</b>	<b>-</b>	<b>-</b>	<b>644,602</b>
<b>Net Increase (Decrease) in Cash &amp; Pooled Investments</b>				
	476,559	92,701	40,994	279,201
Cash & Pooled Investments as of January 1	1,984,649	-	-	14,686,639
<b>Cash &amp; Pooled Investments as of December 31</b>	<b>\$ 2,461,208</b>	<b>\$ 92,701</b>	<b>\$ 40,994</b>	<b>\$ 14,965,840</b>

**Combining Statement Of Cash Flows**  
**Internal Service Funds**  
**For The Year Ended December 31, 2008**  
**Page 2 of 4**

	<b>Insurance</b>			
	<b>Risk</b>	<b>Benefits</b>	<b>Unempl.</b>	
	<b>Management</b>	<b>Admin</b>	<b>Comp.</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>				
Cash Received from Customers	\$ 2,387,126	\$ 477,268	\$ 332,336	\$ 26,281,753
Cash Paid for Goods & Services	(1,433,799)	(234,246)	-	(10,386,253)
Cash Paid to Employees	(294,151)	(146,039)	(204,056)	(12,048,435)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>659,176</b>	<b>96,983</b>	<b>128,280</b>	<b>3,847,065</b>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfers In	-	-	-	873,335
Transfers Out	(43,000)	-	-	(574,178)
Insurance Recoveries	-	-	-	57,682
Tax Payments	-	-	-	(6,756)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(43,000)</b>	<b>-</b>	<b>-</b>	<b>350,083</b>
<b>Cash Flows from Capital &amp; Related Financing Activities:</b>				
Cash Proceeds from Sale of Capital Assets	-	-	-	48,280
Cash Disbursements for Purchases of Capital Assets	-	-	-	(3,190,502)
Bond/Loan Payments	-	-	-	(18,416)
Bond/Loan Proceeds	-	-	-	12,400
Interest Payments	-	-	-	(3,168)
<b>Net Cash Provided (Used) by Capital &amp; Related Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,151,406)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest Receipts	-	54,051	89,962	829,165
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>-</b>	<b>54,051</b>	<b>89,962</b>	<b>829,165</b>
<b>Net Increase (Decrease) in Cash &amp; Pooled Investments</b>	<b>616,176</b>	<b>151,034</b>	<b>218,242</b>	<b>1,874,907</b>
Cash & Pooled Investments as of January 1	4,862,033	1,151,947	1,905,968	24,591,236
<b>Cash &amp; Pooled Investments as of December 31</b>	<b>\$ 5,478,209</b>	<b>\$ 1,302,981</b>	<b>\$ 2,124,210</b>	<b>\$ 26,466,143</b>

**Combining Statement Of Cash Flows**  
**Internal Service Funds**  
**For The Year Ended December 31, 2008**  
**Page 3 of 4**

	Central Services	Enterprise Admin	Enterprise Engineering	Equipment Rental & Revolv.
<b>Reconciliation of Operating Income To Net Cash Provided (Used) by Operating Income:</b>				
Operating Income	\$ (1,193,355)	\$ (265,772)	\$ 43,896	\$ (240,604)
<b>Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Depreciation Expense	1,916,923	9,101	332	2,139,536
<b>(Increase) Decrease in:</b>				
Customer Account Receivables	-	-	23,698	-
Due from Other Funds	(113,815)	165,774	28,977	(253,578)
Inventories	-	-	-	(14,449)
Prepaid Expense	(490)	-	-	-
<b>Increase (Decrease) in:</b>				
Accounts Payable	(995)	(28,031)	(19,506)	313,359
Due to Other Funds	(180,718)	(19)	(35,843)	209,676
Claims and Judgments	-	-	-	-
Compensated Absences Payable	201,535	222,252	-	34,742
<b>Total Adjustments</b>	<b>1,822,440</b>	<b>369,077</b>	<b>(2,342)</b>	<b>2,429,286</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 629,085</b>	<b>\$ 103,305</b>	<b>\$ 41,554</b>	<b>\$ 2,188,682</b>

**Noncash Investing, Capital,  
and Financing Activities:**

Gain on Purchase/Sale Of Fixed Assets	\$ -	\$ -	\$ -	\$ 143,180
Loss on Purchase/Sale of Fixed Assets	\$ (7,895)	\$ -	\$ -	-
Prior Period Adjustment - Reclassification of G O Debt From Governmental to Proprietary	\$ (425,115)	\$ -	\$ -	-
Contribution of Capital Assets	\$ 11,016,886	\$ -	\$ -	-

**Combining Statement Of Cash Flows**  
**Internal Service Funds**  
**For The Year Ended December 31, 2008**  
**Page 4 of 4**

	Insurance Risk Management	Benefits Admin	Unempl. Comp.	Total
<b>Reconciliation of Operating Income To Net Cash Provided (Used) by Operating Income:</b>				
Operating Income	\$ 116,245	\$ 92,088	\$ 222,873	\$ (1,224,629)
<b>Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Depreciation Expense	-	-	-	4,065,892
<b>(Increase) Decrease in:</b>				
Customer Account Receivables	-	-	(110,623)	(86,925)
Due from Other Funds	-	-	-	(172,642)
Inventories	-	-	-	(14,449)
Prepaid Expense	-	-	-	(490)
<b>Increase (Decrease) in:</b>				
Accounts Payable	(12,523)	1,367	-	253,671
Due to Other Funds	510	517	-	(5,877)
Claims and Judgments	541,999	-	-	541,999
Compensated Absences Payable	12,945	3,011	16,030	490,515
<b>Total Adjustments</b>	<b>542,931</b>	<b>4,895</b>	<b>(94,593)</b>	<b>5,071,694</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 659,176</b>	<b>\$ 96,983</b>	<b>\$ 128,280</b>	<b>\$ 3,847,065</b>

**Noncash Investing, Capital,  
and Financing Activities:**

Gain on Purchase/Sale Of Fixed Assets	\$	-	\$	-	\$	-	\$	143,180
Loss on Purchase/Sale of Fixed Assets	\$	-	\$	-	\$	-	\$	(7,895)
Prior Period Adjustment - Reclassification of G O Debt From Governmental to Proprietary	\$	-	\$	-	\$	-	\$	(425,115)
Contribution of Capital Assets	\$	-	\$	-	\$	-	\$	11,016,886

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## FIDUCIARY FUNDS

Fiduciary funds are used to account for monies held by Thurston County as an agent or trustee. Amounts held for other governmental units are invested in Thurston County's Investment Pool. Amounts are also held for private parties within the Clerk's expendable trust fund. These amounts were reported in the Statement of Fiduciary Net Assets and Statement Changes in Fiduciary Net Assets.

The County also manages five other agency funds, as noted below, with deposits held in suspense prior to transfer and distribution to other governmental units, private parties or the County.

**Payroll and Claims Clearing** – A fund used to process payroll and claims expenditures for County funds prior to disbursement to other private parties and governmental units.

**Taxes & Refunds Pending** – A fund used to hold primarily tax refunds prior to distribution to the appropriate party.

**Treasurer's Fiscal Agent** – Funds used to account for deposits with the County's fiscal agent for agency debt service payments.

**Treasurer's Trust** – A fund used to hold primarily advance and partial payments on taxes in suspense prior to distribution to the appropriate account.

**Combining Statement of Fiduciary Net Assets**  
**Agency Funds**  
**December 31, 2008**

<b>ASSETS</b>	<b>Payroll &amp; Claims Clearing</b>	<b>Taxes and Refunds Pending</b>	<b>Treasurer's Fiscal Agent</b>	<b>Treasurer's Trust</b>	<b>Total</b>
<b>Assets:</b>					
Cash & Pooled Investments	\$ 18,998,709	\$ 8,830	\$ -	\$ -	\$ 19,007,539
Cash and Investments in Trust	-	-	-	360,798	360,798
Cash and Deposits with Fiscal Agent	-	-	75,000	-	75,000
<b>Total Assets</b>	<b>18,998,709</b>	<b>8,830</b>	<b>75,000</b>	<b>360,798</b>	<b>19,443,337</b>
<b>LIABILITIES</b>					
<b>Liabilities:</b>					
Warrant Payable	15,933,862	-	-	-	15,933,862
Accounts Payable	573,488	8,830	-	-	582,318
Payroll Payable	2,491,359	-	-	-	2,491,359
Due to Other Governments	-	-	75,000	360,798	435,798
<b>Total Liabilities</b>	<b>\$ 18,998,709</b>	<b>\$ 8,830</b>	<b>\$ 75,000</b>	<b>\$ 360,798</b>	<b>\$ 19,443,337</b>

**Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For The Year Ended December 31, 2008**

	Balance January 1- Restated	Additions	Deductions	Balance December 31
<b>PAYROLL &amp; CLAIMS CLEARING</b>				
Cash, Cash Equivalents & Pooled Investments	\$ 15,584,167	\$ 3,414,542	\$ -	\$ 18,998,709
Total Assets	\$ 15,584,167	\$ 3,414,542	\$ -	\$ 18,998,709
Warrants Payable	\$ 12,991,396	\$ 2,942,466	\$ -	\$ 15,933,862
Accounts Payable	347,924	225,564		573,488
Payroll Payable	2,244,847	246,512	-	2,491,359
Total Liabilities	\$ 15,584,167	\$ 3,414,542	\$ -	\$ 18,998,709
<b>TAXES &amp; REFUNDS PENDING</b>				
Cash, Cash Equivalents & Pooled Investments	\$ 26,702	\$ -	\$ 17,872	\$ 8,830
Total Assets	\$ 26,702	\$ -	\$ 17,872	\$ 8,830
Accounts Payable	\$ 26,702		\$ 17,872	\$ 8,830
Total Liabilities	\$ 26,702	\$ -	\$ 17,872	\$ 8,830
<b>TREASURER'S FISCAL AGENT</b>				
Cash, Cash Equivalents & Pooled Investments	\$ 210,000	\$ -	\$ 135,000	\$ 75,000
Total Assets	\$ 210,000	\$ -	\$ 135,000	\$ 75,000
Due to Other Government Units	\$ 210,000	\$ -	\$ 135,000	\$ 75,000
Total Liabilities	\$ 210,000	\$ -	\$ 135,000	\$ 75,000
<b>TREASURER'S TRUST</b>				
Cash, Cash Equivalents & Pooled Investments	\$ 444,718	\$ -	\$ 83,920	\$ 360,798
Total Assets	\$ 444,718	\$ -	\$ 83,920	\$ 360,798
Due to Other Government Units	\$ 444,718	\$ -	\$ 83,920	\$ 360,798
Total Liabilities	\$ 444,718	\$ -	\$ 83,920	\$ 360,798
<b>TOTAL AGENCY FUNDS</b>				
Cash, Cash Equivalents & Pooled Investments	\$ 16,265,587	\$ 3,414,542	\$ 236,792	\$ 19,443,337
Total Assets	\$ 16,265,587	\$ 3,414,542	\$ 236,792	\$ 19,443,337
Warrants Payable	\$ 12,991,396	\$ 2,942,466	\$ -	\$ 15,933,862
Accounts Payable	374,626	225,564	17,872	582,318
Payroll Payable	2,244,847	246,512	-	2,491,359
Due to Other Government Units	654,718	-	218,920	435,798
Total Liabilities	\$ 16,265,587	\$ 3,414,542	\$ 236,792	\$ 19,443,337

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