

---

## ENTERPRISE FUNDS

Enterprise Funds account for operations that (1) are financed and operated similar to private business enterprises--the intent is that all the costs of the goods and services are recovered by user charges; or (2) by periodic review revenue, expenses and net income are checked for management accountability or other purposes. The accrual basis of accounting is applied. The County maintains 26 individual enterprise funds. Similar individual Enterprise Funds have been grouped on a functional basis to enhance communication and the understanding of the financial statements. A description of each fund and group of funds follows:

**Enterprise Administration** - This fund accounts for the Water and Waste Management common department overhead charges, as well as fulfilling vacation and sick leave funding liability within the department. The funding source is operating transfers from the other funds in the Water and Waste Management Department.

**Solid Waste** - This group includes: Solid Waste Construction; Solid Waste Facilities Bond Redemption; Solid Waste Operations; and Solid Waste Reserve for Closure.

**Water/Waste Water Utilities** - A group of funds to account for providing water and waste water services to several small communities in the unincorporated area of Thurston County. The group of funds provides planning of possible future utilities, as well as low-cost government loans for replacing and repairing failing waste water systems. The group includes: Tamoshan Water/Waste Water Utilities; Tamoshan Debt Redemption; Tamoshan Capital Reserve; Olympic View Waste Water Utility; Olympic View Capital Replacement Reserve; Olympic View Debt Service; Grand Mound Waste Water Capital Replacement Reserve; Grand Mound Water Capital Replacement Reserve; Grand Mound Waste Water Utility; Grand Mound Water Utility; Grand Mound Debt Service; Utilities Planning and Development; Boston Harbor Water/Waste Water Utilities; Boston Harbor Water/Waste Water Debt Service; Boston Harbor Water Capital Reserve; and Boston Harbor Waste Water Capital Reserve.

**Storm and Surface Water** - A group of two funds to account for the costs of providing storm and surface water utility operations to residents of Thurston County.

**Community Loan Programs** - A group of two funds to provide low cost loans to citizens for septic improvements.

**COMBINING BALANCE SHEET**  
**ENTERPRISE FUNDS**  
**December 31, 2001 WITH COMPARATIVE**  
**TOTALS FOR December 31, 2000**

<u>Assets</u>	<b>ENTERPRISE ADMIN</b>	<b>SOLID WASTE</b>	<b>WATER/ SEWER UTILITIES</b>	<b>STORM &amp; SURFACE WATER</b>	<b>COMM LOAN PROGS</b>	<b>2001</b>	<b>2000</b>
<i>Current Assets</i>							
Cash & Pooled Investments	\$337,399	\$8,735,903	\$2,831,977	\$1,291,513	\$327,865	\$13,524,657	\$14,552,031
Special Assessment Receivables	-	-	228,795	70,787	-	299,582	293,958
Accrued Interest & Penalties	1,176	99,872	(50,691)	4,774	1,149	56,280	203,718
Customer Account Receivables	-	1,051,551	37,769	-	-	1,089,320	991,393
Due From Other Funds	215,385	233,499	58,405	73,715	-	581,004	4,211,252
Due From Other Government Units	-	233,012	26,772	106,176	-	365,960	494,522
<i>Restricted Assets</i>							
Cash & Pooled Investments	-	19,856,360	25,513	-	-	19,881,873	23,058,772
Investments at Cost	-	-	-	-	-	-	1,000,000
<i>Long-Term Assets</i>							
Deferred Charges	-	-	193,175	-	-	193,175	204,576
Community Loans Receivable	-	-	-	-	179,622	179,622	181,353
Other Long-Term Receivables	-	-	-	-	-	-	-
Special Assessment Receivables	-	-	5,660,711	-	-	5,660,711	5,946,443
Fixed Assets	67,939	29,820,021	17,139,822	3,433,787	-	50,461,569	49,416,989
Accumulated Depreciation	(47,248)	(17,315,144)	(2,896,712)	(363,527)	-	(20,622,631)	(18,358,151)
<b>Total Assets</b>	<b>\$574,651</b>	<b>\$42,715,074</b>	<b>\$23,255,536</b>	<b>\$4,617,225</b>	<b>\$508,636</b>	<b>\$71,671,122</b>	<b>\$82,196,856</b>
<b><u>Liabilities &amp; Fund Equity</u></b>							
<i>Current Liabilities</i>							
Accounts Payable	\$21,321	\$1,535,604	\$60,452	\$11,120	\$11,836	\$1,640,333	\$3,364,530
Due To Other Funds	5,539	994,531	37,148	72,055	-	1,109,273	4,208,901
Due To Other Government Units	-	3,889	-	-	-	3,889	17,258
Lim.Tax G.O.Bond-Current Portion	-	-	90,000	-	-	90,000	85,000
<i>Long-Term Liabilities</i>							
Limited G.O. Bonds Payable	-	-	12,650,000	-	-	12,650,000	12,677,904
Compensated Absences Payable	194,936	-	-	-	-	194,936	194,938
Intgvtal Loans & Contracts Payable	-	-	801,644	-	460,651	1,262,295	1,335,784
Accumulated Landfill Closure Costs	-	23,511,360	-	-	-	23,511,360	24,813,897
<b>Total Liabilities</b>	<b>221,796</b>	<b>26,045,384</b>	<b>13,639,244</b>	<b>83,175</b>	<b>472,487</b>	<b>40,462,086</b>	<b>46,698,212</b>
<i>Fund Equity</i>							
Contributed Capital	315,554	2,445,008	14,405,174	130,152	-	17,295,888	17,478,094
Retained Earnings-Resvd (Capital)	-	-	347,780	656,374	-	1,004,154	1,318,746
Retained Earnings-Resvd (Landfill Closure)	-	19,856,360	-	-	-	19,856,360	22,517,825
Retained Earnings-Unresvd	37,301	(5,631,678)	(5,136,662)	3,747,524	36,149	(6,947,366)	(5,816,021)
<b>Total Fund Equity</b>	<b>352,855</b>	<b>16,669,690</b>	<b>9,616,292</b>	<b>4,534,050</b>	<b>36,149</b>	<b>31,209,036</b>	<b>35,498,644</b>
<b>Total Liabilities &amp; Fund Equity</b>	<b>\$574,651</b>	<b>\$42,715,074</b>	<b>\$23,255,536</b>	<b>\$4,617,225</b>	<b>\$508,636</b>	<b>\$71,671,122</b>	<b>\$82,196,856</b>

**COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND EQUITY  
ENTERPRISE FUNDS  
YEAR ENDED December 31, 2001 WITH COMPARATIVE TOTALS  
FOR YEAR ENDED December 31, 2000**

	ENTERPRISE ADMIN	SOLID WASTE	WATER/ SEWER UTILITIES	STORM & SURFACE WATER	COMM LOAN PROGS	2001	2000
<b>Operating Revenues:</b>							
Charges for Services	\$2,792,189	\$11,365,725	\$469,099	\$311,695	-	\$14,938,708	14,507,933
Assessments	-	-	-	1,118,032	-	1,118,032	1,324,729
Miscellaneous	3,361	3,707	6,971	-	-	14,039	57,903
<b>Total Operating Revenues</b>	<b>2,795,550</b>	<b>11,369,432</b>	<b>476,070</b>	<b>1,429,727</b>	<b>-</b>	<b>16,070,779</b>	<b>15,890,565</b>
<b>Operating Expenses:</b>							
General Operations	-	10,582,735	19,404	99,247	1,022	10,702,408	9,286,593
Maintenance of Equipment	-	-	555,784	452	-	556,236	444,827
Customer Service	-	265,657	-	96,057	-	361,714	302,276
General Administration	2,826,439	1,270,966	3,542	203,913	-	4,304,860	4,083,278
Other Administration (Planning & Conserv)	-	-	125,243	482,830	-	608,073	626,464
Depreciation/Amortization	17,229	1,441,935	566,633	253,597	-	2,279,394	2,601,892
<b>Total Operating Expenses</b>	<b>2,843,668</b>	<b>13,561,293</b>	<b>1,270,606</b>	<b>1,136,096</b>	<b>1,022</b>	<b>18,812,685</b>	<b>17,345,330</b>
<b>Operating Income</b>	<b>(48,118)</b>	<b>(2,191,861)</b>	<b>(794,536)</b>	<b>293,631</b>	<b>(1,022)</b>	<b>(2,741,906)</b>	<b>(1,454,765)</b>
<b>Nonoperating Revenue (Expenses):</b>							
Interest Revenue	14,202	1,667,746	426,113	60,549	23,723	2,192,333	2,665,401
Other Nonoperating Revenue (Expense)	-	187,418	39,657	124,486	-	351,561	452,725
Interest Expense & Fiscal Charges	-	-	(714,420)	-	(16,866)	(731,286)	(962,621)
Closure Costs	-	(2,891,253)	-	-	-	(2,891,253)	-
<b>Total Nonoperating Revenue (Expense)</b>	<b>14,202</b>	<b>(1,036,089)</b>	<b>(248,650)</b>	<b>185,035</b>	<b>6,857</b>	<b>(1,078,645)</b>	<b>2,155,505</b>
Income before Operating Transfers	(33,916)	(3,227,950)	(1,043,186)	478,666	5,835	(3,820,551)	700,740
Operating Transfers In	-	5,549,226	747,484	423,495	-	6,720,205	7,942,395
Operating Transfers Out	-	(5,918,656)	(597,382)	(423,495)	-	(6,939,533)	(7,840,044)
<b>Net Income (Loss)</b>	<b>(33,916)</b>	<b>(3,597,380)</b>	<b>(893,084)</b>	<b>478,666</b>	<b>5,835</b>	<b>(4,039,879)</b>	<b>803,091</b>
Fund Equity at Beginning of Year	383,688	20,331,118	10,701,596	4,051,928	30,314	35,498,644	34,942,971
Prior Period Adjustments	-	(60,650)	-	-	-	(60,650)	(240,641)
Residual Equity Transfers In/Cont. Capital	3,083	-	161,386	3,456	-	167,925	5,748
Residual Equity Transfers Out	-	(3,398)	(353,606)	-	-	(357,004)	(12,525)
<b>Fund Equity at End of Year</b>	<b>\$352,855</b>	<b>\$16,669,690</b>	<b>\$9,616,292</b>	<b>\$4,534,050</b>	<b>\$36,149</b>	<b>\$31,209,036</b>	<b>\$35,498,644</b>

**COMBINING STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
**YEAR ENDED December 31, 2001 WITH COMPARATIVE TOTALS**  
**FOR YEAR ENDED December 31, 2000**

	ENTERPRISE ADMIN	SOLID WASTE	WATER/ SEWER UTILITIES	STORM & SURFACE WATER	COMM LOAN PROGS	2001	2000
Cash Flows from Operating Activities:							
Cash Received from Customers	\$2,794,076	\$14,815,192	\$441,400	\$1,766,475	\$2,655	\$19,819,798	\$13,507,213
Cash Paid for Goods & Services	(275,652)	(18,403,380)	(658,403)	(965,117)	(730)	(20,303,282)	(11,766,492)
Cash Paid to Employees	(2,567,294)	-	-	-	-	(2,567,294)	(2,448,806)
Net Cash Provided (Used) by Operating Activities	(48,870)	(3,588,188)	(217,003)	801,358	1,925	(3,050,778)	(708,085)
Net Cash Provided (Used) by Operating Activities After Prior Period Adj	(48,870)	(3,588,188)	(217,003)	801,358	1,925	(3,050,778)	(708,085)
Cash Flows from Noncapital Financing Activities:							
Operating Transfers In	-	5,549,226	747,484	423,495	-	6,720,205	7,942,395
Operating Transfers Out	-	(5,918,656)	(597,382)	(423,495)	-	(6,939,533)	(7,840,044)
Residual Equity Transfers In	3,083	-	161,386	3,456	-	167,925	5,748
Residual Equity Transfers Out	-	(3,398)	(353,606)	-	-	(357,004)	12,625
Grant Proceeds	-	360,261	55,678	41,943	8,872	466,754	407,430
Interest Payments	-	-	-	-	(16,866)	(16,866)	(14,522)
Community Loan Contract Proceeds	-	-	-	-	1,731	1,731	36,928
Solid Waste Closure Costs	-	(2,891,253)	-	-	-	(2,891,253)	57,740
Net Cash Provided (Used) by Noncapital Financing Activities	3,083	(2,903,820)	13,560	45,399	(6,263)	(2,848,041)	608,300
Cash Flows from Capital & Related Financing Activities:							
Bond Proceeds							
Capital Asset Acquisitions	(7,966)	(97,087)	(343,548)	(559,550)	-	(1,008,151)	(7,653,734)
Sales Of Capital Assets	(3,081)	(65,456)	(34,376)	(3,456)	-	(106,369)	4,169,566
Principal Proceeds	-	-	-	-	40,994	40,994	41,526
Principal Repayments	-	-	(123,406)	-	(13,981)	(137,387)	(1,444,871)
Assessment Receipts	-	-	280,108	-	-	280,108	335,471
Interest Payments	-	-	(714,420)	-	-	(714,420)	(948,099)
Net Cash Provided (Used) by Capital & Related Financing Activities	(11,047)	(162,543)	(935,642)	(563,006)	27,013	(1,645,225)	(5,500,141)
Cash Flows from Investing Activities:							
Interest Receipts	13,952	1,753,922	486,615	61,203	24,079	2,339,771	2,666,408
Net Cash Provided (Used) by Investing Activities	13,952	1,753,922	486,615	61,203	24,079	2,339,771	2,666,408
Net Increase in Cash & Cash Equivalents	(42,882)	(4,900,629)	(652,470)	344,954	46,754	(5,204,273)	(2,933,518)
Cash & Cash Equivalents 1-1-01	380,281	33,492,892	3,509,960	946,559	281,111	38,610,803	41,544,321
Cash & Cash Equivalents 12-31-01	\$337,399	\$28,592,263	\$2,857,490	\$1,291,513	\$327,865	\$33,406,530	\$38,610,803

	ENTERPRISE ADMIN	SOLID WASTE	WATER/ SEWER UTILITIES	STORM & SURFACE WATER	COMM LOAN PROGS	2001	2000
Reconciliation of Operating Income To Net Cash Provided (Used) by Operating Income:							
Operating Income	(\$48,118)	(\$2,191,861)	(\$794,536)	\$293,631	(\$1,022)	(\$2,741,906)	(\$1,454,765)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:							
Depreciation Expense	17,229	1,441,935	566,633	253,597	-	2,279,394	2,601,892
(Increase) Decrease in:							
Special Assessment Receivables	-	-	(5,624)	-	-	(5,624)	48,716
Other Current Receivables	-	(96,599)	(1,328)	-	-	(97,927)	94,169
Due from Other Funds	(3,572)	3,303,990	3,282	326,548	-	3,630,248	(2,820,758)
Due from Other Government Units	-	-	-	-	-	-	272,363
Deferred Charges	-	-	11,401	-	-	11,401	21,733
Increase (Decrease) in:							
Accounts Payable	3,643	(1,703,690)	48,885	(75,982)	2,947	(1,724,197)	1,679,412
Due to Other Funds	(18,050)	(3,039,426)	(45,716)	3,564	-	(3,099,628)	2,501,488
Compensated Absences Payable	(2)	-	-	-	-	(2)	14,000
Accumulated Landfill Closure	-	(1,302,537)	-	-	-	(1,302,537)	(3,393,972)
Total Adjustments	(752)	(1,396,327)	577,533	507,727	2,947	(308,872)	746,680
Net Cash Provided by Operating Activities	(\$48,870)	(\$3,588,188)	(\$217,003)	\$801,358	\$1,925	(\$3,050,778)	(\$708,085)