

Thurston
County
Washington

*Comprehensive Annual
Financial Report*

For Year Ending December 31, 2001

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Table of Contents

Introductory Section

Table of Contents	i
Letters of Transmittal	1
Organization Table	13
Elected Officials	14

Financial Section

Independent Auditor's Opinion	15
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General Purpose Financial Statements:

Description of General Purpose Financial Statements	17
Combined Balance Sheet -- All Fund Types and Account Groups	18
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -- All Governmental Fund Types	20
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -- Budget (GAAP Basis) and Actual General, Special Revenue, Debt Service, and Capital Project Fund Types	21
Combined Statement of Revenues, Expenses, and Changes in Fund Equity -- All Proprietary Fund Types	23
Combined Statement of Cash Flows -- All Proprietary Fund Types	24
Notes to the Financial Statements	25

Supplemental Combining, Individual, and Account Group Financial Statements and Schedules:

General Fund

Description of General Fund	51
Comparative Balance Sheet	52
Statement of Revenues, Expenditures, and Changes in Fund Balance -- Budget (GAAP Basis) and actual	53
Schedule of Revenues -- Estimated (GAAP Basis) and Actual	54
Schedule of Expenditures Compared To Budget (GAAP Basis)	55

Special Revenue Funds

Description of Special Revenue Funds	57
Combining Balance Sheet	58

Thurston County, Washington
 Comprehensive Annual Financial Report
 For Year Ended December 31, 2001

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	60
General Government	62
Culture and Recreation	64
Economic Environment	65
Physical Environment	66
¼% Real Estate Excise Tax Fund	67
Roads Fund	68
Pacific Mt. Job Training Fund	69
Medic One Fund	70
Public Health and Social Services	71
Criminal Justice	72

Debt Service Funds

Description of Debt Service Funds	73
Combining Balance Sheet	74
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	75
1992 G.O. Bond	76
1994 G.O. Bond	77
1995 G.O. Bond	78
1997 G.O. Bond	79
1998 G.O. Bond	80
2000 G.O. Bond	81
2001 G.O. Bond	82
R.I.D. #2	83

Capital Project Funds

Description of Capital Project Funds	85
Combining Balance Sheet	86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	87
Roads Construction in Progress	88
Juvenile Detention Facilities	89
Jail Detention	90
Health Building	91
Coroner Building	92
Fair Building	93

Enterprise Funds

Description of Enterprise Funds	95
Combining Balance Sheet	96
Combining Statement of Revenues, Expenses, and Changes in Fund Equity	97
Combining Statement of Cash Flows	98

Internal Service Funds

Description of Internal Service Funds	101
Combining Balance Sheet	102
Combining Statement of Revenues, Expenses, and Changes in Fund Equity	103
Combining Statement of Cash Flows	104

Agency Funds

Description of Agency Funds	107
Combining Balance Sheet	108
All Agency Funds	
Combining Balance Sheet	109
Combining Statement of Changes in Assets and Liabilities	111

General Fixed Asset Account Group

Description of General fixed Assets Account Group	115
Schedule of General Fixed Assets -- By Function and Activity	116
Schedule of Changes in General Fixed Assets -- By Function and Activity	117
Schedule of General Fixed Assets -- By Source	118

Statistical Section

General Government Expenditure By Function	119
General Revenues By Source	120
Taxable and Estimated Actual Value of Real and Personal Property	121
Weighted Average Taxable Property Tax Levy Rates -- Direct and Overlapping Governments	122
Property Tax Levies and Collections	123
Special Assessment Billings & Collections	124
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita	125
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures	126
Computation of Legal Debt Margin	127
Computation of Direct and Overlapping Bond Debt	128
Demographic Statistics	129
Construction Activity	130
Principal Taxpayers	131
Miscellaneous Statistical Information	132

Supplemental Information

Washington State BARS Schedule 16	
Schedule of Expenditures of State and Local Awards	133
Schedule of Expenditures of Federal Awards	137
Notes to the Schedule of Expenditures of Federal, State and Local Awards	144



KIM WYMAN AUDITOR

TO THE CITIZENS OF THURSTON COUNTY:

June 21, 2002

I am pleased to present the 2001 Comprehensive Annual Financial Report (CAFR) of the Thurston County government for your review. The CAFR is prepared in accordance with generally accepted accounting principles and provides detailed financial information on the revenues, expenditures, assets, and liabilities of Thurston County government for the fiscal year ending December 31, 2001. The major objective of the CAFR is to describe the County's financial condition and the financial results of its operations. As such, it is designed to provide information to our county commission, legislative bodies, creditors, investors, bond counsels, students of public finance, political scientists, and the public we serve on the financial status of the County.

Two transmittal letters are submitted. This first letter will present an overview of the report and its financial statements. A second letter, from Thurston County's Financial Policies Committee, outlines the County's economic conditions and outlook, and identifies current issues that affect the government's financial circumstances.

REPORT SECTIONS

The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes two transmittal letters, the County's organization chart, and a list of principal elected officials. The financial section contains the general-purpose financial statements (including the notes to the financial statements), and the combining/individual fund/account groups' financial schedules. The statistical section presents a history of selected financial and demographic information over the past ten years.

REPORTING ENTITY AND ITS SERVICES

Thurston County government provides and delivers a full range of municipal services, including: public safety (sheriff, judicial, and emergency services), construction and maintenance of roads and bridges, water and waste management, health and social services, cultural and recreational facilities and activities, planning and zoning services, job training, and general administrative services.

By virtue of the County's authority over their operations, this CAFR includes financial data for all the funds and account groups of the County, including activities considered to meet the entity definition criteria established in Governmental Accounting Standards Board Statement No. 14.

INTERNAL CONTROLS

In developing and evaluating the County's accounting systems, the County Auditor's Office has given special consideration to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable assurance to citizens regarding: (1) accountability for assets, and safeguards against their loss through unauthorized use or disposition; and (2) the reliability of financial records as the basis for preparation of financial statements. The concept of "reasonable assurance" recognizes that: (a) the costs of control should not exceed the derived benefits; and (b) management is required to make estimates and use its judgement in evaluating all of the costs and benefits.

Thurston County management recognizes the importance of adequate internal controls and has an Internal Audit Committee. The Internal Audit Committee is comprised of the County Auditor, County Treasurer, and the Chief Administrative Officer. The County Internal Auditor reports to the committee, and works with county departments and offices to improve the effectiveness and efficiency of administrative and financial internal controls. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording and presentation of financial transactions.

BUDGETARY CONTROLS

The 2001 Thurston County budget, including approved modifications, is \$312.1 million in all funds and \$45.2 million in General Funds. This is \$19.8 million more than the 2000 budget in all funds, and just \$300,000 more in General Funds. The minimal increase in General Funds is due in part to the passage of Initiative 695, restricting revenues from motor vehicle licenses, in part to the decision to limit growth to the Implicit Price Deflator (IPD), and in part to the limits placed on housing of inmates from local municipalities in the county jail. Budgetary control for the county is generally maintained at the "appropriation" level within a fund-department level. Budget overruns are prevented by manual and automatic controls as vouchers are processed. The County Commissioners must approve any budget extensions that would authorize expenditures over the original budget(s). For management purposes, budgets are maintained by establishing detailed line items. The Chief Administrative Officer is the only position authorized to transfer budgeted amounts between appropriation units.

Reports are prepared monthly for all department managers, comparing current budget appropriation levels to actual expenditures by detailed line items. The financial system also provides managers with on-line access to current expenditure and revenue balances, activities, and budgets. At year-end, the County utilizes a "13th month" accounting period to post all financial transactions attributable to the appropriate fiscal year.

FINANCIAL SUMMARY INFORMATION

The financial information summarized in the next several paragraphs highlights the fiscal data from the various schedules and notes included in the 2001 CAFR. These highlights reflect comparisons and trends with prior years. The financial summary information is grouped into categories entitled: General Government Functions, Proprietary Operations, Fiduciary Operations, and Debt Administration.

General Government Functions

The General Fund is the major operating fund of the County. It is used to account for the majority of financial activities in Thurston County, including criminal justice. The principal revenue sources are property taxes and retail sales taxes. Revenues from all tax sources, including excise taxes, penalties, interest, and timber harvests accounted for 70 percent of the total General Fund revenues in Fiscal Year (FY) 2001.

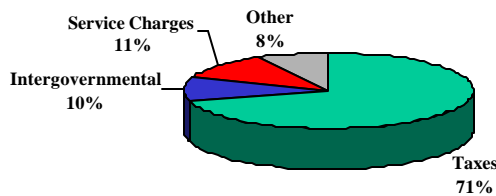
Total General Fund revenues also include grants from federal, state, and other intergovernmental sources, charges for services, fines and forfeitures, interest earnings, and miscellaneous. General Fund revenues for FY 2001 were slightly higher than 2000, showing an increase of \$1,162,339 or plus 2.6%. Tax proceeds were up by 7.7%, but intergovernmental revenues were down by 16.0%. The County received a one-time reimbursement for the cost of the Rupe Trial of \$417,261 in FY 2000 that accounts for the large decrease in miscellaneous from FY 2000 to 2001. In total, for FY 2001, actual

revenues for the General Fund were \$45,624,806 or \$422,414 more than budgeted.

The following schedule presents a summary of actual General Fund revenues for FY 2001 compared to the previous year.

General Fund Revenues

Revenues	FY 2001 Amount	Percent Of Total	\$ Increase	% Increase	FY 2000 Amount
			(Decrease) From 2000	(Decrease) From 2000	
Taxes	\$32,242,788	70.31%	\$2,309,301	7.71%	\$29,933,487
Licenses and Permits	48,106	0.10%	14,267	42.16%	33,839
Intergovernmental	4,738,814	10.33%	(903,280)	(16.01%)	5,642,094
Charges for Services	5,208,562	11.36%	282,379	5.73%	4,926,183
Fines and Forfeitures	1,308,925	2.86%	(14,946)	(1.13%)	1,323,871
Interest	1,923,894	4.70%	(163,937)	(7.85%)	2,087,831
Miscellaneous	153,717	0.34%	(361,445)	(70.16%)	515,162
TOTAL	\$45,624,806	100.00%	\$1,162,339	2.61%	\$44,462,467



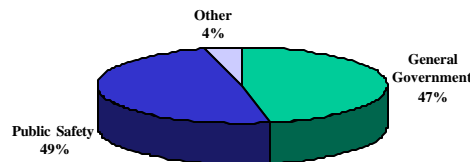
General Fund expenditures increased by \$698,228 or 1.6% from FY 2000. The largest increase was in the area of public safety. Public safety, which includes a large portion of funding for the Sheriff's Office, jail, and courts, comprises 49 percent of total General Fund expenditures. Expenses for public safety increased by \$705,801 from FY 2000, an increase of approximately 3.4%. Expenditures for general government operations also increased slightly in 2001, from \$20.18 million to \$20.83 million or 3.2%. This growth was partially offset by a major decrease in General Fund expenditures for capital outlays.

In FY 2000, Thurston County's Sheriff's Office purchased several new vehicles, outfitted their vehicles with laptop computers, and completed a minor remodel in the jail. These one-time capital expenditures were not incurred in 2001. Actual General Fund expenditures in 2001 were \$820,446 below the approved budget. Over 71 percent of this favorable variance was in General Government; and half of this savings, or 36 percent, was in the County Auditor's Office.

The following schedule presents a summary of General Fund expenditures for FY 2001 compared to the previous year.

General Fund Expenditures

Expenditures	FY 2001 Amount	Percent Of Total	\$ Increase (Decrease) From 2000	% Increase (Decrease) From 2000	FY 2000 Amount
General Government	\$20,836,292	46.90%	\$651,935	3.23%	20,184,357
Public Safety	21,744,673	48.94%	705,801	3.35%	21,038,872
Transportation	110,002	0.25%	18,072	19.66%	91,930
Utilities and Environment	428,438	0.96%	3,332	0.88%	425,106
Culture and Recreation	367,131	0.83%	81,942	28.73%	285,189
Economic Environment	462,600	1.04%	(37,570)	(7.51%)	500,170
Mental/Physical Health	398,743	0.90%	38,251	10.61%	360,492
Capital Outlay & Debt Service	<u>81,207</u>	<u>0.18%</u>	<u>(763,535)</u>	<u>(90.39%)</u>	<u>844,742</u>
TOTAL	\$44,429,086	100.00%	\$698,228	1.60%	\$43,730,858



Total current assets for the General Fund were \$8,580,397 in FY 2001, a decrease of \$1,818,604 from 2000. The most significant decrease occurs in two areas: Cash and Pooled Investments of \$730,644 and Due from Other Governmental Units of \$999,998. The decrease in cash and investments is substantially a result of transfers to a special reserve outside the General Fund. This reserve, which in an activity in the Real Estate Excise Tax Fund, has approximately \$4 million. The decrease in assets from other governmental sources comes from a partial elimination of the state resources initiated by I-695 and the subsequent legislation to reduce motor vehicle license fees, and the reduction of \$1 million from intergovernmental transfers from local municipalities for the County jail. As cash revenues were decreasing, accounts receivables were increasing from \$106,388 to \$439,994. The net effect is reflected in the \$1.58 million decrease in total assets.

As total General Fund assets were decreasing substantially, liabilities were decreasing more modestly. General Accounts Payables were up slightly by \$16,859, and obligations Due to Other Funds were lower by \$64,213. Deferred Revenues, primarily in criminal justice funding, was reduced from \$3,535,998 to \$3,329,290. This is a decrease of \$206,708.

The net affect was a decrease of \$1,529,453 in the unreserved fund balance of the General Fund. After adding in the \$25,220 reserved for petty cash, the General Fund Balance was reduced from \$5.78 million to \$4.25 million. As indicated above, a significant part of the decrease in the General Fund Balance is a result of transfers to a reserve outside of the General Fund. After the transfers, the 2001 General Fund balance is approximately 9.3% of the year's collected revenues (excluding "other financing sources"), which is still higher than the county's goal of maintaining at least a 5 percent reserve.

For all the Governmental Funds (General, Special Revenue, Debt Service, and Capital Project), total revenues (excluding "other financing sources") increased to \$124,331,808, up by \$4.76 million from \$119,566,700 in 2000. The largest categories of increase were in Taxes, which increased by \$3.74 million or 6.5 percent, Charges for Services that increased by \$946,488 or 10.5 percent, and in Miscellaneous Revenues, which increased by \$381,769 or 16.8 percent. These increases were partially offset by small reductions in Intergovernmental Revenues of \$68,428, Fines and Forfeitures of \$14,946, and Miscellaneous Revenues from interest earnings of \$220,417 respectively.

Governmental Fund expenditures increased from \$115,825,835 million in 2000 to \$124,648,456 in 2001. This is an increase of \$8.82 million or 7.6 percent. Three main categories accounted for 75 percent of this increase. The largest change occurred in the category called Security of Persons and Property. Expenditures for public safety increased from \$27,295,351 to \$29,979,500, an increase of \$2.68 million or 9.8 percent. The second largest category of increase in Governmental Fund expenditures was Transportation, which increased from \$15,236,454 to \$17,367,425 or \$2.13 million. Close behind was the category entitled Culture and Recreation that showed a growth from \$20,675,383 to \$22,799,944 or \$2.12 million. Only two categories showed reduced expenditures from FY 2000. These were Economic Environment, down \$791,176, and Physical Environment, down \$19,120. Total unreserved fund balance for all the governmental funds increased from \$65.5 million to \$67.7 million. This is an increase of \$2.1 million or approximately 3 percent.

Proprietary Operations

The Enterprise and Internal Service funds' total equity decreased from \$56.0 million in 2000 to \$53.6 million in 2001. The decrease was due primarily to the reflection of \$2.9 million in closure costs for the landfill as a non-operating expense item in FY 2001. Previous year closing expenses were shown as a balance sheet adjustment to accrued liability. Although net income from proprietary operations was also negative, this was more than offset by interest earnings.

Fiduciary Operations

At year-end 2001, County Agency Fiduciary funds contained \$164.8 million in assets and liabilities. This increased from \$147.4 million in 2000. The County Treasurer makes investments in a custodial capacity for school districts, fire districts and other special districts. Other Agency Funds are "clearing" or "suspense" accounts for County financial activities.

Debt Administration

The County's conservative debt position and financial stability support its A1 credit rating by Moody's Investor Services. The net general obligation bond debt per capita for the Thurston County government had increased steadily up to \$163 in FY 1998. In 1999, it decreased to \$145 and then increased again to \$168 in FY 2000. In 2001, there was a slight decrease to \$156. In relationship to total general expenditures, debt service expense for principal and interest is \$3.168 million or 2.61% (see Statistical Table 8).

The General Long-Term Debt Account Group has \$37.3 million in payables from bonds, leases, and compensated absences. Proprietary fund liabilities are \$15.6 million for a total of \$52.9 million. In addition, long term liabilities include \$23.5 million in closure costs for the Thurston County Landfill. Thurston County's indebtedness for "other than voter-approved" debt is \$46.3 million, significantly below its statutory limit of 1.5% of taxable property or \$195.6 million.

CASH MANAGEMENT

In order to obtain maximum return on secure investments, the County Treasurer invests cash in certificates of deposit with qualified Washington State public depositories, U.S. Treasury and Agency securities, bankers acceptances, commercial paper and investments in the Washington State Treasurer's Local Government Investment Pool. Over 86% of the cash investments held by the County are in US Agency and Instrumentality Securities. All investments at year-end 2001 were insured, registered, and/or held by the County or its agent in the County's name. All of these investments are classified in the lowest-risk category, as defined by the Governmental Accounting Standards Board (GASB).

RISK MANAGEMENT

Thurston County acquires insurance for general risk liability through the Washington Counties Risk Pool. Thurston County's insurance, loss expenditures, and accounting activities are centrally tracked within the County's Insurance Risk Internal Service Fund. The County presently purchases insurance for workers' compensation liabilities.

INDEPENDENT AUDIT

Washington State laws require an annual audit by the Washington State Auditor's Office (SAO) of the financial records and transactions of the County. SAO consistently performs this audit annually and I am pleased to report that Thurston County has continued to receive an unqualified opinion.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Thurston County for its comprehensive annual financial report for the fiscal year ended December 31, 2000. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

MANAGEMENT RESPONSIBILITY

The County Auditor is responsible to accurately, completely, and fairly present this financial data. I believe that the data contained in this CAFR is presented in a manner that fairly states the financial position and results of operations of the County, as measured by the financial activity of its various funds in accordance with generally accepted accounting principles. The CAFR also includes all disclosures necessary to enable the reader to gain an understanding of the County's financial affairs. To the best of my knowledge and belief, the enclosed statements are accurate in all material respects.

ACKNOWLEDGMENTS

Thurston County Auditor's Division of Financial Services prepared the CAFR, with assistance from the staff of the Thurston County Treasurer's Office. I appreciate the efforts of accounting staff members in all County departments, who contributed information necessary for compilation of this report.

And we express our thanks to the Thurston County Board of Commissioners, for their responsible interest in, and progressive support of, the conduct of financial operations and systems of Thurston County government.

Respectfully Submitted,



KIM WYMAN
THURSTON COUNTY AUDITOR

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Thurston County,
Washington

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2000

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Samuel Bruwe
President

Jeffrey L. Esser
Executive Director



June 21, 2002

Economic Condition and Accomplishments for 2001

The Thurston County Financial Policies Committee is pleased to submit this overview of the County's current economic conditions and a sample of several major program accomplishments and service efforts by County departments during calendar year 2001.

The Financial Policy Committee (FPC) was established in 1989 to oversee the development of financial/accounting policies and procedures for the overall county, and to serve as an internal audit committee to ensure that proper financial controls are being used in county departments and offices. FPC members are Thurston County Auditor (chair), Thurston County Treasurer, and Thurston County Chief Administrative Officer.

The work of the FPC in creating, maintaining, and updating relevant financial policies and procedures is ongoing. Accountants and financial managers participate in staff advisory capacities and developing drafts of financial procedures. Finalized policies and procedures are adopted by the FPC, published, and are used throughout the organization.

Summary of Economic Conditions

Economic conditions are, in part, a product of (a) population and demographic trends; (b) employment and housing factors; (c) per capita income and inflation; and (d) retail sales. From 1990 to 2000, the Thurston County economy continued to increase steadily, but not at the same rate as the prior two decades. In 2001, the economy became stagnant as growth in both public and private employment was impacted first by the Boeing cutbacks and State budget, and secondly by the tragic events of September 11, 2001. The statistics and information that follows highlight the changes in these conditions.

Population and Demographic Trends

The population of Thurston County has grown from 161,238 in 1990 to 207,355 in 2000. This is an increase of 46,117 residents and an average growth rate of 2.5 percent per year. The majority of the population increase has been due to the continued in-migration of people into the County. Thurston County continues to be a desirable place to live, and is the 11th fastest growing of our State's 39 counties over the past decade. In Calendar Year 2001 the County's population increased to 210,200. This reflected a slower growth rate of 1.4%. This is the result of a relatively stable economy, less job opportunities, and less in-migration.

Seniors continues to be one of the fastest growing segments of Thurston County's population. From 1980 to 2000, the population aged 65 and older increased from 12,230 to 24,629, basically doubling in number. Today our senior citizens constitute 11 percent of our total population. Projections show that by the year 2010, the population of people aged 65 or over will have increased to 13 percent of our total population and by the year 2020 to 17 percent. This is a trend that will place increased pressures on our public health care services and retirement facilities.

Over the past twenty years, population growth has been fairly evenly distributed between the incorporated and unincorporated areas of the county. This is in stark contrast to the two previous decades of the 60's and 70's, when major shifts in population occurred in both directions. In calendar year 2001, approximately 55 percent of our population live in unincorporated areas and 45 percent in incorporated jurisdictions.

The growth within our municipal cities has not been constant however. During the past decade, the cities of Lacey, Rainier, and Yelm were all growing at an annual rate of 3.8 percent or better. Growth in Tumwater and Olympia, on the other hand, was slightly below the statewide average at 2.4 and 2.3 percent respectively. For 2001, growth rates slowed down in all jurisdictions, with only Yelm exceeding the statewide average at 4 percent. Much of the growth in Yelm took place through annexation.

Employment and Housing

Between 1990 and 1999 (the most recent statistical year), the number of jobs available in the County has increased by 30 percent. The industry sector with the greatest rate of growth in 1999 was the Construction sector, which grew 8.4 percent from 3,449 jobs in 1998 to 3,738 jobs in 1999. It was closely followed by Transportation and Public Utilities that grew 3.6 percent from 2,077 jobs to 2,152 jobs in the same time period. The greatest overall increase in the actual number of jobs was in the Government sector, accounting for 541 new jobs, a 1.7 percent increase over 1998. The second largest number of new jobs was provided by the Retail Trade sector with 489 new jobs, a 3.5 percent increase.

Despite an increase in total jobs, the Manufacturing sector continues to lose overall market share in Thurston County. Manufacturing pays the third highest average wage but only accounts for about 5 percent of County jobs. In 1999, there was a very slight increase in manufacturing employment of 7 jobs. This followed an absolute decline in Calendar Year 1998.

Over the past decade, housing starts in Thurston County have proven to be quite steady. There were 2,807 residential housing starts in 1990, 2,106 in 1995, and 1,544 in 2000. Over 54 percent of these permits were located within the urban growth boundaries. The average sales price for a home in 1990 was \$91,568. In 2000, the average sales price was \$160,606.

Housing affordability overall was relatively good for Thurston County with an index of 143.0 vs. 124.3 statewide. The higher the index, the more affordable the housing. An index of 100.0 is considered a good balance between monthly income and housing costs. However, for first time homebuyers, the index was 85.4 and only slightly above the previous year.

Per Capita Income and Inflation

In 2000 the median household income for Thurston County was \$46,975, up from \$43,475 in 1999. In comparison with adjacent counties, Thurston County continues to experience a higher median household income than Lewis, Mason, Pierce, and Grays Harbor counties and is slightly higher than the Washington State average based on the last census.

Real personal income for Thurston County, which is measured by dividing total personal income by population and adjusted for inflation, has increased slightly from \$22,730 in 1990 to \$25,760 in 1999 (the latest statistical year). This is a real per capita increase of \$3,030.

Taxable Retail Sales

Another indication of economic conditions, especially as it applies to local government, is “taxable retail sales”. This indicator measures purchasing and consumption activity in the County. In the last reported year, between 1999 and 2000, the County experienced a 4.6 percent increase in taxable retail sales. The “taxable retail sales” for the County has increased by an average of 6.3 percent annually since 1990. The unincorporated sector of the County increased by 4.4 percent during this same time period, while the city of Yelm increased by over 11 percent.

Future Economic Outlook

Thurston Regional Planning predicts that the population in the year 2025 will be over 334,000, an increase of 58 percent over this twenty-five-year period.

The Thurston Regional Planning Council also has projected an increase in employment for Thurston County from 109,000 persons to 161,000 by the year 2025. This is an increase of 48 percent over the twenty-five year period. The number of local jobs available is expected to increase at about the same rate as the labor force, with government and the service industry continuing to be the dominant employment base.

Thurston County's economic vitality has traditionally come from being the state capital. State government, with its substantial employment base, has significant ripple effects in the consumer business trade and services sectors. However, recent downturns in the economy and shortfalls in revenues are expected to reduce government employment by approximately 100 employees in the Thurston County area in the immediate future. Most recently, Thurston County is working to solidify its role as a regional retail and services center as it attempts to draw customers from nearby counties. Currently more people commute out of the County to work every day than those who commute into the County. The trend is expected to continue over the next 25 years. One of the keys to Thurston County's economy will be the success of efforts to have Thurston County residents purchase goods and services locally. Another is continued diversification in the workforce, with a growth in business-to-business services.

Health care services, in particular, present the county with significant growth opportunities and challenges. Thurston County health care services are among the most comprehensive in southwest Washington, and St. Peters Hospital is completing a major expansion project. On the other hand, rising health care costs and reduced government reimbursement rates are driving private health care providers out of the county and state.

Local governments in Thurston County are also experiencing a slow down in employment growth. Passage of new Initiatives has placed tight limits on revenue increases from traditional sources such as property taxes. Coupled with reductions in state grant funds from the limit on Motor Vehicle Excise Taxes, many local cities and the county are facing potential employment reductions beginning in 2002. Thurston County governments' strong reserve base will be a significant factor in recovering from the economic downturn in 2001.

While recent slow downs in government activities will have some immediate challenges, Thurston County has many attractive quality of life aspects. Significant investments in infrastructure and the counties unique resources will help stimulate economic growth in the long-term. Growth in all industries will occur, with special emphasis in the consumer business trades and the service sector.

Major Accomplishments and Service Efforts

Calendar Year 2001 brought with it many challenges. The February earthquake disrupted vital county services and resulted in a major rebuilding effort for county road and utility crews. One of the major thoroughfares to Thurston County headquarters, the Deschutes Parkway, was rendered unusable and will not be reopened until 2003. The County began partnering immediately with the Federal Emergency Management Agency (FEMA) to repair or replace over \$700,000 in damaged roadways, bridges, and structures. At a time when the State and other local jurisdictions were having difficulty in clarifying requirements and financial obligations, Thurston County's work crews, risk management and financial management staff worked professionally to ensure that county projects were completed as quickly as possible and maximum federal participation obtained.

By mid year Thurston County officials were aware that the economy had turned down and that the opportunity for continued backfill of all the lost Motor Vehicle Excise Tax revenues from the legislature was very slim. The County embarked on a new budget development plan, and the budget team developed a series of financial alternatives to address the shortfall. The new budget presentation and financial support materials was favorably received by the Commission. Although born out of a need to reduce spending levels, improvements in the budget process and presentation materials was a major accomplishment in 2001.

Another of the major financial accomplishments in 2001 was the integration of the necessary software and hardware to upgrade the Eden Payroll System. The new system, called Eden Gold, provides faster, and more convenient, on line information for processing payroll information and responding to individual inquiries. This was a true team effort, involving many hours of coordinating planning and implementation from Central Services, Human Resources, the Payroll Division of the County Auditor, and department accountants. The next phase, involving expanded and upgraded human resource information, will be partially implemented in 2002 and completed in 2003.

Effective September 1, 2001, the Financial Policy Committee and the Board of County Commissioners approved a new policy and procedure for the handling of small assets. With the capitalization threshold for inventory reporting raised from \$1,000 to \$5,000, the new policy provides strong internal controls over small and attractive assets. Each office and department was required to identify their "at risk" equipment and furniture, and the information was summarized in a standardized and convenient spreadsheet. The new policy and procedure will ensure accountability over small assets, while focusing on a strong inventory management system for major items. The change has helped reduce the collection and reporting time of fixed asset information for this CAFR by two months.

The Board of County Commissioners initiated a broad-based quality improvement program in 2000 called "Focus 2000". Through a series of brown bag lunches, focus groups, department meetings and individual suggestions, over 300 recommendations for improvements were received from the various departments and offices in the County. These suggestions were evaluated for feasibility, potential cost, and opportunities for savings and improved service delivery.

Departments have already implemented several of these suggestions. One of the recommendations that was implemented successfully in 2000 and 2001 is the use of credit cards by county offices and employees for the purchase of general supplies and equipment, and for travel. The use of credit cards has made it more convenient for our employees in remote locations and has significantly reduced the paperwork for advanced travel requests and for processing monthly vouchers. To date the County has issued 76 cards for 19 agencies.

Another Focus 2000 recommendation that was expanded in 2001 is improving the County's presence on the web. Thurston County has developed a very user-friendly web site that is available both through the Internet and Intranet for external and internal distribution of information. Many citizens and offices have favorably commented on the new web site.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Thurston County for its comprehensive annual financial report for the fiscal year ended December 31, 2000. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.




A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, two County Auditor employees were awarded Professional Finance Officer Awards for their ongoing educational and professional excellence in government accounting in 1999 and 2000.

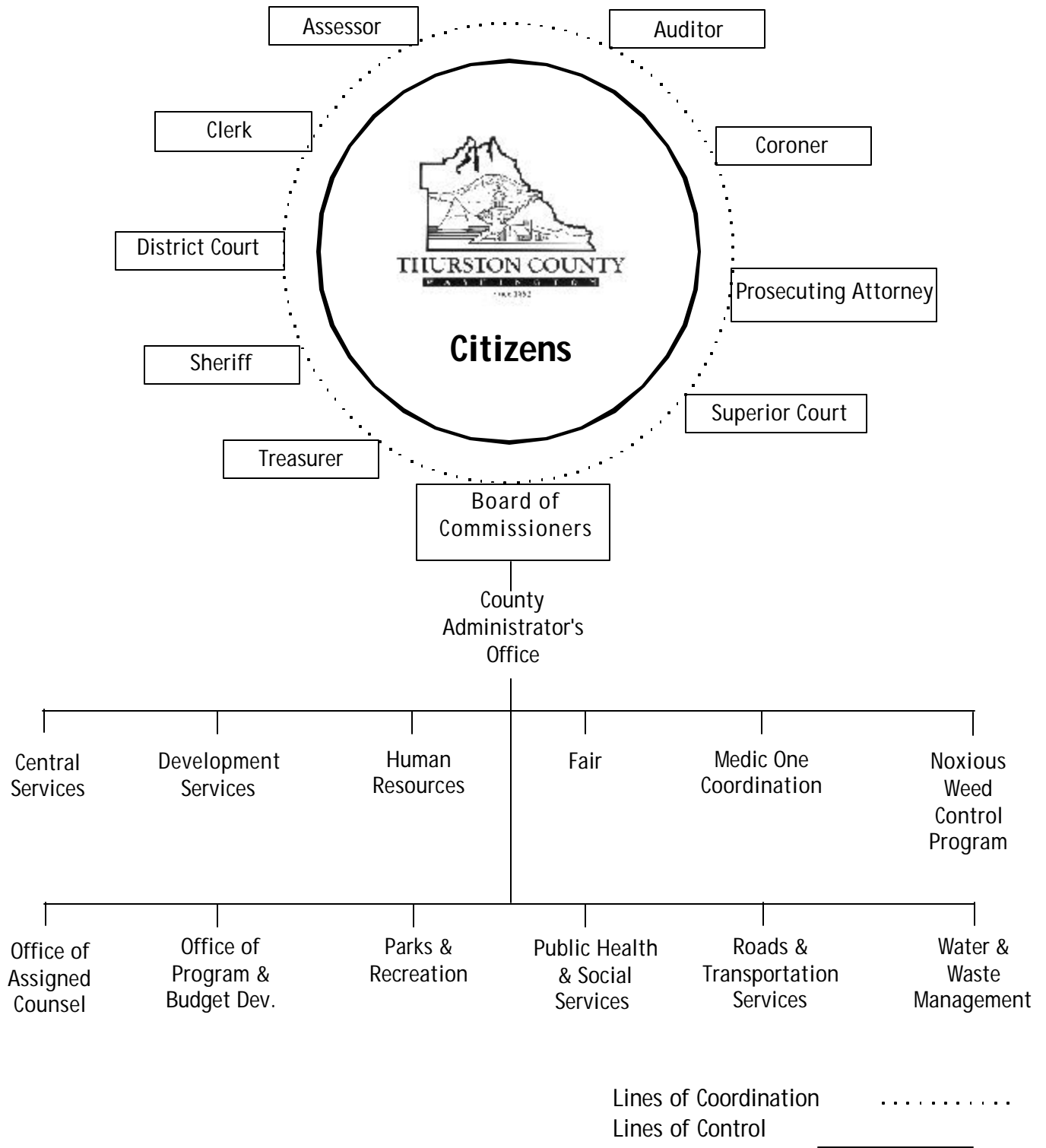
Acknowledgments

The professional and dedicated staff of the Financial Services Division of the County Auditor's Office and the County Treasurer's Office jointly prepared this report. In addition, the report could not be accomplished without the valuable assistance of accounting personnel of other County departments. We appreciate their efforts, and appreciate also the sound and progressive approach of the Board of Commissioners, in their conduct of the financial affairs of the County.

MEMBERS OF THE THURSTON COUNTY FINANCIAL POLICIES COMMITTEE:

		
Kim Wyman County Auditor, Chairman	Robin Hunt, CPA County Treasurer	Don Krupp County Chief Administrative Officer

Thurston County Organization Chart



Elected Officials

December 31, 2001

Thurston County Board of Commissioners

Honorable Cathy Wolfe **District One**

Honorable Diane Oberquell, **District Two**

Honorable Kevin J. O'Sullivan, **District Three**

Honorable Patricia Costello, **Assessor**

Honorable Kim Wyman, **Auditor**

Honorable Betty J. Gould, **Clerk**

Honorable Judy Arnold, **Coroner**

Honorable Edward G. Holm, **Prosecuting Attorney**

Honorable Gary Edwards, **Sheriff**

Honorable Robin Hunt, **Treasurer**

District Court Judges

Honorable Susan A. Dubuisson

Honorable Clifford L. 'Kip' Stilz

Superior Court Judges

Honorable Daniel J. Berschauer

Honorable Paula Casey

Honorable Richard A. Strophy

Honorable Wm. Thomas McPhee

Honorable Richard Hicks

Honorable Christine A. Pomeroy

Honorable Gary R. Tabor



Washington State Auditor
Brian Sonntag

Legislative Building
PO Box 40021
Olympia, Washington 98504-0021

(206) 753-5277
SCAN 234-5277
FAX (206) 753-0646 SCAN 234-0646

INDEPENDENT AUDITOR'S REPORT

June 17, 2002

Board of Commissioners
Thurston County
Olympia, Washington

We have audited the accompanying general purpose financial statements of Thurston County, Washington, as of and for the year ended December 31, 2001, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was performed pursuant to the *Revised Code of Washington* 43.09.260, under which a full report on the results of this audit will be issued. This report may include findings and recommendations on compliance matters, internal control procedures, and questionable costs or contingencies that would not be material in relation to the County's general purpose financial statements taken as a whole.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Thurston County, Washington, as of December 31, 2001, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Thurston County, Washington. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The other data included in this report, designated as the statistical section in the table of contents, has not been audited by us and, accordingly, we express no opinion on such data.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR



GENERAL PURPOSE FINANCIAL STATEMENTS

General Purpose Financial Statements (GPFS) are the minimum financial statements which conform with Generally Accepted Accounting Principles (GAAP). GPFS are designed for users requiring more succinct information than is contained in the full Comprehensive Annual Financial Report (CAFR).

General Purpose Financial Statements include:

1. Combined Balance Sheet - All Fund Types and Account Groups.
2. Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.
3. Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General, Special Revenue, Debt Service, and Capital Project Fund Types.
4. Combined Statement of Revenues, Expenses, and Changes in Fund Equity - All Proprietary Fund Types
5. Combined Statement of Cash Flows - All Proprietary Fund Types.
6. Notes to the Financial Statements.

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
AS OF December 31, 2001

Assets	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPES		
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT	ENTERPRISE	INTERNAL SERVICE
<i>Current Assets</i>						
Cash & Pooled Investments	\$3,878,982	\$56,126,283	\$119,385	\$8,465,853	\$13,524,657	\$15,215,818
Taxes Receivable	1,071,840	1,097,737	-	-	-	-
Special Assessment Receivables	-	42,542	41,000	-	299,582	-
Accrued Interest & Penalties	2,214,641	207,595	538	30,870	56,280	48,891
Customer Account Receivables	439,994	142,378	-	-	1,089,320	18,798
Due from Other Funds	243,689	389,662	-	1,220	581,004	1,784,114
Interfund Loans Receivables						
Due from Other Government Units	731,678	3,185,911	-	599,748	365,960	4,932
Inventory	-	849,529	-	-	-	139,928
Prepayments	(427)	-	-	-	-	189,067
<i>Restricted Assets</i>						
Cash & Pooled Investments	-	-	-	-	19,881,873	-
Investments at Cost	-	-	-	-	-	-
<i>Long-Term Assets</i>						
Deferred Charges	-	-	-	-	193,175	-
Community Loans Receivable	-	-	-	-	179,622	-
Other Long-Term Receivables	-	263,391	-	-	-	-
Special Assessment Receivables	-	-	696,957	-	5,660,711	-
Fixed Assets	-	-	-	-	50,461,569	24,698,035
Accumulated Depreciation	-	-	-	-	(20,622,631)	(15,394,013)
<i>Other Debits</i>						
Amount Available in Debt Service Funds	-	-	-	-	-	-
Amount to be Prov. for Retirement of L/T Debt	-	-	-	-	-	-
Total Assets	\$8,580,397	\$62,305,028	\$857,880	\$9,097,691	\$71,671,122	\$26,705,570
Liabilities, Equity & Other Credits						
<i>Current Liabilities</i>						
Warrants Payable	-	-	-	-	-	-
Accounts Payable	678,521	3,002,350	-	560,158	1,640,333	745,494
Due to Other Funds	318,797	1,478,182	-	26,704	1,109,273	86,288
Due to Fiscal Agent	-	-	-	-	-	-
Interfund Loans Payable	-	-	-	-	-	-
Due to Other Government Units	-	536,674	-	74	3,889	-
Limited G.O. Bonds Payable	-	-	-	-	90,000	150,194
Deferred Revenue	3,329,290	2,502,350	696,957	-	-	-
<i>Long-Term Liabilities</i>						
Limited G.O. Bonds Payable	-	-	-	-	12,650,000	876,443
Compensated Absences Payable	-	-	-	-	194,936	381,177
Claims & Judgements Payable	-	-	-	-	-	1,826,183
Intergovernmental Loans & Contracts Payable	-	-	-	-	1,262,295	226,647
Accumulated Landfill Closure Costs	-	-	-	-	23,511,360	-
Total Liabilities	4,326,608	7,519,556	696,957	586,936	40,462,086	4,292,426
<i>Equity & Other Credits :</i>						
Contributed Capital	-	-	-	-	17,295,888	4,398,288
Investment in General Fixed Assets	-	-	-	-	-	-
Retained Earnings - Reserved	-	-	-	-	20,860,514	6,777,031
Retained Earnings - Unreserved	-	-	-	-	(6,947,366)	11,237,825
Fund Balance - Reserved	25,220	3,965,237	160,923	-	-	-
Fund Balance - Unreserved	4,228,569	50,820,235	-	8,510,755	-	-
Total Equity & Other Credits	4,253,789	54,785,472	160,923	8,510,755	31,209,036	22,413,144
Total Liabilities, Equity & Other Credits	\$8,580,397	\$62,305,028	\$857,880	\$9,097,691	\$71,671,122	\$26,705,570

See accompanying notes to the financial statements.

	FIDUCIARY	ACCOUNT GROUPS		TOTALS	
	FUND TYPE			(MEMORANDUM ONLY)	
<u>Assets</u>	AGENCY	GEN FIXED ASSETS	GENERAL L/T DEBT	2001	2000
<i>Current Assets</i>					
Cash & Pooled Investments	\$156,055,624	\$ -	\$ -	\$253,386,602	\$233,143,522
Taxes Receivable	6,823,422	-	-	8,992,999	8,919,899
Special Assessment Receivables	-	-	-	383,124	338,188
Accrued Interest & Penalties	1,764,127	-	-	4,322,942	5,000,990
Customer Account Receivables	24	-	-	1,690,514	1,193,523
Due from Other Funds	34,661	-	-	3,034,350	6,525,550
Interfund Loans Receivables	-	-	-	-	-
Due from Other Government Units	-	-	-	4,888,229	4,862,071
Inventory	-	-	-	989,457	866,093
Prepayments	-	-	-	188,640	189,067
<i>Restricted Assets</i>					
Cash & Pooled Investments	-	-	-	19,881,873	23,058,772
Investments at Cost	-	-	-	-	1,000,000
<i>Long-Term Assets</i>					
Deferred Charges	-	-	-	193,175	204,576
Community Loan Receivable	-	-	-	179,622	181,353
Other Long-Term Receivables	-	-	-	263,391	263,391
Special Assessment Receivables	93,450	-	-	6,451,118	5,946,443
Fixed Assets	-	85,510,363	-	160,669,967	155,937,151
Accumulated Depreciation	-	-	-	(36,016,644)	(33,135,377)
<i>Other Debits</i>					
Amount Available in Debt Service Funds	-	-	160,923	160,923	18,769
Amount to be Prov. for Retirement of L/T Debt	-	-	37,160,407	37,160,407	38,489,381
Total Assets	\$164,771,308	\$85,510,363	\$37,321,330	\$466,820,689	\$453,003,362
Liabilities, Equity & Other Credits					
<i>Current Liabilities</i>					
Warrants Payable	\$12,056,462	-	-	\$12,056,462	\$13,207,794
Accounts Payable	4,153,562	-	-	10,780,418	12,423,765
Due to Other Funds	15,106	-	-	3,034,350	6,526,765
Due to Fiscal Agent	1,301,977	-	-	1,301,977	952,662
Interfund Loans Payable	-	-	-	-	-
Due to Other Government Units	140,327,330	-	-	140,867,967	128,358,627
Limited G.O. Bonds Payable	-	-	-	240,194	227,957
Deferred Revenue	6,916,871	-	-	13,445,468	6,540,282
<i>Long-Term Liabilities</i>					
Limited G.O. Bonds Payable	-	-	32,826,140	46,352,583	47,968,900
Compensated Absences Payable	-	-	3,659,484	4,235,597	3,910,685
Claims & Judgements Payable	-	-	-	1,826,183	1,969,629
Intergovernmental Loans & Contracts Payable	-	-	835,706	2,324,648	2,521,592
Accumulated Landfill Closure Costs	-	-	-	23,511,360	24,813,897
Total Liabilities	164,771,308	-	37,321,330	259,977,207	249,422,555
<i>Equity & Other Credits :</i>					
Contributed Capital	-	-	-	21,694,176	21,543,752
Investment in General Fixed Assets	-	85,510,363	-	85,510,363	82,000,674
Retained Earnings - Reserved	-	-	-	27,637,545	30,682,973
Retained Earnings - Unreserved	-	-	-	4,290,459	3,794,082
Fund Balance - Reserved	-	-	-	4,151,380	1,729,920
Fund Balance - Unreserved	-	-	-	63,559,559	63,829,406
Total Equity & Other Credits	-	85,510,363	-	206,843,482	203,580,807
Total Liabilities, Equity & Other Credits	\$164,771,308	\$85,510,363	\$37,321,330	\$466,820,689	\$453,003,362

See accompanying notes to the financial statements.

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED December 31, 2001

	GOVERNMENT FUND TYPES				TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	DEBT SVS.	CAPITAL PROJECT	2001	2000
Revenues:						
Taxes	\$32,242,788	\$28,352,774	-	\$218,316	\$60,813,878	\$57,073,237
Licenses and Permits	48,106	2,607,232	-	-	2,655,338	2,273,569
Intergovernmental	4,738,814	36,875,654	-	1,879,744	43,494,212	43,562,639
Charges for Services	5,208,562	4,582,067	-	157,999	9,948,628	9,002,140
Fines & Forfeitures	1,308,925	-	-	-	1,308,925	1,323,871
Miscellaneous Revenue	2,077,611	3,390,483	141,442	542,291	6,151,827	6,331,244
Total Revenues	45,624,806	75,808,210	141,442	2,798,350	124,372,808	119,566,700
Expenditures:						
<i>Current</i>						
General Government	20,836,292	3,355,133	-	51,927	24,243,352	23,305,103
Security of Persons & Property	21,744,673	8,234,827	-	-	29,979,500	27,295,351
Physical Environment	428,438	861,170	-	-	1,289,608	1,308,728
Transportation	110,002	17,257,423	-	-	17,367,425	15,236,454
Economic Environment	462,600	12,028,581	-	-	12,491,181	13,282,357
Mental and Physical Health	398,743	22,401,201	-	-	22,799,944	20,675,383
Culture and Recreation	367,131	1,844,577	-	-	2,211,708	2,001,181
Capital Outlay	61,418	756,613	-	10,280,144	11,098,175	10,087,016
<i>Debt Service</i>						
Principal	15,413	153,595	1,422,858	-	1,591,866	1,191,764
Interest and Fiscal Charges	4,376	25,235	1,546,086	-	1,575,697	1,442,498
Total Expenditures	44,429,086	66,918,355	2,968,944	10,332,071	124,648,456	115,825,835
Excess (Deficiency) of Revenues Over Expenditures	1,195,720	8,889,855	(2,868,944)	(7,533,721)	(275,648)	3,740,865
Other Financing Sources (Uses)						
Capital Lease Financing	51,386	-	-	-	51,386	404,878
Other Financing Sources - Sale of Fixed Assets	726,690	288,258	-	850,633	1,865,581	3,117,752
Other Financing Sources - Bond Proceeds	-	-	50,000	-	50,000	6,469,648
Operating Transfers In	1,160,691	9,941,080	2,919,655	5,120,749	19,142,175	14,597,921
Operating Transfers Out	(4,655,334)	(14,211,201)	-	(92,514)	(18,959,049)	(14,725,863)
Total Other Financing Sources (Uses)	(2,716,567)	(3,981,863)	2,969,655	5,878,868	2,150,093	9,864,336
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(1,520,847)	4,907,992	142,153	(1,654,853)	1,874,445	13,605,201
Fund Balance at Beginning of Year	5,780,067	49,594,882	18,770	10,165,608	65,559,327	52,086,167
Residual Equity Transfers In	7,699	373,522	-	-	381,221	32,723
Residual Equity Transfers Out	(13,130)	(90,924)	-	-	(104,054)	(164,765)
Fund Balance at End of Year	\$4,253,789	\$54,785,472	\$160,923	\$8,510,755	\$67,710,939	\$65,559,326

See accompanying notes to the financial statements.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECT FUND TYPES
YEAR ENDED December 31, 2001 (Page 1 of 2)**

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
Revenues:						
Taxes	\$32,112,366	32,242,788	\$130,422	\$27,876,655	\$28,352,774	\$476,119
Licenses and Permits	30,115	48,106	17,991	2,254,564	2,607,232	352,668
Intergovernmental	5,014,615	4,738,814	(275,801)	36,771,667	36,875,654	103,987
Charges for Services	5,065,370	5,208,562	143,192	4,874,266	4,582,067	(292,199)
Fines & Forfeitures	1,123,900	1,308,925	185,025	-	-	-
Miscellaneous Revenue	1,856,026	2,077,611	221,585	2,775,560	3,390,483	614,923
Total Revenues	45,202,392	45,624,806	422,414	74,552,712	75,808,210	1,255,498
Expenditures:						
<i>Current</i>						
General Government	21,422,180	20,836,292	585,888	3,305,228	3,355,133	(49,905)
Security of Persons & Property	21,892,284	21,744,673	147,611	8,721,029	8,234,827	486,202
Physical Environment	428,440	428,438	2	1,038,828	861,170	177,658
Transportation	161,484	110,002	51,482	18,324,100	17,257,423	1,066,677
Economic Environment	481,988	462,600	19,388	14,683,219	12,028,581	2,654,638
Mental and Physical Health	406,256	398,743	7,513	28,476,252	22,401,201	6,075,051
Culture and Recreation	366,977	367,131	(154)	1,920,339	1,844,577	75,762
Capital Outlay	77,513	61,418	16,095	17,602,557	756,613	16,845,944
<i>Debt Service</i>						
Principal	10,341	15,413	(5,072)	172,057	153,595	18,462
Interest and Fiscal Charges	2,069	4,376	(2,307)	25,494	25,235	259
Total Expenditures	45,249,532	44,429,086	820,446	94,269,103	66,918,355	27,350,748
Excess (Deficiency) of Revenues Over Expenditures	(47,140)	1,195,720	1,242,860	(19,716,391)	8,889,855	28,606,246
Other Financing Sources (Uses)						
Capital Leases	-	51,386	51,386	-	-	-
Other Financing Sources - Bond Proceeds	-	-	-	2,300,000	-	(2,300,000)
Other Financing Sources - Sale of Fixed Assets	621,787	726,690	104,903	539,228	288,258	(250,970)
Operating Transfers In	1,205,320	1,160,691	(44,629)	10,014,789	9,941,080	(73,709)
Operating Transfers Out	(4,655,334)	(4,655,334)	-	(18,170,526)	(14,211,201)	3,959,325
Total Other Financing Sources (Uses)	(2,828,227)	(2,716,567)	111,660	(5,316,509)	(3,981,863)	1,334,646
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(2,875,367)	(1,520,847)	1,354,520	(25,032,900)	4,907,992	29,940,892
Fund Balance at Beginning of Year	5,758,123	5,780,067	21,944	50,182,631	49,594,882	(587,749)
Residual Equity Transfers In	-	7,699	7,699	360,000	373,522	13,522
Residual Equity Transfers Out	-	(13,130)	(13,130)	-	(90,924)	(90,924)
Fund Balance at End of Year	\$2,882,756	\$4,253,789	\$1,371,033	\$25,509,731	\$54,785,472	\$29,275,741

See accompanying notes to the financial statements.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECT FUND TYPES
YEAR ENDED December 31, 2001 (Page 2 of 2)**

	DEBT SERVICE FUNDS			CAPITAL PROJECT FUNDS		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
Revenues:						
Taxes	\$-	\$-	\$-	\$286,000	\$218,316	(\$67,684)
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	3,595,550	1,879,744	(1,715,806)
Charges for Services	-	-	-	61,700	157,999	96,299
Fines & Forfeitures	-	-	-	-	-	-
Miscellaneous Revenue	76,373	141,442	65,069	484,049	542,291	58,242
Total Revenues	76,373	141,442	65,069	4,427,299	2,798,350	(1,628,949)
Expenditures:						
<i>Current</i>						
General Government	-	-	-	51,927	51,927	-
Security of Persons & Property	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-
Mental and Physical Health	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Capital Outlay	-	-	-	20,258,475	10,280,144	9,978,331
<i>Debt Service</i>						
Principal	1,439,900	1,422,858	17,042	-	-	-
Interest and Fiscal Charges	1,970,196	1,546,086	424,110	-	-	-
Total Expenditures	3,410,096	2,968,944	441,152	20,310,402	10,332,071	9,978,331
Excess (Deficiency) of Revenues Over Expenditures	(3,333,723)	(2,827,502)	506,221	(15,883,103)	(7,533,721)	8,349,382
Other Financing Sources (Uses)						
Other Financing Sources - Sale of Fixed Assets	-	-	-	852,000	850,633	(1,367)
Other Financing Sources - Bond Proceeds	-	50,000	50,000	-	-	-
Operating Transfers In	3,365,362	2,919,655	(445,707)	9,916,528	5,120,749	(4,795,779)
Operating Transfers Out	(10,016)	-	10,016	(79,240)	(92,514)	(13,274)
Total Other Financing Sources (Uses)	3,355,346	2,969,655	(385,691)	10,689,288	5,878,868	(4,810,420)
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	21,623	142,153	120,530	(5,193,815)	(1,654,853)	3,538,962
Fund Balance at Beginning of Year	13,350	18,770	5,420	10,223,608	10,165,608	(58,000)
Prior Period Adjustments	-	-	-	-	-	-
Residual Equity Transfers In	-	-	-	-	-	-
Residual Equity Transfers Out	-	-	-	-	-	-
Fund Balance at End of Year	\$34,973	\$160,923	\$125,950	\$5,029,793	\$8,510,755	\$3,480,962

See accompanying notes to the financial statements.

**COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY
ALL PROPRIETARY FUND TYPES
YEAR ENDED December 31, 2001**

			TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	INTERNAL SERVICE	2001	2000
Operating Revenues:				
Charges for Services	\$14,938,708	\$11,936,213	\$26,874,921	\$25,655,870
Equipment Rental	-	4,814,603	4,814,603	3,544,291
Assessments	1,118,032	970,018	2,088,050	2,255,574
Interfund Contributions	-	482,974	482,974	470,417
Miscellaneous	14,039	23,064	37,103	167,105
Total Operating Revenue	16,070,779	18,226,872	34,297,651	32,093,257
Operating Expenses:				
General Operations	10,702,408	10,609,179	21,311,587	18,610,119
Maintenance of Equipment	556,236	562,021	1,118,257	829,022
Customer Service	361,714	-	361,714	302,276
General Administration	4,304,860	2,336,362	6,641,222	6,487,952
Other Admin.(Planning & Conservation)	608,073	-	608,073	626,464
Depreciation/Amortization	2,279,394	2,504,598	4,783,992	5,075,589
Risk Transfer Payments	-	467,726	467,726	510,377
Claims Payment	-	665,837	665,837	91,808
Total Operating Expenses	18,812,685	17,145,723	35,958,408	32,533,607
Operating Income	(2,741,906)	1,081,149	(1,660,757)	(440,350)
Nonoperating Revenue (Expenses):				
Interest Revenue	2,192,333	659,243	2,851,576	3,368,436
Other Non Operating Revenue	351,561	113,355	464,916	547,922
Interest Expense & Fiscal Charges	(731,286)	(72,266)	(803,552)	(1,021,688)
Closure Costs	(2,891,253)	-	(2,891,253)	-
Total Nonoperating Revenue (Expense)	(1,078,645)	700,332	(378,313)	2,894,670
Income Before Operating Transfers	(3,820,551)	1,781,481	(2,039,070)	2,454,320
Operating Transfers In	6,720,205	92,100	6,812,305	8,000,846
Operating Transfers Out	(6,939,533)	(55,898)	(6,995,431)	(7,872,904)
Net Income (Loss)	(4,039,879)	1,817,683	(2,222,196)	2,582,262
Fund Equity at Beginning of Year	35,498,644	20,522,163	56,020,807	53,591,168
Prior Period Adjustment	(60,650)	-	(60,650)	(284,665)
Residual Equity Trans In & Contributed Capital	167,925	103,920	271,845	146,698
Residual Equity Transfers Out	(357,004)	(30,622)	(387,626)	(14,656)
Fund Equity at End of Year	\$31,209,036	\$22,413,144	\$53,622,180	\$56,020,807

See accompanying notes to the financial statements.

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
YEAR ENDED December 31, 2001

	ENTERPRISE	INTERNAL SERVICE	TOTALS (MEMORANDUM ONLY)	
			2001	2000
Cash Flows from Operating Activities:				
Cash Received from Customers	\$19,819,798	\$18,072,260	\$37,892,058	\$29,599,087
Cash Payments for Goods & Services	(20,303,282)	(8,283,179)	(28,586,461)	(19,184,952)
Cash Paid to Employees	(2,567,294)	(6,537,797)	(9,105,091)	(8,378,143)
Net Cash Provided (Used) by Operating Activities	(3,050,778)	3,251,284	(200,506)	2,035,992
Cash Flows from Noncapital Financing Activities:				
Operating Transfers In	6,720,205	92,100	6,812,305	8,000,846
Operating Transfers Out	(6,939,533)	(55,898)	(6,995,431)	(7,872,904)
Residual Equity Transfers In	167,925	103,920	271,845	146,698
Residual Equity Transfers Out	(357,004)	(30,622)	(387,626)	14,756
Grant Proceeds	466,754	-	466,754	407,430
Interest Payments	(16,866)	-	(16,866)	(14,522)
Community Loans/Contracts Issued (Paid)	1,731	-	1,731	36,928
Other Noncapital Financing	(2,891,253)	-	(2,891,253)	57,740
Net Cash Provided (Used) by Noncapital Financing Activities	(2,848,041)	109,500	(2,738,541)	776,972
Cash Flows from Capital & Related Financing Activities:				
Capital Asset Acquisitions	(1,008,151)	(2,020,788)	(3,028,939)	(10,725,264)
Sales Of Capital Assets	(106,369)	69,951	(36,418)	3,807,430
Principal Proceeds	40,994	-	40,994	421,561
Principal Repayments	(137,387)	(220,566)	(357,953)	(1,677,381)
Assessment Receipts	280,108	-	280,108	335,471
Interest Payments	(714,420)	(72,266)	(786,686)	(1,007,166)
Net Cash Provided (Used) by Capital & Related Financing Activities	(1,645,225)	(2,243,669)	(3,888,894)	(8,845,349)
Cash Flows from Investment Activities:				
Interest Receipts	2,339,771	679,891	3,019,662	3,360,481
Net Cash Provided (Used) by Investing Activities	2,339,771	679,891	3,019,662	3,360,481
Net Increase in Cash & Cash Equivalents	(5,204,273)	1,797,006	(3,407,267)	(2,671,904)
Cash & Cash Equivalents 1-1-01	38,610,803	13,418,812	52,029,615	54,701,519
Cash & Cash Equivalents 12-31-01	\$33,406,530	\$15,215,818	\$48,622,348	\$52,029,615
Reconciliation of Operating Income To Net Cash Provided (Used) By Operating Income				
Operating Income	(\$2,741,906)	\$1,081,149	(\$1,660,757)	(\$440,350)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	2,279,394	2,504,598	4,783,992	5,075,589
(Increase) Decrease in:				
Special Assessment Receivables	(5,624)	-	(5,624)	48,716
Other Current Receivables	(97,927)	(16,757)	(114,684)	110,982
Due From Other Funds	3,630,248	(250,715)	3,379,533	(2,949,101)
Inventories	-	9,876	9,876	(26,841)
Prepayments	-	-	-	-
Deferred Charges	11,401	-	11,401	21,733
Increase (Decrease) in:				
Accounts Payable	(1,724,197)	(17,131)	(1,741,328)	1,410,857
Due To Other Funds	(3,099,628)	56,041	(3,043,587)	2,500,307
Claims and Judgements	-	(143,446)	(143,446)	(342,407)
Compensated Absences Payable	(2)	27,669	27,667	20,479
Accumulated Landfill Closure Costs	(1,302,537)	-	(1,302,537)	(3,393,972)
Total Adjustments	(308,872)	2,170,135	1,861,263	2,476,342
Net Cash Provided By Operating Activities	(\$3,050,778)	\$3,251,284	\$200,506	\$2,035,992

NOTES TO THE FINANCIAL STATEMENTS

Guide to Notes

Year Ended December 31, 2001

NOTE		PAGE
1.	Summary of Significant Accounting Policies _____	26
2.	Stewardship, Compliance and Accountability _____	30
3.	Deposits and Investments _____	31
4.	Property Taxes _____	33
5.	Plant, Property and Equipment _____	34
6.	Long-Term and Other Significant Debt _____	36
7.	Segment Information and Other Fund Disclosures _____	40
8.	Interfund Transactions _____	40
9.	Pension Plans _____	43
10.	Risk Management _____	45
11.	Postretirement Health Care Benefits _____	46
12.	Fund Equities _____	46
13.	Joint Ventures/Jointly Governed Organizations _____	48
14.	Closure and Postclosure Care Costs _____	49
15.	Other Disclosures _____	49

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2001

Note 1 - Summary Of Significant Accounting Policies

The financial statements of Thurston County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

A. REPORTING ENTITY

Thurston County was created on January 12, 1852, by the Oregon Territorial Legislature and operates under the laws of the State of Washington applicable to county governments. The County is managed by a three member Board of Commissioners and provides the following services according to the Constitution and laws of the State of Washington: public safety, construction of roads and bridges, health and social services, culture-recreation, planning and zoning, and administrative services.

As required by generally accepted accounting principles the financial statements present Thurston County - the primary government. There are no component units included in these statements.

B. BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. The County's resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and how they are controlled. The following are the fund types and account groups used by Thurston County:

GOVERNMENTAL FUNDS TYPES

All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included in their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements focus on measuring changes in financial position rather than net income. They present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

General Fund

This fund is the general operating fund of the County. It accounts for all financial resources and transactions except those required to be accounted for in another fund.

Special Revenue Funds

These funds account for revenues derived from specific taxes, grants, or other sources which are designated to finance particular activities of Thurston County.

Debt Service Funds

These funds account for the accumulation of resources to pay principal, interest, and related costs on general long-term bonded indebtedness and loans.

Capital Projects

These funds account for financial resources which are designated for the acquisition or construction of general government capital improvements.

PROPRIETARY FUNDS

Proprietary funds are accounted for on a cost of services or “economic resource” measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on all balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund operating statements present increases (revenues and gains) and decreases (expenses and losses) in net total assets. Proprietary funds disclose cash flows by a separate statement that presents their investing and financing activities.

Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges or where the governing body has decided that periodic determination of net income is needed.

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.

FIDUCIARY FUNDS

Fiduciary funds account for assets held by the County on behalf of individuals, private organizations, other governments, and/or other funds.

Agency Funds

These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

ACCOUNT GROUPS

The County uses two self-balancing account groups to distinguish between fixed assets and general long-term debt related to specific funds and those of general government.

General Fixed Assets - This account group establishes accounting control over all the recorded fixed assets used in general government operations. Proprietary funds account for their own fixed assets.

General Long-Term Debt - This account group accounts for the outstanding principal of debt of the County not supported by proprietary funds. This includes special assessment debt for which the government is obligated in some manner, as defined in GASB statement 6.

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The accounting policies of Thurston County conform to generally accepted accounting principles (GAAP) as applicable to governments.

The accrual basis of accounting is used for all funds except the governmental fund types and agency funds, which use the modified accrual basis of accounting. The modified accrual basis differs from the accrual basis in the following ways:

1. Purchase of capital assets are considered expenditures.
2. Redemptions of long-term debt are considered expenditures when due.

3. Revenues are recognized when they become both measurable and available to finance expenditures in the current period. **Note 1-P** identifies which revenue sources have been treated as susceptible to accrual. Revenues that are measurable but not available are recorded as receivable and offset by deferred revenues.
4. Interest on long-term debt is not accrued but is recorded as an expenditure when due.
5. Accumulated unpaid vacation and sick leave are considered expenditures when paid.

D. BUDGETS AND BUDGETARY ACCOUNTING

1. Scope of Budget

The County prepares its budgets in accordance with state law. In November 2000, the County Administrator submitted to the Board of County Commissioners a proposed operating budget for 2001. The operating budget includes proposed expenditures and the means of financing them. Public hearings were conducted at the County Courthouse to obtain taxpayer comments. On December 18, 2000 the budget was legally enacted through passage of a resolution.

For 2001, budgets were authorized at the appropriation unit level. An appropriation unit is a fund-agency combination of certain objects (personnel, travel/training, ER&R, contingency, ending fund balance, and other) of expenditures. These are the legal levels of budgetary control. Administrative control is maintained through the establishment of detailed line-item budgets at the sub-function level. The Chief Administrative Officer (CAO) or Assistant CAO is authorized to transfer budgeted amounts between appropriation units for any fund, except in cases dealing with ending fund balance or contingency reserves. Any revisions that increase the total appropriation of any fund/agency, or that affect the number of authorized employee positions, salary range, hours, or other conditions of employment, must be approved by the Board of County Commissioners. Changes in the total appropriated in any fund/agency, or uses of ending fund balance, must be approved by resolution by a majority of the Board of County Commissioners after holding a public hearing.

Formal budgetary integration is employed as a management control device during the year for all budgeted funds. Budgets for the General, Special Revenue, Debt Service, and Capital Project Funds are adopted on a modified accrual basis. Agency Fund budgets are recorded in the financial system for management use. However, agency budgets are not adopted by the Board of County Commissioners and there are no legal limits on agency expenditures. The Governmental Accounting Standards Board does not require, and the financial statements do not present, budgetary comparisons for proprietary fund types.

Budgeted amounts reflect the budget adopted on December 18, 2000, and various amendments made throughout the year. All appropriations lapse each year.

2. Encumbrances

Encumbrance accounting is not employed by the County.

E. ASSETS, LIABILITIES, AND EQUITY

1. Cash & Pooled Investments

The County follows the practice of pooling cash and investments of all funds with the County Treasurer except when otherwise requested in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. Each fund's portion of total cash and pooled investments is summarized by fund type in the combined balance sheet as equity under the classification of cash and pooled investments. Balances in cash and pooled investments are available on a demand basis to each of the funds. Earnings on the cash and pooled investments are allocated to participating funds on an average daily balance basis.

The amounts reported as cash and pooled investments also include compensatory balances maintained with certain banks. These balances are in addition to payments made for banking services rendered. The average compensatory balances maintained during 2001 were approximately \$1,076,000.

For the purposes of the statement of cash flows, the County considers cash and pooled investments, including unrestricted and restricted, to be cash and cash equivalents since balances are available as demand deposits.

2. Investments - See **Note 3 - Deposits & Investments**.

3. Receivables

Taxes receivable consist of current and delinquent property taxes and are offset by deferred revenue. Accrued interest receivable consists of related interest and penalties on property taxes (See **Note 4 - Property Taxes**), interest on investments and on special assessments at the end of the year.

Special Assessments are recorded when levied. Special assessments receivable consist of current and delinquent assessments. Deferred assessments consist of unbilled special assessments that are liens against the property benefited and related interest and penalties. Customer and other accounts receivable consist of amounts owed from private individuals or organizations for goods and services including amounts owed for which billings have not been prepared.

Receivables have been recorded net of estimated uncollectible amounts. Because property taxes, special assessments and utility billings are considered liens on property, no estimates of uncollectible amounts are established. Fines and forfeitures for court receivables are not reported in the financial statements.

4. Amounts Due To and From Other Funds; Interfund Loans Receivable and Payable

These amounts include all interfund receivables and payables. A separate schedule of interfund transactions per fund is furnished in **Note 8 - Interfund Transactions**.

5. Amounts Due From Other Governmental Units

These amounts include amounts due to or from other governments for grants, entitlements, temporary loans, taxes and charges for services.

F. INVENTORY

Inventories are defined as assets which may be held for internal consumption or for resale. Any material inventory remaining at year end is included in the balance sheet of the appropriate fund. In the governmental funds, except for the Roads Special Revenue Fund, the purchase method is used in which the cost is recorded as an expenditure when individual items are purchased. In the Roads Special Revenue Fund and the proprietary funds, a perpetual inventory is maintained, in which the cost is capitalized when inventory items are purchased and recorded as an expenditure (expense in Proprietary Funds) when the item is consumed. In the Roads Special Revenue Fund, the reported inventory is not offset equally by a fund balance reserve because of the consumption method used for recording costs.

Inventories recorded in the Roads Special Revenue Fund and the Proprietary Funds are stated at cost. Inventories are valued on a moving weighted average basis.

G. PREPAYMENTS

Prepayments are payments in advance of the receipt of goods and services in an exchange transaction. These items primarily include prepaid rents for computer software. Prepaid expenditures (expenses) are recorded as expenditures (expenses) when consumed. They are recorded on the balance sheet at the end of the year.

H. RESTRICTED ASSETS

See **Note 14 - Closure & Post Closure Care Costs**.

I. DEFERRED CHARGES

Deferred charges are expenditures not chargeable to the fiscal period in which they were made and are recorded as an asset on the balance sheet, pending amortization or other disposition. They include bond issuance costs.

J. FIXED ASSETS AND DEPRECIATION

See **Note 5 - Plant, Property and Equipment.**

K. OTHER DEBITS

These accounts reflect future resources needed to retire general long-term debt principal and amounts currently available in debt service or other funds to retire general long-term debt.

L. DEFERRED REVENUE

This account includes amounts recognized as receivables but not revenues in governmental funds because the revenue recognition criteria has not been met.

M. LONG-TERM LIABILITIES

See **Note 6 - Long-Term and Other Significant Debt.**

N. CONTRIBUTED CAPITAL

See **Note 12 - Fund Equities.**

O. FUND RESERVES AND DESIGNATIONS

See **Note 12 - Fund Equities.**

P. REVENUES, EXPENDITURES, AND EXPENSES

Under the modified-accrual basis of accounting, charges for services, interest on investments and rents are generally considered measurable and available when earned in governmental funds. Federal or state entitlements, or shared revenues that have been collected but not remitted by an intermediary collection agency to the County are considered measurable and available. Special assessments are considered measurable and available when they become current. Grants are considered measurable and available to the extent that expenditures have been made. Other intergovernmental revenues are considered measurable and available when earned. Interfund revenues for goods and services are considered measurable and available when earned. All other revenues are either not measurable or considered not available until collected. Expenditures are generally recognized when incurred.

Under the full accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized when incurred, if measurable.

Q. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position in conformity with generally accepted accounting principles (GAAP). Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data. Comparative (i.e., presentation of prior years totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

R. REBATABLE ARBITRAGE

Thurston County has chosen to treat any rebatable arbitrage as a reduction of revenue.

Note 2 - Stewardship, Compliance And Accountability

Thurston County's expenditures did not exceed budgeted appropriations. There were no material violations of finance-related legal or contractual provisions.

The following proprietary funds had deficit retained earnings at December 31, 2001: Solid Waste M & O (\$6,601,731), Boston Harbor Water/Wastewater Utility (\$1,640,324), Olympic View Debt Service (\$112,984), Tamoshan Debt Service (\$339,440), Grand Mound Debt Service (\$11,149,298), and Equipment Rental & Revolving (\$155,794). These funds have contributed capital and utilize multiple funds within the same functional group. They have been segregated to more clearly account for interest revenues and bond covenants. These groups, when combined, have a positive fund equity.

Note 3 - Deposits And Investments

A. AUTHORIZED DEPOSIT AND INVESTMENT INSTRUMENTS

Deposits and investments are governed by State statute. Such authorized investments include: U.S. Treasury and Agency securities, repurchase agreements and reverse repurchase agreements for securities otherwise authorized as an investment, municipal bonds of this state or local bonds of this state with one of the three highest ratings of a national rating agency, certificates of deposit issued by Washington State depositories that participate in a state insurance pool managed by the Washington Public Deposit Protection Commission (PDPC), bankers' acceptances, commercial paper, the State Local Government Investment Pool, and deposits with Washington State banks and savings and loan institutions.

During 2001 we did not buy or own any securities earning interest at a rate which varied depending on an underlying reference rate or index.

B. DEPOSITS:

The County's deposits, including money markets and certificates of deposit are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington PDPC. The PDPC is a statutory authority established under Chapter 39.58 of the Revised Code of Washington. PDPC coverage is of the nature of insurance pursuant to the Governmental Accounting Standards Board Statement No. 31. All deposits held at December 31, 2001, and throughout the year were classified as category 1, insured or collateralized with securities held by the County or by its agent in the County's name.

Thurston County, Washington
Reconciliation Of Deposits And Investments
Per Combined Balance Sheet
December 31, 2001

	<u>Investments</u>	<u>Cash & Pooled Investments</u>	<u>Total</u>
<u>Pool Investments:</u>			
State Treasurer's Local Govt. Investment Pool (LGIP)	\$ -	\$ 34,500,000	\$ 34,500,000
U.S. Agency & Instrumentality Securities	-	229,144,111	229,144,111
<u>Investments:</u>			
Municipal Bonds	<u>1,300,513</u>	<u>-</u>	<u>1,300,513</u>
Total Investments	1,300,513	263,644,111	264,944,624
<u>Cash:</u>			
Cash with Fiscal Agent and deposits with Financial institutions	-	6,349,301	6,349,301
Petty Cash, Change, Revolving and Advance Travel Funds	-	97,333	97,333
Clerk's Trust Funds	<u>-</u>	<u>1,293,357</u>	<u>1,293,357</u>
Total Cash & Investments	1,300,513	271,384,102	272,684,615
Market Value Adjustment	<u>42,259</u>	<u>541,601</u>	<u>583,860</u>
Total Reported Cash & Investments	<u>\$ 1,342,772</u>	<u>\$271,925,703</u>	<u>\$273,268,475</u>

These amounts agree to the Combined Balance Sheet for All Fund Types and Account Groups after including market value reductions referenced in **Note 3 - C**.

<u>Current and Restricted Investments</u>	<u>Total</u>	<u>Current Assets</u>	<u>Restricted Assets</u>
Pooled Investments	\$264,944,624	\$245,088,264	\$19,856,360
Investments	-	-	-
Total	<u>\$264,944,624</u>	<u>\$245,088,264</u>	<u>\$19,856,360</u>

Refer to **Note 14 - Closure and Postclosure Care Costs** for details on the restricted assets shown above.

Thurston County, Washington
Reconciliation Of Deposits And Investments
Footnote Disclosure Per GASB 31
December 31, 2001

	<u>Total</u>	<u>Deposits</u>	<u>Investments</u>
<u>Pool Investments:</u>			
State Treasurer's Local Gov't Invest. Pool (LGIP)	\$34,500,000	\$ -	\$34,500,000
U.S. Agency & Instrumentality Securities	229,144,111	-	229,144,111
<u>Investments:</u>			
U.S. Agency & Instrumentality Securities	-	-	-
Municipal Bonds	<u>1,300,513</u>	<u>-</u>	<u>1,300,513</u>
Total	<u>\$264,944,624</u>	<u>\$ -</u>	<u>\$264,944,624</u>

C. INVESTMENTS

1. General.

The Thurston County Investment Pool (TCIP) operates on an amortized cost-book value basis rather than a net asset value (NAV) basis. The County Auditor, the Chair of the Board of Commissioners and the County Treasurer, as the statutory County Financial Committee, perform oversight functions for the pool.

All funds deposited in the pool are returned to the participant at full face value without regard to current market values of the investment pool. Earnings distributions, including any realized transactions in the pool, are distributed monthly, calculated on the average daily balance of the participant's cash in the pool. Investments are stated at amortized cost.

In 2001, the difference between amortized cost and market value was \$583,860. Agency funds, which contain almost all investments with maturities in excess of one year, received a pro rata \$583,860 increase in their cash and investment balances, as required by GASB 31. As noted above, these recognized gains will not be realized in these funds since each participant will receive the full face value of their investment when held to maturity. The fair value of the State Treasurer's Local Government Investment Pool (LGIP) is the same as the value of the pool shares (refer to State LGIP Consolidated Annual Financial Report dated June 30, 2001).

2. Risk Categorization

The County's investments are categorized to give an indication of the risk assumed at year-end. The following summary shows the County's investments at year-end categorized by risk. All investments held at December 31, 2001, and throughout the year were classified as category 1.

Category 1 - Insured, registered, or held by the County or its agent in the County's name.

Category 2 - Uninsured and unregistered, which are held by the counterparty's trust department or agent in the County's name.

Category 3 - Uninsured and unregistered, which are held by the counterparty, or by its trust department or agent, but not in the County's name.

**Schedule of Classification of Investments per GASB 31
December 31, 2001**

<u>Investment type</u>	<u>GASB Category</u>			<u>Carrying Amount</u>	<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Municipal Bonds	1,300,513	0	0	1,300,513	1,342,772
U.S. Agency & Instrumentality Securities	<u>229,144,111</u>	<u>0</u>	<u>0</u>	<u>229,144,111</u>	<u>229,685,712</u>
Total	\$230,444,624	\$0	\$0	\$230,444,624	\$231,028,484
Investments not subject to categorization:					
Investment in State Treasurer's Local Government Investment Pool (LGIP)				<u>34,500,000</u>	<u>34,500,000</u>
Total Investments				<u>\$264,944,624</u>	<u>\$265,528,484</u>

This schedule classifies investments only, deposits have been classified above in the schedule under the column "deposits".

Note 4 – 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 the properties.
- February 15 First day tax payments can be made
- April 30 First of two equal installment payments is due.
- October 31 Second installment is due.

County property taxes are recorded as receivables when levied, but revenue is not recognized until collected. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible. An enforceable lien attaches at the point of levy. Interest accrues on delinquent taxes at a rate of 12% per annum. Penalties of 3% are assessed in June and 8% in December, in the first year of delinquency.

The County is permitted by law to levy up to a combined amount of \$4.05 per \$1,000 of assessed valuation. A maximum of \$1.80 per \$1,000 of assessed valuation may be levied on all property in the County for general government services. A maximum of \$2.25 per \$1,000 of assessed valuation may be levied on property in unincorporated Thurston County for the County Road Fund for road construction and maintenance. However a county is authorized to increase its levy from \$1.80 to a rate not to exceed \$2.475 per \$1,000 of assessed value for general county purposes if the total levies for both the county and the county road district do not exceed \$4.05 per \$1,000 of assessed value, and no other taxing district has its levy reduced as a result of the increased county levy. These levies may be reduced for any of the following reasons:

- The Washington State Constitution limits the total regular property taxes to 1 percent of true and fair market valuation. This would equate to a regular levy rate of \$10 per \$1,000 of value if the property were assessed at it's true and fair value. If the taxes of regular districts (excluding the Port & PUD) exceed this amount, the junior taxing districts taxes are reduced first and then the other entities are proportionately reduced until the total is at the 1 percent limit. This does not apply to special levies approved by voters.
- Most taxing districts are authorized by state law to levy a certain rate each year without approval by the voters; these are commonly referred to as regular levies. The aggregate levies of junior taxing districts and senior taxing districts, other than the state, shall not exceed \$5.90 per thousand dollars of assessed valuations (RCW 84.52.043). At the county level this limitation does not apply to the Conservation Futures or Medic One levies.

- RCW 84.55.010 limits all regular taxing districts to a limit factor not to exceed 106 percent of the highest lawful levy since 1985, plus additional levy capacity generated through new construction and state assessed utility increases.
- The County may voluntarily levy taxes below the legal limit.
- Special levies approved by the voters are not subject to the above limitations.

The following identifies the tax rates levied in 2000 for collection in 2001:

	Levy In Dollars Per Thousand	Assessed Value	Total Levy
County	\$ 1.7750	\$12,207,783,715	\$21,668,482
Roads	<u>2.0364</u>	\$ 6,464,593,448	<u>13,164,631</u>
	<u>\$ 3.8114</u>		<u>\$34,833,113</u>

Note 5 - Plant, Property And Equipment

A. GENERAL POLICIES

Major expenditures for fixed assets, including capital leases and major repairs that increase useful lives, are capitalized. Maintenance, repairs, and minor renewals are accounted for as expenditures or expenses when incurred. (Obligations under capital leases are disclosed in **Note 4 - Property Taxes**.)

All fixed assets are valued at cost or estimated cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated. The County's policy is to capitalize assets costing in excess of \$5,000.

The County has acquired certain assets with funding provided by federal financial assistance programs. The Federal Government retains an equity interest in these assets. The County has sufficient legal interest and intent to accomplish the purposes for which the assets were acquired and has, therefore, included such assets within the applicable account group or fund.

B. GENERAL FIXED ASSETS

General fixed assets are long-lived assets of the County as a whole. When purchased, leased or constructed, such assets are recorded as expenditures in the governmental funds and capitalized in the general fixed assets account group. No depreciation has been provided on general fixed assets.

General fixed assets that are infrastructure assets (such as roads, bridges, curbs, and sidewalks) are considered public property and are not accounted for in the general fixed asset account group.

A summary of changes in General Fixed Assets follows:

**Schedule Of Changes In General Fixed Assets
For The Period Ending December 31, 2001**

	<u>Jan 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Dec 31, 2001</u>
Land	\$15,374,024	\$ 348,372	\$116,960	\$15,605,436
Buildings	48,657,704	5,307,333	895,670	53,069,367
Improvements Other Than Buildings	5,312,603	55,715	26,988	5,341,330
Machinery & Equipment	12,110,170	401,495	1,440,313	11,071,352
Construction Work in Progress	<u>546,173</u>	<u>131,304</u>	<u>254,599</u>	<u>422,878</u>
 TOTAL GENERAL FIXED ASSETS	 <u>\$82,000,674</u>	 <u>\$ 6,244,219</u>	 <u>\$ 2,734,530</u>	 <u>\$85,510,363</u>

C. PROPRIETARY FUND FIXED ASSETS

A summary of the Proprietary Fund property and equipment at December 31, 2001, follows:

**Schedule Of Property And Equipment For Proprietary Funds
As Of December 31, 2001**

	<u>Enterprise</u>	<u>Internal Service</u>
Land	\$ 1,382,451	\$ -
Buildings	16,870,452	84,538
Improvements Other Than Buildings	26,100,678	275,735
Machinery & Equipment	4,064,240	24,337,762
Construction in Progress	<u>2,043,748</u>	<u>-</u>
TOTAL FIXED ASSETS	50,461,569	24,698,035
Less Accumulated Depreciation	<u>(20,622,631)</u>	<u>(15,394,013)</u>
NET FIXED ASSETS	<u>\$29,838,938</u>	<u>\$ 9,304,022</u>

Depreciation of all exhaustible fixed assets used by Proprietary Funds is charged as an expense against their operations. Accumulated depreciation is reported on Proprietary Fund balance sheets. Depreciation is taken over the estimated useful lives using the straight line method. Depreciation for assets is taken in the month that the asset is placed in service and ends in the month of disposal. Depreciation expense also includes amortization of assets acquired by capital leases. The estimated useful lives are as follows:

Improvements	10 - 20 years
Equipment	2 - 10 years
Buildings	20 - 35 years

Depreciation of the landfill improvements in the Solid Waste Enterprise Fund is based on the percentage that landfill cells are filled and used during the year. Refer to **Note 14 - Closure and Postclosure Care Costs**.

FASB-34 (Capitalization of Interest Costs) requires that interest expenses incurred during construction of assets be capitalized. Because interest costs were offset by interest earnings on the investments of funds for these projects, no interest expense was capitalized during construction of assets.

Note 6 - Long-Term And Other Significant Debt

A. DISCLOSURES ABOUT EACH SIGNIFICANT DEBT INCURRED

GENERAL OBLIGATION BONDED INDEBTEDNESS

The County issues general obligation bonds to provide funds for the acquisition, construction, and improvement of capital facilities, and major equipment purchases. General obligation bonds have been issued for both general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. General obligation bonds are direct obligations and pledge the full faith and credit of the government.

1995 General Obligation Bonds of \$1,550,000 were issued in annual principal installments of \$185,000 to \$260,000. The proceeds were used for various purposes including: parks, maintenance, repair and improvements to County facilities, and technology improvements. The bonds bear an interest rate of 4.6% to 5.1%. The issue is serviced by the 1995 General Obligation Bond Redemption Fund (Debt Service Fund) and has \$260,000 in bonds outstanding at December 31, 2001, with final payoff due in 2002.

1997 General Obligation Bonds of \$26,415,000 and Refunding Bonds of \$4,660,000 were issued in annual principal installments of \$1,020,000 to \$2,260,000. The G. O. Bond portion of the issue was used to currently refund the 1995 G.O. Bonds (\$8,200,000) and the 1996 G. O. Bonds (\$9,900,000). The use of funds involves financing various capital projects including: a juvenile detention center and family court facility, an emergency service center, an information technology system for tax appraisal, assessment and collection, jail facilities and improvements, other capital equipment and Road Improvement District #2 construction. The refunding bond proceeds were used for a partial advance refunding of \$1,075,000 of outstanding 1990 bonds and an advance refunding of \$3,470,000 of outstanding 1991 bonds. The bonds bear an interest rate of 4.75% to 5.0%. The G. O. Bond portion is serviced by the 1997 General Obligation Bond Redemption Fund (Debt Service Fund) and has \$22,785,000 in bonds outstanding at December 31, 2001. The Refunding bond portion is serviced by the Boston Harbor Water/Sewer Debt Redemption Fund (Enterprise Fund) and has \$1,020,000 in bonds outstanding at December 31, 2001, less a deferred amount on refunding of \$61,326 for a net liability of \$958,674. The deferred amount on refunding has been netted against the bond payable liability on the balance sheet.

1998 General Obligation Bonds of \$3,170,000 were issued. A portion of the issue, \$1,700,000, was issued in annual principal installments of \$242,858. The proceeds were used for the acquisition of farm land development rights. The bonds bear an interest rate of 50% of a bank reference rate. The issue is serviced by the 1998 General Obligation Bond Redemption Fund (Debt Service Fund) and has \$1,457,142 in bonds outstanding at December 31, 2001. The other portion of the issue, \$1,470,000, was issued in annual principal installments of \$67,145 to \$98,015. The proceeds were used for constructing and equipping a regional emergency dispatch center. The issue is serviced by the Communications Fund (Internal Service Fund) and has \$1,026,637 in bonds outstanding at December 31, 2001.

1998a General Obligation Bonds of \$3,515,350 were issued in annual principal installments of \$502,193. The proceeds were used for the acquisition of real property for the development of athletic facilities and real property for the development of jail facilities. The bonds bear an interest rate of 50% of a bank reference rate. The issue is serviced by the 1998a General Obligation Bond Redemption Fund (Debt Service Fund) and has \$2,304,350 in bonds outstanding at December 31, 2001.

1999 Grand Mound General Obligation Bonds of \$11,720,000 were issued in annual principal installments of \$250,000 to \$1,300,000 beginning in 2004 and running through 2019. The issue is serviced by the Grand Mound Debt Service Redemption Fund. Proceeds will be used in the construction of Grand Mound water and wastewater facilities. The bonds bear an interest rate of 5.0% to 5.6% with \$11,720,000 in bonds outstanding as of December 31, 2001.

2000 General Obligation Bonds of \$6,019,648 were issued in estimated annual principal installments of \$1,003,275 beginning in 2003 and running through 2008. Proceeds of this issue will be used for additional capital projects for

Juvenile Detention, as well as in the construction of a new Health Building and Coroner's Facility. The bonds bear an interest rate of 50% of a bank reference rate. The issue is serviced by the 2000 General Obligation Bond Redemption Fund (Debt Service Fund) and has \$6,019,648 in bonds outstanding as of December 31, 2001.

LOANS AND CONTRACTS PAYABLE

The County has entered into an agreement with the Department of Community Development, State of Washington, for five loans from the State of Washington, Public Works Trust Fund. The loans are to finance in part the construction of the Boston Harbor water and sewer infrastructure, the Tamoshan water system upgrade, the Olympic View drain field, and the Sunrise Beach Landslide Mitigation Project (also known as Road Improvement District #2). The County has agreed to repay the Public Works Trust Fund loans from the water and sewer utility revenues, homeowner assessments in the improvement district, and other available County monies.

The Boston Harbor Water/Sewer Debt Redemption Fund (Enterprise Fund) has two Public Works Trust Fund loans which total \$637,990 at December 31, 2001. The first loan is to not exceed \$808,000 with an interest rate of 1.0% per annum. Yearly loan payments are due on July 1 and are equal to 1/19th of the loan's principal balance plus interest on the unpaid balance of the loan. The term of the loan is for twenty years due in 2008 with a balance at December 31, 2001 of \$301,819. The second loan is not to exceed \$798,407 with an interest rate of 1% per annum. Yearly loan payments are due on July 1 and are equal to 1/19th of the loan balance plus interest on the unpaid balance of the loan. The term of the loan is for 20 years due in 2009, and the balance at December 31, 2001 is \$336,171.

Tamoshan Debt Redemption Fund (Enterprise Fund) has the third Public Works Trust Fund loan which is not to exceed \$173,166 with an interest rate of 1.0% per annum. Yearly loan payments are due on July 1 and are equal to 1/19th of the loan's principal balance plus interest on the unpaid balance of the loan. The term of the loan is for twenty years. The loan is due in 2009 and has a balance at December 31, 2001 of \$76,330.

Olympic View Debt Redemption Fund (Enterprise Fund) has the fourth Public Works Trust Fund loan which is not to exceed \$110,000 with an interest rate of 5% per annum. Yearly loan payments are due on July 1 and are equal to 1/19th of the principal balance plus interest on the unpaid balance of the loan. The term of the loan is for twenty years. The loan is due in 2016 and has a balance at December 31, 2001 of \$87,325.

Road Improvement District #2 Fund (Debt Service Fund) has the fifth and newest Public Works Trust Fund loan that is not to exceed \$500,000 with an interest rate of 4% per annum. Yearly loan payments are due on July 1 and are equal to 1/19th of the principal balance plus interest on the unpaid balance of the loan. The term of the loan is for twenty years. The loan is due in 2020 and has a balance at December 31, 2001 of \$500,000.

The Community Loan Repayment Funds (Enterprise Funds) entered into four state revolving fund (SRF) loan agreements with the State of Washington Department of Ecology to create a community loan program to provide low interest loans for the repair of failing on-site septic systems. The loan programs are 80% federal from the Environmental Protection Agency, and 20% State from the Department of Ecology. The first loan is not to exceed \$300,000 with an interest rate of 5% per annum. Repayment began in 1996. The term of the loan is for twenty years. The balance at December 31, 2001 is \$186,390. The second loan is not to exceed \$200,000 with an interest rate of 0%. The term of the loan is for twenty years. The balance at December 31, 2001 is \$89,425. The third loan is not to exceed \$200,000 with an interest rate of 4.3%. Repayment will begin not later than one year after project completion which is estimated to be January 10, 2002. The term of the loan is for twenty years. The balance at December 31, 2001 is \$162,146. A fourth loan began in 2000 and is not to exceed \$100,000 with an interest rate of 0%. Repayments are estimated to begin June 15, 2003. The balance at December 31, 2001 is \$22,690.

Communications Fund (Internal Service) entered into a contract with AT & T for Cerulean Software, support and services and began making principal payments on the note during 2000. The note requires five annual payments with principal installments ranging in value from \$91,139 to \$62,249. The note which is due to be complete in 2004 contains an interest rate of 10%. The amount outstanding at December 31, 2001 is \$226,646.

LEASES PAYABLE

The County has many agreements for the lease and eventual ownership of equipment. Where the lease incorporates some or all of the benefits and risks of ownership, the transaction is recorded as a capital lease purchase on a long-term contract. In the General Long-Term Debt Account Group, leases payable totals \$335,706 at December 31, 2001.

LONG-TERM COMPENSATED ABSENCES

Thurston County currently has two leave plans, traditional and alternative leave. Thurston County employees who chose the traditional leave plan earn 12 days of sick leave and 12-22 days of vacation leave per year depending upon the employee's length of service. A maximum of 140 days of sick leave may be accrued and a maximum of 45 days of vacation may be accrued. Thurston County employees who were hired after May 31, 1996, or who chose the alternative leave plan, earn 18-28 days of personal leave (a combination of sick leave and vacation leave) per year depending upon the employee's length of service. A maximum of 185 days of personal leave may be accrued. Accumulated unpaid vacation/annual leave is recorded as earned by employees. Terminating employees are entitled to be paid for unused vacation up to a maximum of 240 hours and, if retiring, half of unused sick leave to a maximum of 360 hours.

The County has reported a long-term liability for that portion of unpaid accumulated vacation payable in governmental fund types which is not reasonably expected to be paid from expendable available financial resources. Amounts to be paid from expendable available financial resources are deemed to be immaterial. The balance in the governmental fund types at December 31, 2001 was \$3,659,484. In the proprietary funds, the liability for compensated absences is also recorded as a long-term liability. The balance in the enterprise funds at December 31, 2001 was \$194,936. The compensated absences payable balance for internal service funds totals \$381,177. Vested sick leave is not considered material and is not accrued.

B. CHANGES IN LONG-TERM AND OTHER SIGNIFICANT DEBT

The following is a summary of long-term and other significant debt transactions of the County:

**Schedule Of Changes In Long-term And Other Significant Debt
For The Period Ended December 31, 2001**

	General Obligation Bonded Debt	Leases Payable	Loans & Contracts Payable	Compensated Absences	Totals
General Long-term Debt Account Group					
Balance at Jan.1, 2001:	\$34,248,998	\$446,913	\$450,000	\$3,362,239	\$38,508,150
New Issues	-	51,386	50,000	297,245	398,361
Reductions	(1,422,858)	(162,593)	-	-	(1,585,451)
Balance at Dec.31, 2001	<u>32,826,140</u>	<u>335,706</u>	<u>500,000</u>	<u>3,659,484</u>	<u>37,321,330</u>
Proprietary Funds					
Balance at Jan.1, 2001	14,009,955	-	1,624,679	548,446	16,183,080
New Issues	-	-	40,994	27,667	68,661
Reductions	(243,318)	-	(176,731)	-	(420,049)
Balance at Dec.31, 2001	<u>13,766,637</u>	<u>-</u>	<u>1,488,942</u>	<u>576,113</u>	<u>15,831,692</u>
Total Long-term Debt	<u>\$46,592,777</u>	<u>\$335,706</u>	<u>\$1,988,942</u>	<u>\$4,235,597</u>	<u>\$53,153,022</u>

On the Balance Sheet, the \$13,766,637 in outstanding bonds for proprietary funds is combined with deferred amount of refunding of (\$61,326) and the unamortized premium of \$6,130 for a net amount of \$13,711,441. \$13,526,443 is classified as long-term, with \$240,194 classified as current portion/G.O. bonds.

C. DEBT SERVICE REQUIREMENTS

Annual debt requirements for all outstanding bonded and contractual debt is as follows:

**Schedule Of Annual Requirements
For Debt Payments
As Of December 31, 2001**

Year Ended Dec 31	General Obligation <u>Bonded Debt</u>		Leases <u>Payable</u>		Loans/Contracts/Notes <u>Payable</u>		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2002	1,718,051	2,332,965	171,298	18,889	213,043	72,069	4,526,315
2003	2,819,509	2,256,001	144,539	7,060	229,201	62,323	5,518,633
2004	3,329,112	2,117,727	8,261	1,943	237,539	51,695	5,746,277
2005	3,392,505	1,954,080	7,301	1,036	155,536	40,269	5,550,727
2006	3,516,322	1,787,396	4,307	153	156,424	37,091	5,501,693
2007 to Mat.	31,817,278	10,620,955	-	-	997,199	228,100	43,663,532
Total	\$46,592,777	\$21,069,124	\$335,706	\$29,081	\$1,988,942	\$491,547	\$70,507,177

D. ASSETS AVAILABLE FOR DEBT SERVICE

Debt service requirements are being met by the County. At December 31, 2001, the County had \$23,485 available in the Debt Service Funds to service the general obligation debt.

E. LEGAL DEBT MARGIN

Thurston County's limitation on external long-term debt is set by State law as follows:

<u>Purpose of</u>	<u>Total Capacity</u>	<u>Remaining</u>
<u>Indebtedness</u>		<u>Capacity</u>
General Government (no vote required)	\$ 195,569,581	\$149,287,031
General Government (with 3/5 majority vote)	\$ 325,949,302	\$279,666,752

F. CONTINGENT LIABILITY FOR REFUNDED AND DEFEASED DEBT

In prior years, the County issued general obligation refunding (new) bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on the refunded (old) debt. As a result, the refunded bonds are considered to be defeased and the liability for the defeased bonds is not included in the County's financial statements. Currently the County has two outstanding refunded issues.

**Schedule Of Refunded And Defeased Bonds, Assets And Liabilities
As Of December 31, 2001**

Assets					
Cash & Investments with Treasurer				\$1,301,977	
Cash With Fiscal Agent				20,039	
Cash With Trustee				-	
Investments With Trustee				<u>1,617,118</u>	
Total Assets				<u>\$2,939,134</u>	
Total Liabilities				<u>\$2,485,000</u>	
		<u>1/1/01</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/01</u>
Refunded & Defeased Bonds Outstanding	<u>\$3,135,000</u>	<u>\$</u>	<u>-</u>	<u>\$650,000</u>	<u>\$2,485,000</u>

Note 7 - Segment Information And Other Fund Disclosures

Generally accepted accounting principles require disclosure, as part of the combined statements-overview, of certain information concerning individual funds including:

SEGMENT INFORMATION FOR CERTAIN INDIVIDUAL ENTERPRISE FUNDS

The County operates four utilities and its administration which are primarily financed by user charges. The following provide an overview of these utilities and administration.

Enterprise Administration - established to account for the funding of the administrative costs for Water & Waste Management's utility funds.

Solid Waste - established to account for the operations of providing services for solid waste disposal.

Water & Sewer Utilities - established to account for the operations of providing water and sewer services to several small communities in the unincorporated area of Thurston County.

Storm And Surface Water - established to account for the costs of providing storm and surface water utility operations to residents of Thurston County.

Community Loan Programs - established to offer low cost loans to citizens for septic improvements.

Schedule Of Segment Information For Enterprise Funds As Of December 31, 2001

	Enterprise Admin.	Solid Waste	Water/Sewer Utilities	Storm & Surface Water	Community Loan	Total
Operating Revenue	\$2,795,550	\$11,369,432	\$476,070	\$1,429,727	\$ -	\$16,070,779
Depreciation Expense	17,229	1,441,935	566,633	253,597	-	2,279,394
Operating Income (Loss)	(48,118)	(2,191,861)	(794,536)	293,631	(1,022)	(2,741,906)
Interest Income	14,202	1,667,746	426,113	60,549	23,723	2,192,333
Interfund Operating Transfer In	-	5,549,226	747,484	423,495	-	6,720,205
Interfund Operating Transfer Out	-	5,918,656	597,382	423,495	-	6,939,533
Net Income (Loss)	(33,916)	(3,597,380)	(893,084)	478,666	5,835	(4,039,879)
Capital Contributions	3,083	-	161,386	3,456	-	167,925
Property, Plant, & Equipment:						
Net Additions (Deletions)	(6,182)	(1,340,042)	(183,085)	309,409	-	(1,219,900)
Net Working Capital	527,100	7,819,813	2,945,427	1,463,790	317,178	13,073,308
Total Assets	574,651	42,715,074	23,255,536	4,617,225	508,636	71,671,122
Bonds & Other Long-Term Debt	194,936	-	13,451,644	-	460,651	14,107,231
Total Equity	352,855	16,669,690	9,616,292	4,534,050	36,149	31,209,036

Note 8 - Interfund Transactions

A. Individual Interfund Receivables And Payables

Transactions that would be treated as revenues, expenditures or expenses if they involved external organizations are similarly treated when they involve other funds of the County.

Interfund receivables and payables at December 31, 2001, are as follows:

**Schedule Of Interfund Receivables And Payable
As Of December 31, 2001**

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
GENERAL FUND	\$243,690	\$318,797
SPECIAL REVENUE FUNDS		
General Government	25,801	121,669
Culture & Recreation	18,000	75,962
Economic Environment	71,043	4,180
Physical Environment	56,756	89,198
1/4% Real Estate Tax	-	132,812
Roads	66,692	80,784
PMJT	-	1,155
Medic One	-	17,124
Public Health & Social Services	151,370	197,812
Criminal Justice	-	757,485
CAPITAL PROJECTS		
Road Construction	-	1,422
Health Building Capital	1,219	22,817
Fair Building Capital	-	2,465
ENTERPRISE		
Enterprise Administration	215,385	5,539
Solid Waste	233,499	994,531
Water/Sewer Utilities	58,405	37,148
Storm & Surface Water	73,715	72,055
INTERNAL SERVICE FUNDS		
Benefits Administration	-	14
Central Services	88,679	12,862
Communications	5,225	1,453
Equipment Rental & Revolving	1,143,471	32,801
Risk Management	546,739	39,159
AGENCY FUNDS		
Other County Funds	3,948	15,106
Other Agency Funds	30,713	-
TOTAL	\$3,034,350	\$3,034,350

B. Transfers and Reimbursements

Interfund operating transfers represent subsidies and contributions provided to other funds with no corresponding debt or promise to repay. Residual equity transfers involve the transfer of residual fund balances or retained earnings to an active fund, usually preparatory to closure of the transferring fund. Residual equity transfers to proprietary funds are reported as contributed capital.

Interfund operating and residual equity transfers occurring between funds during the period are as follows:

**Schedule Of Interfund Operating And Residual Equity Transfers
As Of December 31, 2001**

	Operating Transfers		Residual Equity Transfers And Contributed Capital	
	In	Out	In	Out
GENERAL FUND	\$1,160,691	\$4,655,334	\$7,699	\$13,130
SPECIAL REVENUE FUNDS				
General Government	1,352,156	7,062,087	-	6,743
Culture & Recreation	888,656	-	2,465	-
Economic Environment	1,839,859	1,788,790	153	-
Physical Environment	366,292	264,388	353,606	1,724
1/4% Real Estate Tax	1,637,601	2,143,037	-	28,810
Roads	13,639	1,166,494	17,298	51,133
Medic One	1,422,945	1,422,945	-	-
Public Health & Social Services	2,419,932	137,780	-	2,514
Criminal Justice	-	225,680	-	-
DEBT SERVICE				
1995 Detention Facilities Bond	264,447	-	-	-
1997 General Obligation Bonds	2,059,425	-	-	-
1998 General Obligation Bonds	389,145	-	-	-
2000 General Obligation Bonds	206,638	-	-	-
CAPITAL PROJECTS				
Juvenile Detention Capital Proj.	31,111	-	-	-
Jail Detention Capital Proj.	165,270	-	-	-
Health Building	4,148,773	92,514	-	-
Fair Building Capital	170,013	-	-	-
Coroner Building Capital	605,582	-	-	-
ENTERPRISE				
Enterprise Administration	-	-	3,083	-
Solid Waste	5,549,226	5,918,656	-	3,398
Water/Sewer Utilities	747,484	597,382	-	353,606
Storm & Surface Water	423,495	423,495	3,456	-
INTERNAL SERVICE				
Central Services	59,620	3,399	49,239	11,417
Equipment Rental & Revolving	32,480	7,733	54,681	19,205
Insurance Risk	-	44,766	-	-
TOTAL	\$25,954,480	\$25,954,480	\$491,680	\$491,680

C. Interfund Loans

There were no outstanding interfund loans as of December 31, 2001.

Note 9 - Pension Plans

Substantially all county full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Department of Retirement Systems, under cost-sharing multiple-employer defined benefit public employee retirement systems.

Historical trend and other information regarding each plan is presented in the State Department of Retirement Systems 2000 annual financial report. A copy of this report may be obtained at:

Department of Retirement Systems
 Administrative Services Division
 PO Box 48380
 Olympia, WA 98504-8380

A. Public Employees' Retirement System (PERS)

PERS is a cost-sharing multiple-employer defined benefit pension plan. Membership in the plan includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges); employees of legislative committees; colleges and university employees not in national higher education retirement programs; judges of district and municipal courts; non-certified employees of school districts; and employees of local government.

The PERS system includes 2 plans. Participants who joined the system by September 30, 1977 are Plan I members. Those joining thereafter are enrolled in Plan II. Retirement benefits are financed from employee and employer contributions and investment earnings. Retirement benefits in both Plan I and Plan II are vested after completion of 5 years of eligible service.

Plan I members are eligible for retirement at any age after 30 years of service, or at age 60 with 5 years of service, or at the age of 55 with 25 years of service. The annual pension is 2 percent of the final average compensation per year of service, capped at 60 percent. If qualified, after reaching age 66 a cost-of-living allowance is granted based on years of service credit and is capped at three percent annually.

Plan II members may retire at age 65 with 5 years of service, or at 55 with 25 years of service, with an allowance of 2 percent per year of service of the final average salary. Plan II retirements prior to 65 are actuarially reduced. There is no cap on years of service credit and a cost-of-living allowance is granted, capped at three percent annually.

Each biennium the state Pension Funding Council adopts Plan I employer contribution rates needed to fully amortize the total costs of the plan. Employee contribution rates for Plan I are established by statute at 6 percent and do not vary from year to year. The employer and employee contribution rates for Plan II are set by the director of the Department of Retirement Systems based on recommendations by the Office of State Actuary to continue to fully fund the system. All employers are required to contribute at the level established by state law. The methods used to determine the contribution rates are established under state statute in accordance with Chapters 41.40 and 41.45 RCW.

Thurston County's contribution rates expressed as a percentage of covered payroll, for the year ending December 31, 2001, were:

<u>PERS Plan I</u>	<u>Jan 1-Jun 30</u>	<u>Jul 1-Dec 31</u>
Employer	4.67%	1.77%
Employee	6.00%	6.00%
<u>PERS Plan II</u>	<u>Jan 1-Jun 30</u>	<u>Jul 1-Dec 31</u>
Employer	4.67%	1.77%
Employee	2.43%	0.88%

Both Thurston County and the employees made the required contributions. The county's required contribution for the years ended December 31, were:

	<u>PERS Plan I</u>	<u>PERS Plan II</u>
2001	\$220,975	\$1,189,315
2000	\$301,617	\$1,491,696
1999	\$431,765	\$1,972,432
1998	\$532,009	\$2,270,057

B. Law Enforcement Officers and Fire Fighters (LEOFF)

LEOFF is a cost-sharing multiple-employer defined benefit pension plan. Membership includes all full time, fully compensated, local law enforcement officers and fire fighters. Retirement benefits are financed from employee and employer contributions, investment earnings and state contribution. LEOFF is comprised solely of non-state employees.

LEOFF system includes 2 plans. Participants who joined the system by September 30, 1977 are Plan I members. Those joining thereafter are enrolled in Plan II. Retirement benefits in both Plan I and II are vested after completion of 5 years of eligible service.

Plan I members are eligible to retire with 5 years of service at age 50. The benefit per year of service is as follows, with a cost-of-living allowance granted, capped at three percent annually:

<u>Term of Service</u>	<u>Percent of Final Average</u>
20+	2.0%
10-20	1.5%
5-10	1.0%

Plan II participants are eligible to retire at age 50 with 20 years of service, or at 55 with 5 years of service. Retirement benefits prior to age 55 are actuarially reduced. The benefit is two percent of average salary per year of service. The average salary is based on the highest 5 year period. There is no cap on years of service credit and a cost-of-living allowance is granted, capped at three percent annually.

Plan I employer and employee contribution rates are established by statute at six percent. State contribution rates for Plan I are set by the Pension Funding Council to fully amortize the total costs of the plan. Employer, employee, and state contribution rates for Plan II are set by the director of the Department of Retirement systems based on recommendations by the Office of the State Actuary to continue to fully fund the plan. All employers are required to contribute at the level required by state law. The methods used to determine the contribution rates are established under state statute in accordance with Chapters 41.26 and 41.45 RCW.

The required contribution rates expressed as a percentage of covered payroll, as of December 31, 2001 were:

LEOFF Plan I	<u>Jan 1-Dec 31</u>	
	Required	
Employer	.23%	
Employee	.00%	
LEOFF Plan II	<u>Jan 1-Jun 30</u>	<u>Jul 1-Dec 31</u>
	Required	Required
Employer	4.30%	2.93%
Employee	6.78%	4.50%

Both County and the employees made the required contributions. The County's required contributions for the years ended December 31 were:

	LEOFF Plan I	LEOFF Plan II
2001	\$1,098	\$171,291
2000	\$14,640	\$166,825
1999	\$31,470	\$218,591
1998	\$33,399	\$200,900

Note 10 - Risk Management

The County is currently a member of the Washington Counties Risk Pool (WCRP). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the purpose of jointly purchasing insurance, self-insuring, and/or contracting for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The WCRP was formed on August 18, 1988 when counties in the State of Washington joined together by signing an Interlocal Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. Twenty-five counties have joined the WCRP.

The WCRP allows members to establish a plan of self-insurance, jointly purchase excess insurance coverage, and provide related services. All pool liability coverage is on an "occurrence" basis. Members make an annual contribution to fund the pool. The pool acquires reinsurance from unrelated underwriters that are subject to a pool per-occurrence self-insured retention of \$100,000. Members may elect retention amounts ranging from \$10,000 per occurrence to \$250,000 and pay the retention amount on each claim. Reinsurance carriers cover all losses over \$250,000 to the maximum limits of each policy. Since the pool is a cooperative program, there is a shared financial liability among the participating members.

Since the pool is a cooperative program, there is joint liability among the participating members. A retroactive assessment was approved in 1999 for \$6.5 million with payments starting in 1999 and spread over ten years. The county's proportional share of the assessment is approximately 3.2%

Members contract to remain in the pool for a minimum of five years, and must give notice one year before terminating participation. Thurston County's five-year obligation to remain a member began on October 1, 2000, after a one-year absence. The agreement is renewed automatically each year until terminated. Even after termination, a member is still responsible for contributions to the pool for any unresolved, unreported, and in-process claims for the period that it was a signatory to the interlocal agreement. The pool is fully funded by its member participants. A board of directors that is comprised of one designated representative from each participating member governs the pool. An executive committee is elected at the annual meeting, and is responsible for conducting the business affairs of the pool.

The County has recorded in its financial statements all material liabilities. This includes estimates for expense, defense and/or payment of pending claims and claims incurred but not reported. In the opinion of management, the County's insurance policies, including its participation in the Washington Counties Risk Pool, in conjunction with our funded retention are adequate to pay all known or pending claims as they come due.

The County paid claims costs of \$1,433,446 during 2000. This amount included \$896,636 in litigation expenses related to the now decommissioned Hawks Prairie Landfill. A class action lawsuit has been filed against Thurston County alleging property damage and nuisance regarding past operation of the landfill. [Thurston County Superior Court case no. 00-2-00665-6] The potential liability from this issue has not been fully determined. Any costs incurred by the County due to the landfill litigation are expected to be funded from insurance, decommissioning funds and ratepayer fees.

The County's potential liability for claims costs not covered by the Risk Pool estimated at December 31, 2001 is \$1,826,183. The estimated additional liability incurred includes reserves for open claims plus an estimate of incurred but not reported (IBNR) claims. It should be recognized that portions of the estimated additional liability incurred may or may not become payable over the course of several years.

Schedule of Claims and Judgements Payable

	<u>2001</u>	<u>2000</u>
Claims and Judgements Payable, Jan. 1	\$1,969,629	\$2,312,036
Claims costs paid during the year	(536,810)	(91,808)
Landfill litigation expense	(896,636)	(447,508)
Estimated additional liability incurred	<u>1,290,000</u>	<u>196,909</u>
Claims and Judgements Payable, Dec. 31	\$1,826,183	\$1,969,629

As discussed in **Note 6 - F**, the County also has a contingent financial liability for the payment of refunded debt.

Note 11 - Postretirement Health Care Benefits

In addition to the pension benefits described in **Note 9**, and in accordance with the Washington Law Enforcement Officers and Fire Fighters Retirement System (LEOFF) Act (RCW 41.26), the County pays for health insurance and medical costs not covered by insurance for retired full time, fully compensated, law enforcement officers who established membership in the LEOFF I retirement system on or before September 30, 1977. Substantially all of the County's law enforcement officers who established membership in the LEOFF I retirement system may become eligible for those benefits when they reach normal retirement age. Thurston County reimburses retired LEOFF I police officers for reasonable medical charges as described in the LEOFF act. In 2000, 26 retirees received benefits under this act. As of December 31, 2000, there were 6 active officers who may become eligible for those benefits when they reach normal retirement age.

The cost of retiree health care benefits is recognized as an expenditure in the General Fund as claims are paid. For 2001, these costs total \$161,748 with an average cost per retiree of \$6,470.

In 2001 Thurston County continued to use the Long Term Care Special Revenue Fund, to purchase additional long term care insurance for LEOFF 1. The premium costs for this insurance was \$6,987.

Note 12 - Fund Equities

Reserved fund balances and retained earnings represent that portion of equity which is segregated for a specific future use or that portion of equity which is not available for appropriation.

The following funds had reserved fund balance at December 31, 2001:

**Schedule Of Reserved Fund Balances And Retained Earnings
As Of December 31, 2001**

RESERVED FUND BALANCE

Reserved for Debt Service:	
Debt Service Funds:	
1995 G.O. Bond Redemption Fund	2,513
1997 G.O. Bond Redemption Fund	18,921
1998 G.O. Bond Redemption Fund	2,070
2000 G.O. Bond Redemption Fund	151
R.I.D. No. 2	96,268
Reserved for Petty Cash Funds:	
General Fund	25,220
Special Revenue Funds:	
General Government	100
Culture & Recreation	550
Economic Environment	7,850
Roads	300
PMJT	12,000
Medic One	100
Public Health and Social Services	2,850
Reserved for Inventories:	
Special Revenue Funds:	
General Government	1,309
Road Fund	848,220
Reserved for Emergency Programs:	
Special Revenue Funds:	
Medic One	<u>3,091,958</u>
TOTAL RESERVED FUND BALANCES	<u>\$ 4,110,380</u>

RESERVED RETAINED EARNINGS

Reserved for Landfill Closure:	
Enterprise Funds:	
Solid Waste	\$ 19,856,360
Reserved For Capital:	
Water & Sewer	656,374
Storm & Surface Water	347,780
Reserved for Purchase of Fixed Assets:	
Internal Service Funds:	
Equipment Rental & Revolving	<u>6,777,031</u>
TOTAL RESERVED RETAINED EARNINGS	<u>\$ 27,637,545</u>

Contributed capital in internal service funds records the amounts of working capital and fixed assets received from other funds (residual equity transfers in). Contributed capital in enterprise funds also includes contributions for fixed assets acquisition from other governments, customers and developers. Beginning contributed capital balances have been restated to include unrecognized residual equity transfers.

The following funds had contributed capital at December 31, 2001:

**Schedule Of Contributed Capital
For The Period Ended December 31, 2001**

	<u>Jan 1, 2001</u>	Increases <u>(Decreases)</u>	<u>Dec 31, 2001</u>
Enterprise Funds:			
Enterprise Administration	\$ 312,471	\$ 3,083	\$ 315,554
Solid Waste	2,448,406	(3,398)	2,445,008
Water/Sewer Utilities	14,597,394	(192,220)	14,405,174
Storm & Surface Water	<u>126,696</u>	<u>3,456</u>	<u>130,152</u>
Subtotal Enterprise Funds:	<u>\$17,484,967</u>	<u>\$ (189,079)</u>	<u>\$ 17,295,888</u>
Internal Service Funds:			
Central Services	1,412,023	37,822	1,449,845
Communications	10,575	-	10,575
Unemployment Compensation	958	-	958
Equipment Rental & Revolving	<u>2,901,434</u>	<u>35,476</u>	<u>2,936,910</u>
Subtotal Internal Service	<u>4,324,990</u>	<u>73,298</u>	<u>4,398,288</u>
Total Contributed Capital	\$21,809,957	\$ (115,781)	\$ 21,694,176

Note 13 - Joint Ventures/Jointly Governed Organizations

Thurston County is currently participating in several interlocal agreements as noted below.

Animal Control Services is a joint venture governed by a six member board of which Thurston County is a member. Thurston County had an equity interest of \$716,998 in Animal Control Services as of December 31, 2001. This interest has been recognized in the general fixed asset account group. The County contributed \$385,524 as its share of operations in 2001. Each member's contribution is based on a formula factoring population and basic service components. The 2001 contribution was 57% of Animal Control Services' total budget. Complete financial statements for Animal Control can be obtained from its administrative office at the City of Lacey, Post Office Box 3400, Lacey, Washington 98509-3400.

The Interlocal Drug Control Unit is a joint venture governed by a five member executive committee of which Thurston County is a member. Thurston County did not have a computable equity interest in the Interlocal Drug Control Unit in 2001. The Interlocal Drug Control Unit is funded by grants and seizures of drug funds. Financial information on the Interlocal Drug Control Unit can be obtained from its administrative office at the City of Lacey, Post Office Box 3400, Lacey, Washington 98509-3400.

Olympic Air Pollution Control Authority (OAPCA) is a jointly governed organization governed by a nine member board of which Thurston County is a member. Thurston County contributed \$42,914 as its share of operations in 2001. The assessment was based on population and violation fees collected. Thurston County did not have an equity interest in OAPCA in 2001. Complete financial statements for OAPCA can be obtained from its administrative office at 909 Sleater-Kinney Rd. SE, Lacey, Washington 98503.

Thurston Regional Planning Council (TRPC) is a jointly governed organization governed by a fifteen member council of

which Thurston County is a member. Thurston County contributed \$186,984 as its share of operations in 2001. The assessment was based on population and contractual commitments. Thurston County did not have an equity interest in TRPC in 2001. Complete financial statements for TRPC can be obtained from its administrative office at 2404-B Heritage Court SE, Olympia, Washington 98502.

Note 14 - Closure And Postclosure Care Costs

State and federal laws and regulations require that Thurston County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to prior activities of the landfill, an expense provision and related liability was recognized in the Solid Waste Enterprise Fund based on future closure and postclosure care costs incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs was based on the amount of the landfill used in each year.

The estimated liability for postclosure care costs was \$23,511,360 which was based on a 100% utilization rate for Cell No. 1 and all prior utilized cells. The estimated liability for landfill closure costs was \$5,390,263 which was based on a 100% utilization rate for Cell No. 1. The estimated total current cost for landfill closure and postclosure care of \$28,901,623 was based on the amount that would have been paid if all equipment, facilities and services required to close, monitor, and maintain Cell No. 1 were acquired as of December 31, 2000. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

Cell No. 1, the only cell used for waste disposal in 2000, was closed on April 30, 2000. The County's long haul of waste to a regional landfill in Klickitat County was initiated on May 1, 2000. \$8,342,166 was incurred to close Cell No. 1 as of December 31, 2001. The closure liability has been eliminated with the difference being expensed in 2001. The postclosure care period was deferred for one year and will start on January 1, 2002.

Thurston County is required by state and federal laws and regulations to make annual contributions for finance closure and postclosure care. The County is in compliance with these requirements, and at December 31, 2001, cash and pooled investments of \$19,856,360 are held for these purposes. These are reported as restricted assets on the balance sheet. It is anticipated that future inflation costs will be financed in part from earnings on the cash and investments. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that may arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

Note 15 - Other Disclosures

A. FUND CHANGES

During 2001, the following funds were added: WRIA 13 Watershed Plan, 2001 Debt Holding, 2001 GO Bond Redemption, Coroner Building and Fair Capital.

During 2001, the following funds were abolished: 1997 Debt Holding, 1998A Debt Holding and Solid Waste Bond Redemption.

B. CONTINGENCIES

Thurston County has claims and lawsuits pending at this time which could be a liability to the County over the next few years. The amount of these claims cannot be reasonably estimated.

C. PRIOR PERIOD ADJUSTMENTS

The following prior period adjustment was recorded in 2001: \$60,650, to correctly reflect the current value of an asset for the Solid Waste Fund.

D. APPLICABILITY OF ACCOUNTING STANDARDS FOR PROPRIETARY FUNDS

Thurston County applies all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements in accounting for proprietary fund activity.

E. SUBSEQUENT EVENTS

On May 31, 2002 the County issued \$10,713,008 in debt to currently refund the 1998a and 2000 general obligation bonds, for jail land acquisition and to construct a coroner building and an HVAC system.

On June 21, 2002, the County approved a financial settlement to a class action lawsuit pertaining to the operation and maintenance of the Hawks Prairie Waste Recovery & Recycling Center. The financial settlement was for \$4,000,000. \$2,500,000 will be funded through insurance recoveries and the remaining \$1,500,000 will be funded through solid waste reserve accounts.

F. ACCOUNTING AND REPORTING CHANGES

Due from and due to other governmental units were reported as a cash flow change impacting non-operating activities in 2001. Prior year amounts were restated to reflect this accounting change.

G. RELATED PARTY TRANSACTIONS

See **Note 13 - Joint Ventures**.

GENERAL FUND

The General Fund is used to account for all financial transactions involving legislative, judicial, protection, and administration of the county government. Both revenues and expenditures are budgeted in compliance with procedures established in Revised Code of Washington (RCW) 36.40 and accounted for on a modified accrual basis.

COMPARATIVE BALANCE SHEET

GENERAL FUND

December 31, 2001 and December 31, 2000

	<u>2001</u>	<u>2000</u>
Assets		
Current Assets		
Cash & Pooled Investments	\$3,878,982	\$4,609,626
Taxes Receivable	1,071,840	1,058,526
Accrued Interest & Penalties	2,214,641	2,525,606
Customer Account Receivables	439,994	106,388
Due from Other Funds	243,689	367,179
Due from Other Government Units	731,678	1,731,676
Prepayments	(427)	-
Total Assets	<u>\$8,580,397</u>	<u>\$10,399,001</u>
Liabilities and Fund Balance		
Current Liabilities		
Accounts Payable	\$678,521	\$661,662
Due to Other Funds	318,797	383,010
Due to Other Government Units	-	38,264
Deferred Revenue	3,329,290	3,535,998
Total Liabilities	<u>4,326,608</u>	<u>4,618,934</u>
Fund Balance		
Fund Balance - Reserved (for petty cash)	25,220	22,045
Fund Balance - Unreserved	4,228,569	5,758,022
Total Fund Balance	<u>4,253,789</u>	<u>5,780,067</u>
Total Liabilities & Fund Balance	<u>\$8,580,397</u>	<u>\$10,399,001</u>

**STATEMENT OF REVENUES, EXPENDITURES, &
CHANGES IN FUND BALANCES - BUDGET (GAAP) AND ACTUAL
GENERAL FUND
YEAR ENDED December 31, 2001 WITH COMPARATIVE
ACTUAL AMOUNTS FOR YEAR ENDED December 31, 2000**

	2001			2000 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:				
Taxes	\$32,112,366	\$32,242,788	\$130,422	\$29,933,487
Licenses & Permits	30,115	48,106	17,991	33,839
Intergovernmental	5,014,615	4,738,814	(275,801)	5,642,094
Charges for Services	5,065,370	5,208,562	143,192	4,926,183
Fines & Forfeitures	1,123,900	1,308,925	185,025	1,323,871
Miscellaneous Revenue	1,856,026	2,077,611	221,585	2,602,993
Total Revenues	45,202,392	45,624,806	422,414	44,462,467
Expenditures:				
<i>Current</i>				
General Government	21,422,180	20,836,292	585,888	20,184,357
Security of Persons & Property	21,892,284	21,744,673	147,611	21,038,872
Physical Environment	428,440	428,438	2	425,106
Transportation	161,484	110,002	51,482	91,930
Economic Environment	481,988	462,600	19,388	500,170
Mental & Physical Health	406,256	398,743	7,513	360,492
Culture & Recreation	366,977	367,131	(154)	285,189
Capital Outlay	77,513	61,418	16,095	805,020
<i>Debt Service</i>				
Principal	10,341	15,413	(5,072)	33,078
Interest & Fiscal Charges	2,069	4,376	(2,307)	6,644
Total Expenditures	45,249,532	44,429,086	820,446	43,730,858
Excess (Deficiency) of Revenues over Expenditures	(47,140)	1,195,720	1,242,860	731,609
Other Financing Sources (Uses):				
Capital Lease Financing	-	51,386	51,386	404,878
Sale of Fixed Assets	621,787	726,690	104,903	689,935
Operating Transfers In	1,205,320	1,160,691	(44,629)	2,146,891
Operating Transfers Out	(4,655,334)	(4,655,334)	-	(3,039,880)
Total Other Financing Sources (Uses)	(2,828,227)	(2,716,567)	111,660	201,824
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures and Other Uses	(2,875,367)	(1,520,847)	1,354,520	933,433
Fund Balance at Beginning of Year	5,758,123	5,780,067	21,944	4,865,874
Residual Equity Transfers In	-	7,699	7,699	2,059
Residual Equity Transfers Out	-	(13,130)	(13,130)	(21,299)
Fund Balance at End of Year	\$2,882,756	\$4,253,789	\$1,371,033	\$5,780,067

**SCHEDULE OF REVENUES—ESTIMATED (GAAP BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED December 31, 2001 WITH COMPARATIVE
ACTUAL AMOUNTS FOR YEAR ENDED December 31, 2000**

	2001		Variance Favorable (Unfavorable)	2000 Actual
	Budget	Actual		
Revenues:				
Taxes				
Real & Personal Property	\$21,579,015	\$21,522,658	(\$56,357)	\$20,475,069
Timber Harvest Taxes	216,889	167,101	(49,788)	162,668
Retail Sales Taxes	8,103,380	8,141,396	38,016	7,122,822
Excise Taxes	284,426	315,925	31,499	302,704
Penalties & interest On Delinquent Taxes	1,928,656	2,095,708	167,052	1,870,224
Total Taxes	32,112,366	32,242,788	130,422	29,933,487
Licenses & Permits				
Business Licenses & Permits	1,400	1,730	330	1,645
Non-Business Licenses & Permits	28,715	46,376	17,661	32,194
Total Licenses & Permits	30,115	48,106	17,991	33,839
Intergovernmental				
Federal Entitlements	15,000	18,788	3,788	18,167
Federal Grants-Direct	106,305	160,097	53,792	306,501
Federal Grants-Indirect	1,469,801	967,037	(502,764)	1,318,626
State Grants	1,756,778	1,612,725	(144,053)	1,889,153
State Shared Revenues	526,508	528,724	2,216	550,211
State Entitlements, Impact Payments	318,268	415,603	97,335	578,932
Intergovernmental Services	821,955	1,035,840	213,885	980,504
Total Intergovernmental	5,014,615	4,738,814	(275,801)	5,642,094
Charges for Services				
General Government	2,705,267	2,998,761	293,494	2,674,446
Security of Persons	1,127,693	956,603	(171,090)	1,067,044
Economic Environment	400	550	150	100
Other	1,232,010	1,252,648	20,638	1,184,593
Total Charges for Services	5,065,370	5,208,562	143,192	4,926,183
Fines & Forfeits				
Felony Penalties	119,400	142,473	23,073	153,623
Civil Penalties	-	568	568	231
Nonparking Infraction Penalties	704,000	840,509	136,509	845,632
Parking Infraction Penalties	4,000	5,520	1,520	6,108
Criminal Traffic Misdemeanor Penalties	175,000	190,040	15,040	183,762
Nontraffic Misdemeanor Penalties	65,000	63,989	(1,011)	66,225
Criminal Costs	56,500	65,826	9,326	68,290
Total Fines & Forfeits	1,123,900	1,308,925	185,025	1,323,871
Miscellaneous				
Interest Earnings	1,828,034	1,923,894	95,860	2,087,831
Rents & Royalties	16,852	18,097	1,245	22,059
Other Miscellaneous Revenue	11,140	135,620	124,480	493,103
Total Miscellaneous	1,856,026	2,077,611	221,585	2,602,993
Total Revenues	\$45,202,392	\$45,624,806	\$422,414	\$44,462,467

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET - (GAAP BASIS)
GENERAL FUND
YEAR ENDED December 31, 2001 WITH COMPARATIVE
ACTUAL AMOUNTS FOR YEAR ENDED December 31, 2000 (Page 1 of 2)

<u>Expenditure By Department & Appropriations:</u>		2001			2000 Actuals
		Budget	Actual (Unfavorable)	Variance Favorable	
Assessor's Office	Other Services	\$ 164,045	\$135,207	\$28,838	\$150,613
	Personnel	2,097,357	2,084,987	12,370	1,985,492
	Travel	14,388	11,825	2,563	9,787
	Equip.Rental	46,530	46,530	-	39,912
Department Total		2,322,320	2,278,549	43,771	2,185,804
Association Dues	Other Services	61,474	61,474	-	59,355
Auditor	Other Services	105,751	79,003	26,748	72,250
	Personnel	805,613	746,328	59,285	707,939
	Travel	10,750	9,103	1,647	6,635
Department Total		922,114	834,434	87,680	786,824
Auditor - Elections	Other Services	512,359	472,842	39,517	677,472
	Personnel	467,970	416,620	51,350	533,802
	Travel	8,550	5,742	2,808	3,971
	Equip.Rental	8,573	8,573	-	8,102
Department Total		997,452	903,777	93,675	1,223,347
Auditor - Fin.Svs.	Other Services	30,749	23,382	7,367	22,329
	Personnel	876,798	768,804	107,994	805,355
	Travel	7,953	6,931	1,022	6,430
Department Total		915,500	799,117	116,383	834,114
Assigned Counsel	Other Services	18,953	17,066	1,887	16,802
	Personnel	536,434	536,083	351	473,680
	Travel	348	111	237	85
	Professional Svs.	940,594	930,935	9,659	815,772
Department Total		1,496,329	1,484,195	12,134	1,306,339
Boundary Review Bd.	Other Services	820	460	360	200
	Travel	905	300	605	905
Department Total		1,725	760	965	1,105
Budget Office	Other Services	2,775	1,471	1,304	2,269
	Personnel	81,756	81,693	63	79,541
	Travel	1,000	555	445	205
Department Total		85,531	83,719	1,812	82,015
CAO	Other Services	28,505	28,499	6	23,209
	Personnel	289,125	288,472	653	262,559
	Travel	584	583	1	923
Department Total		318,214	317,554	660	286,691
Civil Service	Other Services	3,637	3,306	331	3,537
	Personnel	31,142	30,902	240	28,252
	Travel	550	180	370	645
Department Total		35,329	34,388	941	32,434
Cooperative Ext.	Other Services	68,589	68,540	49	70,100
	Personnel	148,226	147,912	314	130,310
	Travel	2,777	2,738	39	2,750
	Equip.Rental	2,123	2,123	-	1,500
Department Total		221,715	221,313	402	204,660
Clerk's Office	Other Services	140,206	138,092	2,114	125,729
	Personnel	1,586,159	1,549,387	36,772	1,439,578
	Travel	8,276	7,917	359	4,036
Department Total		1,734,641	1,695,396	39,245	1,569,343

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET - (GAAP BASIS)

GENERAL FUND

YEAR ENDED December 31, 2001 WITH COMPARATIVE

ACTUAL AMOUNTS FOR YEAR ENDED December 31, 2000

(Page 2 of 2)

<u>Expenditure By Department & Appropriations:</u>		2001			2000 Actuals
		Budget	Actual(Unfavorable)	Variance Favorable	
Commissioner's Off.	Other Services	7,658	7,279	379	8,183
	Personnel	453,253	453,253	-	436,790
	Travel	5,515	5,447	68	5,963
	Equip. Rental	5,068	5,000	68	4,000
Department Total		471,494	470,979	515	454,936
Coroner's Office	Other Services	37,723	36,776	947	34,494
	Personnel	258,696	258,692	4	253,595
	Travel	1,818	1,605	213	1,855
	Equip. Rental	1,593	1,547	46	2,225
	Autopsies	50,200	50,200	-	50,251
Department Total		350,030	348,820	1,210	342,420
District Court	Other Services	92,696	74,004	18,692	65,526
	Personnel	1,384,153	1,373,927	10,226	1,329,523
	Travel	1,953	1,720	233	2,298
	Jury Fees	26,000	15,639	10,361	21,970
Department Total		1,504,802	1,465,290	39,512	1,419,317
Human Resources	Other Services	87,577	71,401	16,176	83,852
	Personnel	594,407	589,882	4,525	593,928
	Travel	7,170	4,647	2,523	3,221
	County Training	14,745	3,390	11,355	4,664
Department Total		703,899	669,320	34,579	685,665
Juvenile Probation	Other Services	451,916	342,002	109,914	344,862
	Personnel	3,217,479	3,217,458	21	3,025,392
	Travel	5,431	5,329	102	8,572
	Equip. Rental	50,857	48,391	2,466	25,746
Department Total		3,725,683	3,613,180	112,503	3,404,572
Nondepartment	Other Services	6,846,729	6,772,873	73,856	9,830,072
	Personnel	108,484	44,939	63,545	77,486
Department Total		6,955,213	6,817,812	137,401	9,907,558
Prosecuting Attorney	Other Services	3,791,497	3,734,577	56,920	3,408,936
Department Total		3,791,497	3,734,577	56,920	3,408,936
State Audit	Other Services	107,859	96,822	11,037	92,010
Superior Court	Other Services	527,317	497,471	29,846	532,207
	Personnel	1,725,524	1,725,514	10	1,648,942
	Travel	16,263	16,170	93	12,317
	Jury Fees	94,945	94,471	474	119,337
Department Total		2,364,049	2,333,626	30,423	2,312,803
Sheriff	Other Services	1,932,526	1,954,046	(21,520)	2,089,129
	Personnel	12,640,007	12,633,819	6,188	11,776,171
	Travel	56,593	56,590	3	67,043
	Equip. Rental	811,276	809,169	2,107	1,155,965
Department Total		15,440,402	15,453,624	(13,222)	15,088,308
Treasurer's Office	Other Services	119,264	110,064	9,200	95,873
	Personnel	596,946	595,803	1,143	597,899
	Travel	6,050	4,493	1,557	4,831
Department Total		722,260	710,360	11,900	698,603
Total Expenditures		\$45,249,532	\$44,429,086	\$820,446	\$46,387,159

SPECIAL REVENUE FUNDS

Special Revenue Funds are legally restricted for specific purposes only and are utilized to account for the proceeds from these funds. Special Revenue Funds do not include expendable trusts or major capital projects. Both revenues and expenditures are budgeted in compliance with the Revised Code of Washington 36.40 and are accounted for on a modified accrual basis. The county maintains 42 individual special revenue funds and are grouped by each fund's function. A description of the funds and groups of funds follow:

General Government - The group includes 20 funds: Treasurer's Maintenance and Operations; Family Court Services/Facilitator; Law Library; Auditor's Election Reserve; Auditor's Maintenance and Operations; Recording Equipment Maintenance and Operations; Thurston GeoData Center; Crime Victim Advocate Programs; Special Projects; Prisoner's Concession; Forest Management; Tourist Facilities; Investment Administration; Emergency Management Council; Sheriff Special Programs; 1997 Debt Holding Fund; two 1998 Debt Holding Funds; Detention Facilities Sales Tax Holding; and Public Health and Social Services Technology Fund.

Culture and Recreation - This group includes three funds; Thurston County Fair; Parks & Recreation; and Sports Complex fund.

Economic Environment - This group includes five funds; Development Review; Veterans; Development Services; LEOFF 1 Long Term Care; and Conservation Futures.

Physical Environment - This group includes seven funds; Noxious Weed Control; Community and Environmental Programs; Resource Planning; Lakes Management Administration; and Lakes Management Districts: 2 (Long Lake), 4 (Lake Lawrence) and 7 (South Pattison).

1/4% Real Estate Excise Tax - A fund to account for the programs funded from revenues generated by a special excise tax levied on each sale of real property situated in unincorporated Thurston County. The fund supports capital improvements and limited costs associated with ongoing water quality and weed control programs.

Roads - A fund to account for the maintenance, operation and upgrades of all county roads, bridges and rights of way. The revenues include the "road fund property tax," state grants and 59 percent of the County's share of the Motor Vehicle Fuel Tax.

Pacific Mountain Job Training - A fund to account for the financial operations of the county's programs and activities associated with funding under the Federal Job Training and Partnership act. Thurston County services as the oversight agency for a five county area, to administer contracts and deliver direct services related to job training, placement and development.

Medic One - A group of two funds, Medic One and the Medic One Reserve, to account for the programs involved with the overall coordination of basic and advanced life support services in conjunction with police and fire services in Thurston County. The programs are funded through voter approved property taxes.

Public Health and Social Services - A fund to account for county health and social services programs such as personal and environmental public health, septic system inspection, food inspection, social services and mental health activities.

Criminal Justice - A fund to account for tax and state grant revenues specifically allocated for funding criminal justice programs.

COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
December 31, 2001 WITH COMPARATIVE
TOTALS FOR December 31, 2000

<u>Assets</u>	GENERAL GOV'T	CULTURE & RECR	ECONOMIC ENVIRON	PHYSICAL ENVIRON	1/4% REAL ESTATE TAX	ROADS
<i>Current Assets</i>						
Cash & Pooled Investments	\$11,213,671	\$2,279,827	\$3,943,463	\$1,695,033	\$9,690,078	\$5,250,940
Taxes Receivable	1,223	-	43,763	-	-	767,468
Special Assessment Receivables	-	-	-	42,542	-	-
Accrued Interest & Penalties	38,846	8,284	14,316	6,188	34,966	23,934
Customer Account Receivables	94,137	922	13,723	-	-	-
Due from Other Funds	25,801	18,000	71,043	56,756	-	66,692
Due from Other Government Units	18,747	107,903	-	229,385	-	81,197
Inventory	1,309	-	-	-	-	848,220
<i>Long-Term Assets</i>						
Other Long-Term Receivables	-	-	-	-	263,391	-
Total Assets	\$11,393,734	\$2,414,936	\$4,086,308	\$2,029,904	\$9,988,435	\$7,038,451
<u>Liabilities and Fund Balance</u>						
<i>Current Liabilities</i>						
Accounts Payable	\$228,488	\$23,968	\$55,289	\$26,665	\$89,876	\$210,781
Due to Other Funds	121,669	75,962	4,180	89,198	132,812	80,784
Due to Other Government Units	23,854	-	-	-	-	1,773
Deferred Revenues	49,117	-	47,983	42,542	263,391	767,468
Total Liabilities	423,128	99,930	107,452	158,405	486,079	1,060,806
Fund Balance						
Fund Balance - Reserved (Petty Cash)	100	550	7,850	-	-	300
Fund Balance - Reserved (Inventories)	1,309	-	-	-	-	848,220
Fund Balance - Reserved (Emerg Prog)						
Fund Balance - Unreserved	10,969,197	2,314,456	3,971,006	1,871,499	9,502,356	5,129,125
Total Fund Balance	10,970,606	2,315,006	3,978,856	1,871,499	9,502,356	5,977,645
Total Liability & Fund Balance	\$11,393,734	\$2,414,936	\$4,086,308	\$2,029,904	\$9,988,435	\$7,038,451

	PMJT	MEDIC ONE	PUBLIC HEALTH & SOCIAL SVS	CRIMINAL JUSTICE	2001	2000
Assets						
<i>Current Assets</i>						
Cash & Pooled Investments	\$46,596	\$7,420,550	\$8,845,605	\$5,740,520	\$56,126,283	\$52,050,385
Taxes Receivable	-	270,612	14,671	-	1,097,737	1,064,208
Special Assessment Receivables	-	-	-	-	42,542	44,230
Accrued Interest & Penalties	136	26,659	33,153	21,113	207,595	267,482
Customer Account Receivables	2,510	-	31,086	-	142,378	93,678
Due from Other Funds	-	-	151,370	-	389,662	405,460
Due from Other Government Units	658,525	958	2,044,624	44,572	3,185,911	2,158,441
Inventory	-	-	-	-	849,529	716,289
<i>Long-Term Assets</i>						
Other Long-Term Receivables	-	-	-	-	263,391	263,391
Total Assets	\$707,767	\$7,718,779	\$11,120,509	\$5,806,205	\$62,305,028	\$57,063,564
Liabilities and Fund Balance						
<i>Current Liabilities</i>						
Accounts Payable	\$606,057	\$688,578	\$1,022,397	\$50,251	\$3,002,350	\$1,745,529
Due to Other Funds	1,155	17,124	197,812	757,485	1,478,182	1,862,374
Due to Other Government Units	(7,426)	-	518,474	-	536,675	856,495
Deferred Revenues	-	270,612	29,349	1,031,888	2,502,350	3,004,284
Total Liabilities	599,786	976,314	1,768,032	1,839,624	7,519,556	7,468,682
<i>Fund Balance</i>						
Fund Balance-Reserved (Petty Cash)	12,000	100	2,850	-	23,750	21,750
Fund Balance-Reserved (Inventories)	-	-	-	-	849,529	716,289
Fund Balance-Reserved (Emergency Prog)	-	3,091,958	-	-	3,091,958	951,067
Fund Balance-Unreserved	95,981	3,650,407	9,349,627	3,966,581	50,820,235	47,905,776
Total Fund Balance	107,981	6,742,465	9,352,477	3,966,581	54,785,472	49,594,882
Total Liability & Fund Balance	\$707,767	\$7,718,779	\$11,120,509	\$5,806,205	\$62,305,028	\$57,063,564

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
YEAR ENDED December 31, 2001 WITH COMPARATIVE
TOTALS FOR December 31, 2000**

	GENERAL GOV'T	CULTURE & RECR	ECONOMIC ENVIRON	PHYSICAL ENVIRON	1/4% REAL ESTATE TAX	ROADS
Revenues:						
Taxes	\$2,875,273	-	\$906,431	\$1,338,650	\$2,550,543	\$12,815,324
Licenses & Permits	-	14,301	2,431,699	-	-	-
Intergovernmental	221,284	290,642	41,485	377,879	-	4,869,776
Charges for Services	862,804	508,974	1,803,440	170,845	35,895	155,289
Miscellaneous Revenue	1,010,781	424,134	190,198	74,241	341,837	312,212
Total Revenues	4,970,142	1,238,051	5,373,253	1,961,615	2,928,275	18,152,601
Expenditures:						
<i>Current</i>						
General Government	1,570,705	-	18,657	407,135	229,123	87,203
Security of Persons & Property	466,909	-	6,987	-	82,388	333,769
Physical Environment	-	56,713	-	725,610	78,847	-
Transportation	466,899	-	521,443	132,870	-	16,136,211
Economic Environment	-	110,816	3,656,143	454,897	-	-
Mental & Physical Health	-	-	-	-	3,746	-
Culture & Recreation	50,000	1,764,942	7,223	-	22,412	-
Capital Outlay	52,763	202,047	106,995	24,570	132,028	13,967
<i>Debt Service</i>						
Principal	-	4,193	10,821	-	-	-
Interest & Fiscal Charges	-	946	3,034	-	-	-
Total Expenditures	2,607,276	2,139,657	4,331,303	1,745,082	548,544	16,571,150
Excess (Deficiency) of Revenues Over Expenditures	2,362,866	(901,606)	1,041,950	216,533	2,379,731	1,581,451
Other Financing Sources (Uses):						
Sale of Fixed Assets	34,092	-	30,711	-	-	16,890
Other Fin. Sources - Bond Proceeds	-	-	-	-	-	-
Operating Transfers In	1,352,156	888,656	1,839,859	366,292	1,637,601	13,639
Operating Transfers Out	(7,062,087)	-	(1,788,790)	(264,388)	(2,143,037)	(1,166,494)
Total Other Financing Sources (Uses)	(5,675,839)	888,656	81,780	101,904	(505,436)	(1,135,965)
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures and Other Uses	(3,312,973)	(12,950)	1,123,730	318,437	1,874,295	445,486
Fund Balance at Beginning of Year	14,290,322	2,325,491	2,854,973	1,201,180	7,656,871	5,565,994
Residual Equity Transfer In	-	2,465	153	353,606	-	17,298
Residual Equity Transfer Out	(6,743)	-	-	(1,724)	(28,810)	(51,133)
Fund Balance at End of Year	\$10,970,606	\$2,315,006	\$3,978,856	\$1,871,499	\$9,502,356	\$5,977,645

	PMJT	MEDIC ONE	PUBLIC HEALTH & SOCIAL SVS	CRIMINAL JUSTICE	2001	2000
Revenues:						
Taxes	\$ -	\$5,755,979	\$394,300	\$1,716,274	\$28,352,774	\$26,939,851
Licenses & Permits	-	-	161,232	-	2,607,232	2,239,730
Intergovernmental	8,255,289	174,900	20,713,962	1,930,437	36,875,654	35,459,723
Charges for Services	-	70	1,044,750	-	4,582,067	4,075,957
Miscellaneous Revenue	3,532	319,481	432,503	281,564	3,390,483	2,921,032
Total Revenues	8,258,821	6,250,430	22,746,747	3,928,275	75,808,210	71,636,293
Expenditures:						
<i>Current</i>						
General Government	-	-	-	1,042,310	3,355,133	3,049,621
Security of Persons & Property	-	4,852,836	123,448	2,368,490	8,234,827	6,256,479
Physical Environment	-	-	-	-	861,170	883,622
Transportation	-	-	-	-	17,257,423	15,144,524
Economic Environment	7,806,725	-	-	-	12,028,581	12,782,187
Mental & Physical Health	-	-	22,317,571	79,884	22,401,201	20,314,891
Culture & Recreation	-	-	-	-	1,844,577	1,715,992
Capital Outlay	87,507	124,088	12,373	275	756,613	1,864,558
<i>Debt Service</i>						
Principal	5,164	-	-	133,417	153,595	23,686
Interest & Fiscal Charges	-	-	-	21,255	25,235	18,056
Total Expenditures	7,899,396	4,976,924	22,453,392	3,645,631	66,918,355	62,053,616
Excess (Deficiency) of Revenues Over Expenditures	359,425	1,273,506	293,355	282,644	8,889,855	9,582,677
Other Financing Sources (Uses):						
Sale of Fixed Assets	-	196,285	10,280	-	288,258	629,800
Other Fin. Sources - Bond Proceeds	-	-	-	-	-	6,019,648
Operating Transfers In	-	1,422,945	2,419,932	-	9,941,080	8,697,572
Operating Transfers Out	-	(1,422,945)	(137,780)	(225,680)	(14,211,201)	(11,132,960)
Total Other Financing Sources (Uses)	-	196,285	2,292,432	(225,680)	(3,981,863)	4,214,060
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures and Other Uses	359,425	1,469,791	2,585,787	56,964	4,907,992	13,796,737
Fund Balance at Beginning of Year	(251,444)	5,272,674	6,769,204	3,909,617	49,594,882	35,873,409
Residual Equity Transfer In	-	-	-	-	373,522	30,664
Residual Equity Transfer Out	-	-	(2,514)	-	(90,924)	(105,928)
Fund Balance at End of Year	\$ 107,981	\$6,742,465	\$9,352,477	\$3,966,581	\$54,785,472	\$49,594,882

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL GOVERNMENT SPECIAL REVENUE FUNDS
YEAR ENDED December 31, 2001 WITH COMPARATIVE
ACTUAL AMOUNTS FOR YEAR ENDED December 31, 2000 (Page 1 of 2)**

Revenues:		2001			2000 ACTUAL
		BUDGET	ACTUAL (UNFAVORABLE)	VARIANCE FAVORABLE	
Taxes		\$2,806,916	\$2,875,273	\$68,357	\$2,689,746
	Intergovernmental	252,432	221,284	(31,148)	353,807
	Charges for Services	764,445	862,804	98,359	764,093
	Miscellaneous Revenue	1,106,683	1,010,781	(95,902)	665,617
Total Revenues		4,930,476	4,970,142	39,666	4,473,263
Expenditures:					
Treasurer's M&O	Other Services	107,883	102,306	5,577	81,493
	Personnel	81,695	66,654	15,041	82,924
	Travel	1,375	1,044	331	1,014
Total		190,953	170,004	20,949	165,431
Family Court Services Clerk	Other Services	37,695	1,955	35,740	6,354
	Personnel	55,672	52,494	3,178	48,619
	Travel	360	230	130	13
Total		93,727	54,679	39,048	54,986
Family Court Facilitator	Other Services	41,819	22,310	19,509	28,856
	Personnel	95,378	91,653	3,725	72,633
	Travel	4,375	951	3,424	663
Total		141,572	114,914	26,658	102,152
Law Library	Other Services	65,000	58,317	6,683	54,660
	Personnel	1,000	897	103	884
Total		66,000	59,214	6,786	55,544
Auditor M & O	Other Services	78,882	69,698	9,184	101,901
	Personnel	8,155	2,919	5,236	7,580
Total		87,037	72,617	14,420	109,481
Recording Equipment Maint.	Other Services	15,000	4,505	10,495	2,208
GeoData Center	Other Services	222,728	208,001	14,727	215,212
	Personnel	361,102	264,154	96,948	288,309
	Travel	1,824	1,823	1	4,496
Total		585,654	473,978	111,676	508,017
Auditor's Election Reserve	Other Services	80,343	30,462	49,881	75,732
Emergency Management Council	Other Services	1,000	-	1,000	-
Tourist Facilities	Other Services	50,122	50,122	-	139,582
Victim Advocate Program	Other Services	159,994	158,387	1,607	146,669
Investment Administration	Other Services	100,497	62,861	37,636	43,504
	Personnel	96,233	93,014	3,219	100,075
	Travel	5,400	5,368	32	5,944
Total		202,130	161,243	40,887	149,523

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL GOVERNMENT SPECIAL REVENUE FUNDS
YEAR ENDED December 31, 2001 WITH COMPARATIVE
ACTUAL AMOUNTS FOR YEAR ENDED December 31, 2000 (Page 2 of 2)**

		2001			2000
		BUDGET	ACTUAL (UNFAVORABLE)	VARIANCE FAVORABLE	ACTUAL
Expenditures: (Continued)					
Special Projects	Other Services	2,536,336	438,876	2,097,460	868,460
	Personnel	288,899	286,157	2,742	250,007
	Travel	5,475	2,490	2,985	3,072
Total		2,830,710	727,523	2,103,187	1,121,539
Prisoner's Concession	Other Services	200,203	199,237	966	209,948
	Personnel	120,487	117,488	2,999	110,194
	Travel	2,330	2,311	19	-
Total		323,020	319,036	3,984	320,142
Sheriff's Special Programs	Other Services	129,982	85,680	44,302	121,514
	Personnel	92,528	91,370	1,158	83,488
	Equip Rental	10,009	9,899	110	7,110
	Travel	6,022	3,852	2,170	4,386
Total		238,541	190,801	47,740	216,498
Stadium/Convention/Art Center	Other Services	-	-	-	10,000
Public Health Technology	Other Services	-	-	-	36,000
Detention Facilities Tax	Other Services	-	-	-	1,889,975
1997 Debt Holding Fund	Other Services	-	-	-	1,413,342
1998A Debt Holding Fund	Other Services	-	-	-	122,923
2000 Debt Holding Fund	Other Services	318,432	5,000	313,432	38,262
Forest Management	Other Services	22,907	14,791	8,116	26,567
Total Expenditures		5,407,142	2,607,276	2,799,866	6,704,573
Excess (Deficiency) of Revenues Over Expenditures		(476,666)	2,362,866	2,839,532	(2,231,310)
Other Financing Sources (Uses):					
Sale of Fixed Assets		371,668	34,092	(337,576)	26,072
Other Financing Sources - Bond Proceeds		2,300,000	-	(2,300,000)	6,019,648
Operating Transfers In		1,325,148	1,352,156	27,008	3,145,238
Operating Transfers Out		(11,246,825)	(7,062,087)	4,184,738	-
Total Other Financing Sources (Uses)		(7,250,009)	(5,675,839)	1,574,170	9,190,958
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures and Other Uses		(7,726,675)	(3,312,973)	4,413,702	6,959,648
Fund Balance at Beginning of Year		14,229,587	14,290,322	60,735	7,301,730
Residual Equity Transfer In		-	-	-	28,944
Residual Equity Transfer Out		-	(6,743)	(6,743)	-
Fund Balance at End of Year		\$6,502,912	\$10,970,606	\$4,467,694	\$14,290,322

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
CULTURE AND RECREATION SPECIAL REVENUE FUNDS
YEAR ENDED December 31, 2001 WITH COMPARATIVE
ACTUAL AMOUNTS FOR YEAR ENDED December 31, 2000**

		2001			2000
		BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Revenues:					
Licenses & Permits		\$10,000	\$14,301	\$4,301	\$13,707
Intergovernmental		891,091	290,642	(600,449)	643,046
Charges for Services		509,456	508,974	(482)	485,627
Miscellaneous Revenue		269,000	424,134	155,134	332,529
Total Revenues		1,679,547	1,238,051	(441,496)	1,474,909
Expenditures:					
Fair	Other Services	219,523	208,339	11,184	189,610
	Personnel	219,670	207,730	11,940	188,050
	Equip. Rental	20,926	20,681	245	15,589
	Travel	5,260	4,020	1,240	4,878
Total		465,379	440,770	24,609	398,127
Parks Capital Projects	Other Services	945,763	179,582	766,181	111,887
	Personnel	5,005	-	5,005	5,593
Total		950,768	179,582	771,186	117,480
Sports Complex	Other Services	1,496,725	34,642	1,462,083	84,341
	Personnel	3,275	-	3,275	-
	Equip. Rental	-	-	-	282
Total		1,500,000	34,642	1,465,358	84,623
Parks	Other Services	326,885	299,760	27,125	298,565
	Personnel	769,105	744,807	24,298	671,761
	Equip. Rental	54,914	51,533	3,381	37,817
	Travel	3,285	1,830	1,455	518
Total		1,154,189	1,097,930	56,259	1,008,661
Parks Special Programs	Other Services	40,041	36,177	3,864	34,541
	Personnel	37,220	33,044	4,176	28,060
	Equip. Rental	7,583	6,205	1,378	5,755
	Travel	300	277	23	311
Total		85,144	75,703	9,441	68,667
ORV Sports Park	Other Services	176,039	175,008	1,031	97,696
	Personnel	109,357	88,133	21,224	89,990
	Equip. Rental	49,820	47,819	2,001	21,750
	Travel	450	70	380	-
Total		335,666	311,030	24,636	209,436
Total Expenditures		4,491,146	2,139,657	2,351,489	1,886,994
Excess (Deficiency) of Revenues Over Expenditures		(2,811,599)	(901,606)	1,909,993	(412,085)
Other Financing Sources (Uses):					
Operating Transfers In		888,656	888,656	-	865,411
Total Other Financing Sources (Uses)		888,656	888,656	-	865,411
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses		(1,922,943)	(12,950)	1,909,993	453,326
Fund Balance at Beginning of Year		2,318,959	2,325,491	6,532	1,872,165
Residual Equity Transfer In		-	2,465	2,465	-
Fund Balance at End of Year		\$396,016	\$2,315,006	\$1,918,990	\$2,325,491

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
ECONOMIC ENVIRONMENT SPECIAL REVENUE FUNDS
YEAR ENDED December 31, 2001 WITH COMPARATIVE
ACTUAL AMOUNTS FOR YEAR ENDED December 31, 2000**

		2001			2000
		BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Revenues:					
Taxes		\$916,340	\$906,431	(\$9,909)	\$848,775
Licenses & Permits		2,088,374	2,431,699	343,325	2,067,083
Intergovernmental		20,250	41,485	21,235	22,455
Charges for Services		2,029,765	1,803,440	(226,325)	1,608,481
Miscellaneous Revenues		155,916	190,198	34,282	165,282
Total Revenues		5,210,645	5,373,253	162,608	4,712,076
Expenditures:					
Building & Fire Safety	Other Services	240,319	240,099	220	229,173
	Personnel	928,111	913,971	14,140	872,630
	Equip.Rental	64,944	64,783	161	57,700
	Travel	9,380	6,607	2,773	5,787
Total		1,242,754	1,225,460	17,294	1,165,290
Development Review	Other Services	61,742	48,638	13,104	304,880
	Personnel	489,582	440,163	49,419	426,870
	Equip.Rental	55,260	46,050	9,210	28,210
	Travel	6,697	5,248	1,449	4,658
Total		613,281	540,099	73,182	764,618
Leoff 1 Long-Term Care	Other Services	45,000	-	45,000	-
	Personnel	15,000	6,987	8,013	6,987
Total		60,000	6,987	53,013	6,987
Veterans	Other Services	126,527	96,670	29,857	107,114
	Personnel	25,193	13,659	11,534	19,921
	Housing	10,000	10,000	-	10,000
	Travel	480	459	21	51
Total		162,200	120,788	41,412	137,086
Current Planning	Other Services	197,228	196,637	591	208,221
	Personnel	749,587	729,444	20,143	704,403
	Equip.Rental	7,000	5,814	1,186	20,516
	Travel	20,516	20,516	-	9,193
Total		974,331	952,411	21,920	942,333
Permit Assistance Center	Other Services	542,304	387,860	154,444	1,343,134
	Personnel	1,144,648	1,083,738	60,910	990,599
	Travel	12,300	6,736	5,564	8,355
Total		1,699,252	1,478,334	220,918	2,342,088
Conservation Futures	Other Services	504,523	7,224	497,299	145,688
Total Expenditures		5,256,341	4,331,303	925,038	5,504,090
Excess (Deficiency) of Revenues over Expenditures		(45,696)	1,041,950	1,087,646	(792,014)
Other Financing Sources (Uses):					
Sale of Fixed Assets		20,560	30,711	10,151	28,993
Operating Transfers In		1,804,799	1,839,859	35,060	1,466,438
Operating Transfers Out		(1,891,644)	(1,788,790)	102,854	-
Total Other Financing Sources (Uses)		(66,285)	81,780	148,065	1,495,431
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses		(111,981)	1,123,730	1,235,711	703,417
Fund Balance at Beginning of Year		2,841,430	2,854,973	13,543	2,151,556
Residual Equity Transfers In		-	153	153	-
Fund Balance At End of Year		\$2,729,449	\$3,978,856	\$1,249,407	\$2,854,973

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
PHYSICAL ENVIRONMENT SPECIAL REVENUE FUNDS
YEAR ENDED December 31, 2001 WITH COMPARATIVE
ACTUAL AMOUNTS FOR YEAR ENDED December 31, 2000**

		2001			2000
Revenues:		BUDGET	ACTUAL (UNFAVORABLE)	VARIANCE FAVORABLE	ACTUAL
Taxes		\$1,232,924	\$1,338,650	\$105,726	\$1,196,035
Intergovernmental		1,186,290	377,879	(808,411)	479,846
Charges for Services		227,342	170,845	(56,497)	178,735
Miscellaneous Revenues		47,500	74,241	26,741	44,939
Total Revenues		2,694,056	1,961,615	(732,441)	1,899,555
Expenditures:					
Noxious Weed	Other Services	56,070	52,531	3,539	65,242
	Personnel	201,394	199,596	1,798	205,181
	Equip.Rental	17,627	17,478	149	15,668
	Travel	3,833	2,987	846	3,238
Total		278,924	272,592	6,332	289,329
Office of Program & Budget Dev.	Other Services	1,399,340	598,918	800,422	1,244,578
	Personnel	567,356	516,806	50,550	421,436
	Travel	12,489	9,220	3,269	3,599
	Reserve	-	-	-	-
Total		1,979,185	1,124,944	854,241	1,669,613
Lakes Management	Other Services	90,711	63,713	26,998	88,962
	Equip.Rental	4,453	4,353	100	4,383
	Travel	750	461	289	70
Total		95,914	68,527	27,387	93,415
Lakes Management Dst. 2 (Long Lake)	Other Services	137,142	107,051	30,091	128,764
	Equip.Rental	3,833	3,733	100	2,442
	Travel	350	275	75	-
Total		141,325	111,059	30,266	131,206
Lakes Management Dst. 4 (Lake Lawrence)	Other Services	81,193	65,700	15,493	51,549
	Equip.Rental	2,133	2,133	-	2,385
	Travel	100	61	39	-
Total		83,426	67,894	15,532	53,934
Lakes Management Dst. 7 (South Pattison)	Other Services	7,175	45	7,130	-
Watershed Plan	Other Services	121,252	99,315	21,937	-
	Equip.Rental	950	706	244	-
Total		122,202	100,021	22,181	-
Total Expenditures		2,708,151	1,745,082	963,069	2,237,497
Excess (Deficiency) of Revenues over Expenditures		(14,095)	216,533	230,628	(337,942)
Other Financing Sources (Uses)					
Operating Transfers In		366,292	366,292	-	360,010
Operating Transfers Out		(264,388)	(264,388)	-	-
Total Other Financing Sources (Uses)		101,904	101,904	-	360,010
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses		87,809	318,437	230,628	22,068
Fund Balance at Beginning of Year		981,741	1,201,180	219,439	1,184,651
Residual Equity Transfers In		360,000	353,606	(6,394)	-
Residual Equity Transfers Out		-	(1,724)	(1,724)	(5,539)
Fund Balance at End of Year		\$1,429,550	\$1,871,499	\$441,949	\$1,201,180

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
1/4% REAL ESTATE TAX SPECIAL REVENUE FUND
YEAR ENDED December 31, 2001 WITH COMPARATIVE
ACTUAL AMOUNTS FOR YEAR ENDED December 31, 2000**

	2001		VARIANCE	2000
	BUDGET	ACTUAL (UNFAVORABLE)	FAVORABLE	ACTUAL
Revenues:				
Taxes	\$2,242,049	\$2,550,543	\$308,494	\$2,372,418
Charges for Goods and Services	15,900	35,895	19,995	-
Miscellaneous Revenues	366,689	341,837	(24,852)	552,957
Total Revenues	2,624,638	2,928,275	303,637	2,925,375
Expenditures:				
1/4% Real Estate Excise Tax	6,829,615	546,420	6,283,195	5,430,412
Other Services				
Equip.Rental	2,005	2,004	1	-
Travel	1,000	120	880	10,095
Total Expenditures	6,832,620	548,544	6,284,076	5,440,507
Excess (Deficiency) of Revenues Over Expenditures	(4,207,982)	2,379,731	6,587,713	(2,515,132)
Other Financing Sources (Uses)				
Other Fin. Sources - Sale Of Fixed Assets	-	-	-	339,308
Other Fin. Sources - Bond Proceeds	-	-	-	-
Operating Transfers In	1,637,601	1,637,601	-	69,425
Operating Transfers Out	(1,836,568)	(2,143,037)	(306,469)	-
Total Other Financing Sources (Uses)	(198,967)	(505,436)	(306,469)	408,733
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(4,406,949)	1,874,295	6,281,244	(2,106,399)
Fund Balance at Beginning of Year	7,646,246	7,656,871	10,625	9,761,621
Prior Period Adjustment	-	-	-	-
Residual Equity Transfer In	-	-	-	1,649
Residual Equity Transfer Out	-	(28,810)	(28,810)	-
Fund Balance At End of Year	\$3,239,297	\$9,502,356	\$6,263,059	\$7,656,871

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
ROADS SPECIAL REVENUE FUND
YEAR ENDED December 31, 2001 WITH COMPARATIVE
ACTUAL AMOUNTS FOR YEAR ENDED December 31, 2000**

		2001			2000
		BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Revenues:					
	Taxes	\$12,819,079	\$12,815,324	(\$3,755)	\$12,129,622
	Intergovernmental	4,972,282	4,869,776	(102,506)	4,659,434
	Charges for Services	351,500	155,289	(196,211)	14,602
	Miscellaneous Revenues	152,000	312,212	160,212	241,050
Total Revenues		18,294,861	18,152,601	(142,260)	17,044,708
Expenditures:					
Roads	Other Services	9,023,529	8,265,019	758,510	8,098,642
	Personnel	5,665,103	5,355,316	309,787	4,967,424
	Travel	99,170	80,647	18,523	78,700
	Equip.Rental	2,872,989	2,870,168	2,821	2,149,086
Total Expenditures		17,660,791	16,571,150	1,089,641	15,293,852
Excess (Deficiency) of Revenues Over Expenditures		<u>634,070</u>	<u>1,581,451</u>	<u>947,381</u>	<u>1,750,856</u>
Other Financing Sources (Uses):					
	Sale of Fixed Assets	17,000	16,890	(110)	44,328
	Operating Transfers In	73,764	13,639	(60,125)	3,761
	Operating Transfers Out	(1,144,696)	(1,166,494)	(21,798)	-
Total Other Financing Sources (Uses)		(1,053,932)	(1,135,965)	(82,033)	48,089
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses		<u>(419,862)</u>	<u>445,486</u>	<u>865,348</u>	<u>1,798,945</u>
	Fund Balance at Beginning of Year	4,846,954	5,565,994	719,040	3,805,994
	Prior Period Adjustments	-	-	-	-
	Residual Equity Transfers In	-	17,298	17,298	-
	Residual Equity Transfers Out	-	(51,133)	(51,133)	(38,945)
Fund Balance At End of Year		\$4,427,092	\$5,977,645	\$1,550,553	\$5,565,994

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
PACIFIC MOUNTAIN JOB TRAINING SPECIAL REVENUE FUND
YEAR ENDED December 31, 2001 WITH COMPARATIVE
ACTUAL AMOUNTS FOR YEAR ENDED December 31, 2000**

		<u>2001</u>			<u>2000</u>
		<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>ACTUAL</u>
Revenues:					
	Intergovernmental	\$10,285,135	\$8,255,289	(\$2,029,846)	\$8,991,983
	Charges for Services	-	-	-	-
	Miscellaneous Revenue	3,000	3,532	532	1,309
Total Revenues		<u>10,288,135</u>	<u>8,258,821</u>	<u>(2,029,314)</u>	<u>8,993,292</u>
Expenditures:					
Pacific Mt. Job Training	Other Services	8,111,903	5,882,497	2,229,406	6,890,213
	Personnel	2,079,849	1,943,099	136,750	1,998,718
	Travel-MPT	10,227	8,367	1,860	7,502
	Travel-PMT	60,523	39,986	20,537	70,196
	Equip.Rental	25,633	25,447	186	23,146
Total Expenditures		<u>10,288,135</u>	<u>7,899,396</u>	<u>2,388,739</u>	<u>8,989,775</u>
Excess (Deficiency) of Revenues Over Expenditures		<u>-</u>	<u>359,425</u>	<u>359,425</u>	<u>3,517</u>
Other Financing Sources (Uses)					
Operating Transfers In		-	-	-	-
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses		<u>-</u>	<u>359,425</u>	<u>359,425</u>	<u>3,517</u>
Fund Balance at Beginning of Year		-	(251,444)	(251,444)	(254,961)
Fund Balance at End of Year		<u>\$ -</u>	<u>\$107,981</u>	<u>\$107,981</u>	<u>(\$251,444)</u>

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
MEDIC ONE SPECIAL REVENUE FUND
YEAR ENDED December 31, 2001 WITH COMPARATIVE
ACTUAL AMOUNTS FOR YEAR ENDED December 31, 2000**

		2001			2000
		BUDGET	ACTUAL (UNFAVORABLE)	VARIANCE FAVORABLE	ACTUAL
Revenues:					
	Taxes	\$5,806,986	\$5,755,979	(\$51,007)	\$5,703,651
	Intergovernmental	144,100	174,900	30,800	187,533
	Charges for Services	220	70	(150)	45
	Miscellaneous Revenues	237,800	319,481	81,681	253,102
Total Revenues		6,189,106	6,250,430	61,324	6,144,331
Expenditures:					
Medic One	Other Services	5,270,270	4,697,150	573,120	4,037,720
	Personnel	282,639	275,724	6,915	266,816
	Travel	8,900	3,921	4,979	5,296
	Equip.Rental	1,000	129	871	159
Total Expenditures		5,562,809	4,976,924	585,885	4,309,991
Excess (Deficiency) of Revenues Over Expenditures		626,297	1,273,506	647,209	1,834,340
Other Financing Sources (Uses):					
	Sale of Fixed Assets	122,000	196,285	74,285	181,335
	Operating Transfers In	1,422,945	1,422,945	-	2,000
	Operating Transfers Out	(1,422,945)	(1,422,945)	-	-
Total Other Financing Sources (Uses)		122,000	196,285	74,285	183,335
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses		748,297	1,469,791	721,494	2,017,675
Fund Balance at Beginning of Year		4,982,775	5,272,674	289,899	3,254,999
Fund Balance at End of Year		\$5,731,072	\$6,742,465	\$1,011,393	\$5,272,674

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
PUBLIC HEALTH AND SOCIAL SERVICES SPECIAL REVENUE FUND
YEAR ENDED December 31, 2001 WITH COMPARATIVE
ACTUAL AMOUNTS FOR YEAR ENDED December 31, 2000**

		2001			2000
		BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Revenues:					
	Taxes	\$380,391	\$394,300	\$13,909	\$369,592
	Licenses & Permits	156,190	161,232	5,042	158,940
	Intergovernmental	18,122,944	20,713,962	2,591,018	18,673,827
	Charges for Services	975,638	1,044,750	69,112	1,024,374
	Miscellaneous Revenues	220,858	432,503	211,645	428,910
Total Revenue		19,856,021	22,746,747	2,890,726	20,655,643
Expenditures:					
Public Health	Other Services	1,655,340	2,500,300	(844,960)	2,070,172
	Personnel	5,798,383	5,403,517	394,866	4,850,488
	Travel	53,776	41,550	12,226	34,814
	Equip.Rental	102,395	102,395	-	130,595
Total		7,609,894	8,047,762	(437,868)	7,086,069
Social Services	Other Services	15,437,256	13,438,926	1,998,330	12,521,686
	Personnel	995,480	930,359	65,121	814,643
	Travel	59,841	32,718	27,123	28,199
	Equip.Rental	3,627	3,627	-	2,800
Total		16,496,204	14,405,630	2,090,574	13,367,328
Total Expenditures		24,106,098	22,453,392	1,652,706	20,453,397
Excess (Deficiency) of Revenues over Expenditures		(4,250,077)	293,355	4,543,432	202,246
Other Financing Sources (Uses):					
	Sale of Fixed Assets	8,000	10,280	2,280	9,764
	Operating Transfers In	2,495,584	2,419,932	(75,652)	2,785,289
	Operating Transfers Out	(137,780)	(137,780)	-	-
Total Other Financing Sources (Uses)		2,365,804	2,292,432	(73,372)	2,795,053
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses		(1,884,273)	2,585,787	4,470,060	2,997,299
Fund Balance at Beginning of Year		7,415,688	6,769,204	(646,484)	3,776,333
Residual Equity Transfer In		-	-	-	71
Residual Equity Transfer Out		-	(2,514)	(2,514)	(4,499)
Fund Balance at End of Year		\$5,531,415	\$9,352,477	\$3,821,062	\$6,769,204

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
CRIMINAL JUSTICE SPECIAL REVENUE FUND
YEAR ENDED December 31, 2001 WITH COMPARATIVE
ACTUAL AMOUNTS FOR YEAR ENDED December 31, 2000**

		2001			2000
		BUDGET	ACTUAL (UNFAVORABLE)	VARIANCE FAVORABLE	ACTUAL
Revenues:					
	Taxes	\$1,671,970	\$1,716,274	\$44,304	\$1,630,012
	Intergovernmental	897,143	1,930,437	1,033,294	1,447,792
	Miscellaneous Revenue	216,114	281,564	65,450	235,337
Total Revenues		2,785,227	3,928,275	1,143,048	3,313,141
Expenditures:					
Criminal Justice	Other Services	4,670,669	900,064	3,770,605	716,855
	Personnel	2,002,888	1,942,103	60,785	1,661,603
	Travel	14,838	13,566	1,272	10,337
	Equip. Rental	790,403	789,898	505	34,050
Total Expenditures		7,478,798	3,645,631	3,833,167	2,422,845
Excess (Deficiency) of Revenues Over Expenditures		(4,693,571)	282,644	4,976,215	890,296
Other Financing Sources (Uses):					
Operating Transfers Out		(225,680)	(225,680)	-	-
Total Other Financing Sources (Uses)		(225,680)	(225,680)	-	-
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses		(4,919,251)	56,964	4,976,215	890,296
Fund Balance at Beginning of Year		4,919,251	3,909,617	(1,009,634)	3,019,321
Fund Balance at End of Year		\$ -	\$3,966,581	\$3,966,581	\$3,909,617

DEBT SERVICE FUNDS

Debt Service Funds track the accumulation of resources for the payment of general long-term debt, principal, interest, and related costs that apply to governmental fund operations. Principal and interest debt payments for proprietary fund operations are accumulated in the applicable enterprise or internal service funds and are not included in this section. Expenditure limits are determined by the terms of each debt issue. Modified accrual basis of accounting is applied. A description of each fund follows:

1995 General Obligation Bonds

This fund accounts for the principal and interest payments for the general obligation bonds issued in 1995. The proceeds were used for various purposes including: parks, maintenance, repair and improvements to County facilities, and technology improvements. Bonds outstanding at December 31, 2001 total \$260,000.

1997 General Obligation Bonds

This fund accounts for the principal and interest payments for the general obligation bonds issued in 1997. The proceeds were used for various capital projects and to refund the 1995 and 1996 General Obligation bonds. Bonds outstanding at December 31, 2001 total \$22,785,000.

1998 General Obligation Bonds

Two funds that account for the principal and interest payments for the general obligation bonds issued in 1998 for the acquisition of farm land development rights, the purchase of property for athletic facilities and property for a satellite jail. Bonds outstanding at December 31, 2001 total \$4,788,129.

2000 General Obligation Bonds

This fund accounts for the principal and interest payments for the general obligation debt issued in 2000. The proceeds were used for various capital projects including the new Health Building and improvement to Juvenile Detention and the Coroner's offices. Bonds outstanding at December 31, 2001 total \$6,019,648.

Road Improvement District #2

This fund accounts for the principal and interest payments for the Public Works Trust Fund Loan issued in 2000. The proceeds were used for road repairs and improvements. Loan outstanding at December 31, 2001 totals \$500,000.

COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
December 31, 2001 WITH COMPARATIVE
TOTALS FOR December 31, 2000

	1992	1994	1995	1997	1998	2000	2001			
	G O	G O	G O	G O	G O	G O	G O	R I D		
	BONDS	BONDS	BONDS	BONDS	BONDS	BONDS	BONDS	# 2	2001	2000
Assets										
Current Assets										
Cash & Pooled Investments	\$-	\$-	\$2,503	\$18,855	\$1,997	\$129	\$-	\$95,901	\$119,385	\$18,671
Special Assessment Receivables-Current	-	-	-	-	-	-	-	41,000	41,000	-
Accrued Interest & Penalties	-	-	10	66	73	22	-	367	583	98
Special Assessment Receivables-Long Term	-	-	-	-	-	-	-	696,957	696,957	-
Total Assets	\$-	\$-	\$2,513	\$18,921	\$2,070	\$151	\$-	\$834,225	\$857,880	\$18,769
Current Liabilities										
Deferred Revenue	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$696,957	\$696,957	\$-
Total Liabilities	-	-	-	-	-	-	-	696,957	696,957	-
Fund Balance:										
Reserved (Debt Service)	-	-	2,513	18,921	2,070	151	-	137,268	160,923	18,769
Unreserved	-	-	-	-	-	-	-	-	-	-
Total Fund Balance	-	-	2,513	18,921	2,070	151	-	137,268	160,923	18,769
Total Liabilities & Fund Balance	\$-	\$-	\$2,513	\$18,921	\$2,070	\$151	\$-	\$834,225	\$857,880	\$18,769

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
DEBT SERVICE FUNDS
YEAR ENDED December 31, 2001 WITH COMPARATIVE TOTALS
FOR YEAR ENDED December 31, 2000**

	1992	1994	1995	1997	1998	2000	2001			
	G O	G O	G O	G O	G O	G O	G O			
	BONDS	BONDS	BONDS	BONDS	BONDS	BONDS	BONDS	R I D		
	REDEMP	REDEMP	REDEMP	REDEMP	REDEMP	REDEMP	REDEMP	# 2	2001	2000
Revenues:										
Miscellaneous Revenue	\$-	\$-	\$426	\$4,259	\$328	\$151	\$-	\$136,278	\$141,442	\$3,243
Total Revenue	-	-	426	4,259	328	151	-	136,278	141,442	3,243
Expenditures:										
Debt Service										
Principal	-	-	245,000	909,487	242,858	-	-	25,513	1,422,858	1,135,000
Interest & Fiscal Charges	-	-	19,529	1,150,134	146,288	206,638	-	23,497	1,546,086	1,417,798
Total Expenditures	-	-	264,529	2,059,621	389,146	206,638	-	49,010	2,968,944	2,552,798
Excess (Deficiency) of Revenues Over Expenditures	-	-	(264,103)	(2,055,362)	(388,818)	(206,487)	-	87,268	(2,827,502)	(2,549,555)
Other Financing Sources (Uses):										
Other Financing Sources										
-Bond Proceeds	-	-	-	-	-	-	-	50,000	50,000	-
Operating Transfers In	-	-	264,447	2,059,425	389,145	206,638	-	-	2,919,655	2,555,801
Operating Transfers Out	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	264,447	2,059,425	389,145	206,638	-	50,000	2,969,655	2,555,801
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses	-	-	344	4,063	327	151	-	137,268	142,153	6,246
Fund Balance at Beginning of Year	-	-	2,169	14,858	1,743	-	-	-	18,770	14,172
Residual Equity Transfer Out	-	-	-	-	-	-	-	-	-	(1,649)
Fund Balance at End of Year	\$-	\$-	\$2,513	\$18,921	\$2,070	\$151	\$-	\$137,268	\$160,923	\$18,769

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
1992 G.O. BONDS DEBT SERVICE FUND
YEAR ENDED December 31, 2001 WITH COMPARATIVE TOTALS
FOR YEAR ENDED December 31, 2000**

	2001			2000 ACTUAL
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	
Revenues:				
Miscellaneous Revenue	\$-	\$-	\$-	\$-
Total Revenue	-	-	-	-
Expenditures:				
1992 G.O. Bonds	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Operating Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	976
Residual Equity Transfer Out	-	-	-	(976)
Fund Balance at End of Year	\$-	\$-	\$-	\$-

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
1994 G.O. BONDS DEBT SERVICE FUND
YEAR ENDED December 31, 2001 WITH COMPARATIVE TOTALS
FOR YEAR ENDED December 31, 2000**

	2001			2000 ACTUAL
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	
Revenues:				
Miscellaneous Revenue	\$-	\$-	\$-	\$-
Total Revenue	-	-	-	-
Expenditures:				
1994 G.O.Bonds	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Operating Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	673
Residual Equity Transfer Out	-	-	-	(673)
Fund Balance at End of Year	\$-	\$-	\$-	\$-

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
1995 G.O. BONDS DEBT SERVICE FUND
YEAR ENDED December 31, 2001 WITH COMPARATIVE TOTALS
FOR YEAR ENDED December 31, 2000**

	2001		VARIANCE FAVORABLE (UNFAVORABLE)	2000 ACTUAL
	BUDGET	ACTUAL		
Revenues:				
Miscellaneous Revenue	\$350	\$426	\$76	\$400
Total Revenue	350	426	76	400
Expenditures:				
1995 G.O. Bonds	264,650	264,529	121	266,613
Excess (Deficiency) of Revenues over Expenditures	(264,300)	(264,103)	197	(266,213)
Other Financing Sources (Uses):				
Operating Transfers In	264,000	264,447	447	266,511
Total Other Financing Sources (Uses)	264,000	264,447	447	266,511
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses	(300)	344	644	298
Fund Balance at Beginning of Year	1,450	2,169	719	1,871
Fund Balance at End of Year	\$1,150	\$2,513	\$1,363	\$2,169

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
1997 G.O. BONDS DEBT SERVICE FUND
YEAR ENDED December 31, 2001 WITH COMPARATIVE TOTALS
FOR YEAR ENDED December 31, 2000**

	2001			2000 ACTUAL
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	
Revenues:				
Miscellaneous Revenue	\$1,300	\$4,259	\$2,959	\$2,605
Total Revenue	<u>1,300</u>	<u>4,259</u>	<u>2,959</u>	<u>2,605</u>
Expenditures:				
1997 G.O. Bonds	2,095,300	2,059,621	35,679	2,102,743
Excess (Deficiency) of Revenues over Expenditures	<u>(2,094,000)</u>	<u>(2,055,362)</u>	<u>38,638</u>	<u>(2,100,138)</u>
Other Financing Sources (Uses):				
Operating Transfers In	2,095,200	2,059,425	(35,775)	2,105,847
Total Other Financing Sources (Uses)	<u>2,095,200</u>	<u>2,059,425</u>	<u>(35,775)</u>	<u>2,105,847</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses	1,200	4,063	2,863	5,709
Fund Balance at Beginning of Year	10,200	14,858	4,658	9,148
Fund Balance at End of Year	<u>\$11,400</u>	<u>\$18,921</u>	<u>\$7,521</u>	<u>\$14,857</u>

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
1998 G.O. BOND REDEMPTION FUND
YEAR ENDED December 31, 2001 WITH COMPARATIVE TOTALS
FOR YEAR ENDED December 31, 2000**

	2001			2000 ACTUAL
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	
Revenues:				
Miscellaneous Revenue	\$600	\$328	(\$272)	\$238
Total Revenue	600	328	(272)	238
Expenditures:				
1998 G. O. Bond Redemption	445,900	389,146	56,754	183,442
Excess (Deficiency) of Revenues over Expenditures	(445,300)	(388,818)	56,482	(183,204)
Other Financing Sources (Uses):				
Operating Transfers In	444,900	389,145	(55,755)	183,443
Total Other Financing Sources (Uses)	444,900	389,145	(55,755)	183,443
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses	(400)	327	727	239
Fund Balance at Beginning of Year	1,700	1,743	43	1,504
Fund Balance at End of Year	\$1,300	\$2,070	\$770	\$1,743

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
2000 G.O. BOND REDEMPTION FUND
YEAR ENDED December 31, 2001 WITH COMPARATIVE TOTALS
FOR YEAR ENDED December 31, 2000**

	2001		VARIANCE FAVORABLE (UNFAVORABLE)	2000 ACTUAL
	BUDGET	ACTUAL		
Revenues:				
Miscellaneous Revenue	\$1,000	\$151	(\$849)	\$-
Total Revenue	1,000	151	(849)	-
Expenditures:				
2000 G. O. Bond Redemption	287,000	206,638	80,362	-
Excess (Deficiency) of Revenues over Expenditures	(286,000)	(206,487)	79,513	-
Other Financing Sources (Uses):				
Operating Transfers In	287,000	206,638	(80,362)	-
Total Other Financing Sources (Uses)	287,000	206,638	(80,362)	-
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses	1,000	151	(849)	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$1,000	\$151	(\$849)	\$-

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
2001 G.O. BOND REDEMPTION FUND
YEAR ENDED December 31, 2001 WITH COMPARATIVE TOTALS
FOR YEAR ENDED December 31, 2000**

	2001			2000 ACTUAL
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	
Revenues:				
Miscellaneous Revenue	\$-	\$-	\$-	\$-
Total Revenue	-	-	-	-
Expenditures:				
2001 G. O. Bond Redemption	264,246	-	264,246	-
Excess (Deficiency) of Revenues over Expenditures	(264,246)	-	264,246	-
Other Financing Sources (Uses):				
Operating Transfers In	264,246	-	(264,246)	-
Total Other Financing Sources (Uses)	264,246	-	(264,246)	-
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$-	\$-	\$-	\$-

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
R.I.D. # 2
YEAR ENDED December 31, 2001 WITH COMPARATIVE TOTALS
FOR YEAR ENDED December 31, 2000**

	2001		VARIANCE FAVORABLE (UNFAVORABLE)	2000 ACTUAL
	BUDGET	ACTUAL		
Revenues:				
Miscellaneous Revenue	\$73,123	\$136,278	\$63,155	\$-
Total Revenue	73,123	136,278	63,155	-
Expenditures:				
R.I.D. Bond Redemption	53,000	49,010	3,990	-
Excess (Deficiency) of Revenues over Expenditures	20,123	87,268	67,145	-
Other Financing Sources (Uses):				
Other Financing Sources-Bond Proceeds	-	50,000	50,000	-
Operating Transfers In	10,016	-	-	-
Operating Transfers Out	(10,016)	-	(10,016)	-
Total Other Financing Sources (Uses)	-	50,000	39,984	-
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses	20,123	137,268	117,145	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$20,123	\$137,268	\$117,145	\$-

CAPITAL PROJECT FUNDS

Capital Project Funds are established in Thurston County to account for programs acquiring or constructing major capital facilities. Both revenues and expenditures are budgeted in compliance with procedures established in the Revised Code of Washington and are accounted for on a modified accrual basis of accounting. A description of each fund follows:

Roads Construction in Progress - This fund accounts for the engineering, design, and construction of county roads and bridges. Revenues for this fund include State and Federal grants and 41 percent of the County's share of the Motor Vehicle Fuel Tax and County matching from forest and gas tax receipts.

Juvenile Detention - This fund accounts for the cost of constructing a new juvenile detention center and Family Court center.

Jail Detention Capital - This fund accounts for the purchase of land and construction of the new adult jail.

Health Building - This fund accounts for the purchase of land, buildings, and equipment for the new Health Building.

Coroner Building - This fund accounts for the purchase of land, buildings, and equipment for the new Coroner Building.

Fair Capital - This fund accounts for the purchase of land, buildings, and equipment for a new Fair Building.

COMBINING BALANCE SHEET
CAPITAL PROJECT FUNDS
December 31, 2001 WITH COMPARATIVE
TOTALS FOR December 31, 2000

	ROADS					FAIR			
	CONSTR IN	JUVENILE	HEALTH	JAIL	CORONER	CAPITAL	2001	2000	
	PROGRESS	DETENTION	BUILDING	DETENTION	BUILDING	FUND			
Assets									
Current Assets									
Cash & Pooled Investments	\$7,263,949	\$4,087	\$659,475	\$20,836	\$386,679	\$130,827	\$8,465,853	\$9,792,733	
Accrued Interest & Penalties	26,909	14	2,066	24	1,355	502	30,870	56,598	
Due From Other Funds	-	-	1,220	-	-	-	1,220	8,260	
Due From Other Government Units	599,748	-	-	-	-	-	599,748	468,927	
Total Assets	\$7,890,606	\$4,101	\$662,761	\$20,860	\$388,034	\$131,329	\$9,097,691	\$10,326,518	
Liabilities and Fund Balance									
Current Liabilities									
Accounts Payable	\$278,852	(\$268)	\$239,731	\$10,378	\$-	\$31,465	\$560,158	\$154,697	
Due To Other Funds	1,422	-	22,817	-	-	2,465	26,704	5,298	
Due To Other Government Units	74	-	-	-	-	-	74	915	
Total Liabilities	280,348	(268)	262,548	10,378	-	33,930	586,936	160,910	
Fund Balance									
Unreserved	7,610,258	4,369	400,213	10,482	388,034	97,399	8,510,755	10,165,608	
Total Fund Balance	7,610,258	4,369	400,213	10,482	388,034	97,399	8,510,755	10,165,608	
Total Liabilities & Fund Balance	\$7,890,606	\$4,101	\$662,761	\$20,860	\$388,034	\$131,329	\$9,097,691	\$10,326,518	

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CAPITAL PROJECT FUNDS
YEAR ENDED December 31, 2001 WITH COMPARATIVE TOTALS
FOR YEAR ENDED December 31, 2000

	ROADS CONSTR IN PROGRESS	JUVENILE DETENTION	HEALTH BUILDING	JAIL DETENTION	CORONER BUILDING	FAIR CAPITAL FUND	2001	2000
Revenues:								
Taxes	\$218,316	-	-	-	-	-	\$218,316	\$199,899
Intergovernmental	1,879,744	-	-	-	-	-	1,879,744	2,460,822
Charges for Services	157,999	-	-	-	-	-	157,999	-
Miscellaneous Revenues	486,416	242	44,399	90	7,895	3,249	542,291	803,976
Total Revenues	2,742,475	242	44,399	90	7,895	3,249	2,798,350	3,464,697
Expenditures:								
Current								
General Government	51,927	-	-	-	-	-	51,927	71,125
Capital Outlay	5,192,669	31,297	4,599,155	155,717	225,443	75,863	10,280,144	7,417,438
Total Expenditures	5,244,596	31,297	4,599,155	155,717	225,443	75,863	10,332,071	7,488,563
Excess (Deficiency) of Revenues Over Expenditures	(2,502,121)	(31,055)	(4,554,756)	(155,627)	(217,548)	(72,614)	(7,533,721)	(4,023,866)
Other Financing Sources (Uses)								
Sale of Fixed Assets	850,633	-	-	-	-	-	850,633	1,798,017
Other Financing Sources - Bond Proceeds	-	-	-	-	-	-	-	450,000
Operating Transfers In	-	31,111	4,148,773	165,270	605,582	170,013	5,120,749	1,197,657
Operating Transfers Out	-	-	(92,514)	-	-	-	(92,514)	(553,023)
Total Other Financing Sources (Uses)	850,633	31,111	4,056,259	165,270	605,582	170,013	5,878,868	2,892,651
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses	(1,651,488)	56	(498,497)	9,643	388,034	97,399	(1,654,853)	(1,131,215)
Fund Balance at Beginning of Year	9,261,746	4,313	898,710	839	-	-	10,165,608	11,332,712
Residual Equity Transfer Out	-	-	-	-	-	-	-	(35,889)
Fund Balance at End of Year	\$7,610,258	\$4,369	\$400,213	\$10,482	\$388,034	\$97,399	\$8,510,755	\$10,165,608

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
ROADS CONSTRUCTION IN PROGRESS CAPITAL PROJECT FUND
YEAR ENDED December 31, 2001 WITH COMPARATIVE TOTALS
FOR YEAR ENDED December 31, 2000**

		2001			2000
		BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Revenues:					
	Taxes	\$286,000	\$218,316	(\$67,684)	\$199,899
	Intergovernmental	3,595,550	1,879,744	(1,715,806)	2,460,822
	Charges for Services	61,700	157,999	96,299	-
	Miscellaneous Revenues	410,000	486,416	76,416	766,369
Total Revenues		4,353,250	2,742,475	(1,610,775)	3,427,090
Expenditures:					
Roads-Construction In Progress	Other Services	8,592,024	4,526,309	4,065,715	5,605,865
	Personnel	902,180	718,287	183,893	769,439
	Equip. Rental	1,000	-	1,000	76
Total Expenditures		9,495,204	5,244,596	4,250,608	6,375,380
Excess (Deficiency) of Revenues Over Expenditures		(5,141,954)	(2,502,121)	2,639,833	(2,948,290)
Other Financing Sources (Uses)					
	Sale of Fixed Assets	852,000	850,633	(1,367)	801,869
	Other Financing Sources - Bond Proceeds	-	-	-	450,000
	Operating Transfers In	-	-	-	109,644
	Operating Transfers Out	-	-	-	(450,000)
Total Other Financing Sources (Uses)		852,000	850,633	(1,367)	911,513
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses		(4,289,954)	(1,651,488)	2,638,466	(2,036,777)
	Fund Balance at Beginning of Year	9,319,747	9,261,746	(58,001)	11,331,523
	Residual Equity Transfers Out	-	-	-	(33,000)
Fund Balance at End of Year		\$5,029,793	\$7,610,258	\$2,580,465	\$9,261,746

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
JUVENILE DETENTION CAPITAL PROJECT FUND
YEAR ENDED December 31, 2001 WITH COMPARATIVE TOTALS
FOR YEAR ENDED December 31, 2000**

		2001		VARIANCE	2000
		BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
Revenues:					
	Miscellaneous Revenues	\$-	\$242	\$242	\$134
Total Revenues		-	242	242	134
Expenditures:					
Detention Facilities Capital Project	Other Services	307,102	30,244	276,858	77,276
	Travel	1,800	1,053	747	-
Total Expenditures		308,902	31,297	277,605	77,276
Excess (Deficiency) of Revenues Over Expenditures		(308,902)	(31,055)	277,847	(77,142)
Other Financing Sources (Uses)					
	Operating Transfers In	304,589	31,111	(273,478)	84,700
Total Other Financing Sources (Uses)		304,589	31,111	(273,478)	84,700
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses		(4,313)	56	4,369	7,558
Fund Balance at Beginning of Year		4,313	4,313	-	(356)
Residual Equity Transfer Out		-	-	-	(2,889)
Fund Balance at End of Year		\$-	\$4,369	\$4,369	\$4,313

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
JAIL DETENTION CAPITAL PROJECT FUND
YEAR ENDED December 31, 2001 WITH COMPARATIVE TOTALS
FOR YEAR ENDED December 31, 2000**

		2001		VARIANCE	2000
		BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
Revenues:					
	Miscellaneous Revenues	\$ -	\$90	\$90	\$320
Total Revenues		-	90	90	320
Expenditures:					
Jail Detention Capital Project	Other Services	3,548,779	155,115	3,393,664	169,044
	Travel	1,000	602	398	1,097
Total Expenditures		3,549,779	155,717	3,394,062	170,141
Excess (Deficiency) of Revenues Over Expenditures		(3,549,779)	(155,627)	3,394,152	(169,821)
Other Financing Sources (Uses)					
	Operating Transfers In	3,548,941	165,270	(3,383,671)	272,138
	Operating Transfers Out	-	-	-	(103,023)
Total Other Financing Sources (Uses)		3,548,941	165,270	(3,383,671)	169,115
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses		(838)	9,643	10,481	(706)
Fund Balance at Beginning of Year		838	839	1	1,545
Fund Balance at End of Year		\$ -	\$10,482	\$10,482	\$839

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
HEALTH BUILDING CAPITAL PROJECT FUND
YEAR ENDED December 31, 2001 WITH COMPARATIVE TOTALS
FOR YEAR ENDED December 31, 2000**

		2001			2000
		BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Revenues:					
	Miscellaneous Revenue	\$52,152	\$44,399	(\$7,753)	\$37,154
Total Revenues		52,152	44,399	(7,753)	37,154
Expenditures:					
Health Building	Other Services	5,098,601	4,599,155	499,446	865,767
Total Expenditures		5,098,601	4,599,155	499,446	865,767
Excess (Deficiency) of Revenues Over Expenditures		(5,046,449)	(4,554,756)	491,693	(828,613)
Other Financing Sources (Uses)					
Sale of Fixed Assets		-	-	-	996,148
Operating Transfers In		4,226,979	4,148,773	(78,206)	731,175
Operating Transfers Out		(79,240)	(92,514)	(13,274)	-
Total Other Financing Sources (Uses)		4,147,739	4,056,259	(91,480)	1,727,323
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses		(898,710)	(498,497)	400,213	898,710
Fund Balance at Beginning of Year		898,710	898,710	-	-
Fund Balance at End of Year		\$ -	\$400,213	\$400,213	\$898,710

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
CORONER BUILDING CAPITAL PROJECT FUND
YEAR ENDED December 31, 2001 WITH COMPARATIVE TOTALS
FOR YEAR ENDED December 31, 2000**

		2001		VARIANCE FAVORABLE (UNFAVORABLE)	2000 ACTUAL
		BUDGET	ACTUAL		
Revenues:					
	Miscellaneous Revenue	\$19,000	\$7,895	(\$11,105)	\$-
Total Revenues		19,000	7,895	(11,105)	-
Expenditures:					
Health Building	Other Services	1,682,916	225,443	1,457,473	-
Total Expenditures		1,682,916	225,443	1,457,473	-
Excess (Deficiency) of Revenues Over Expenditures		(1,663,916)	(217,548)	1,446,368	-
Other Financing Sources (Uses)					
	Operating Transfers In	1,663,916	605,582	(1,058,334)	-
Total Other Financing Sources (Uses)		1,663,916	605,582	(1,058,334)	-
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses		-	388,034	388,034	-
Fund Balance at Beginning of Year		-	-	-	-
Fund Balance at End of Year		\$-	\$388,034	\$388,034	\$-

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FAIR BUILDING CAPITAL PROJECT FUND
YEAR ENDED December 31, 2001 WITH COMPARATIVE TOTALS
FOR YEAR ENDED December 31, 2000**

	2001		VARIANCE FAVORABLE (UNFAVORABLE)	2000 ACTUAL
	BUDGET	ACTUAL		
Revenues:				
Miscellaneous Revenue	\$2,897	\$3,249	\$352	\$-
Total Revenues	2,897	3,249	352	-
Expenditures:				
Health Building Other Services	175,000	75,863	99,137	-
Total Expenditures	175,000	75,863	99,137	-
Excess (Deficiency) of Revenues Over Expenditures	(172,103)	(72,614)	99,489	-
Other Financing Sources (Uses)				
Operating Transfers In	172,103	170,013	(2,090)	-
Total Other Financing Sources (Uses)	172,103	170,013	(2,090)	-
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses	-	97,399	97,399	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$-	\$97,399	\$97,399	\$-

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>	ENTERPRISE ADMIN	SOLID WASTE	WATER/ SEWER UTILITIES	STORM & SURFACE WATER	COMM LOAN PROGS	2001	2000
<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)
Total Assets	\$574,651	\$42,715,074	\$23,255,536	\$4,617,225	\$508,636	\$71,671,122	\$82,196,856
<u>Liabilities & Fund Equity</u>							
<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
Total Liabilities	221,796	26,045,384	13,639,244	83,175	472,487	40,462,086	46,698,212
<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)
Total Fund Equity	352,855	16,669,690	9,616,292	4,534,050	36,149	31,209,036	35,498,644
Total Liabilities & Fund Equity	\$574,651	\$42,715,074	\$23,255,536	\$4,617,225	\$508,636	\$71,671,122	\$82,196,856

**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
Operating Revenues:							
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
Total Operating Revenues	2,795,550	11,369,432	476,070	1,429,727	-	16,070,779	15,890,565
Operating Expenses:							
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
Total Operating Expenses	2,843,668	13,561,293	1,270,606	1,136,096	1,022	18,812,685	17,345,330
Operating Income	(48,118)	(2,191,861)	(794,536)	293,631	(1,022)	(2,741,906)	(1,454,765)
Nonoperating Revenue (Expenses):							
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)	-
Total Nonoperating Revenue (Expense)	14,202	(1,036,089)	(248,650)	185,035	6,857	(1,078,645)	2,155,505
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)
Net Income (Loss)	(33,916)	(3,597,380)	(893,084)	478,666	5,835	(4,039,879)	803,091
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)
Fund Equity at End of Year	\$352,855	\$16,669,690	\$9,616,292	\$4,534,050	\$36,149	\$31,209,036	\$35,498,644

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)

INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods and services provided by one department, agency, or government unit to other departments or agencies of Thurston County, or to other governments. The Internal Service funds are traced on a cost reimbursement and accrual basis of accounting. The County maintains nine internal service funds that are grouped by function. A description of the funds and groups of funds follows:

Central Services - A fund to finance the operations of a data processing center, central mailing function to receive all incoming and outgoing mail, a micrographics center, and the facilities maintenance operations. The facilities operations performs maintenance and custodial services for county-owned buildings and administers leases for county use.

Unemployment Compensation - A fund to finance the cost of unemployment claims of prior Thurston County employees.

Equipment Rental and Revolving - A group of two funds to finance the maintenance, operations and acquisition of goods used by County funds. The funds include the Equipment Rental and Revolving Operation and Maintenance Fund and the Equipment Rental and Revolving Replacement Reserve Fund.

Insurance Risk Management - A fund to finance the costs of insurance coverage for the County's protection. It finances county liability, property insurance and safety programs.

Communications - A group of three funds established to provide a consolidated emergency communications system for Thurston County and the cities and fire districts therein. The funds finance an intergovernmental agency created to perform county wide government communication services and 911 enhanced dispatching services. The funds include the Communications Operations Fund; Emergency Service Center; and the Communications - 911 Cellular Tax Fund.

Benefits Administration - A fund used by Human Resources department to collect employee benefits costs from the various county departments and offices and pay for those benefits.

COMBINING BALANCE SHEET**Internal Service Funds****December 31, 2001 WITH COMPARATIVE****TOTALS FOR December 31, 2000**

Assets	CENTRAL	UNEMPL	EQUIPMENT	INSURANCE	COMMUNI -	BENEFITS	2001	2000
	SERVICES	COMP	RENTAL &	RISK		CATIONS		
Current Assets								
Cash & Pooled Investments	\$2,028,848	\$831,416	\$8,339,960	\$2,806,110	\$586,064	\$623,420	\$15,215,818	\$13,418,812
Accrued Interest & Penalties	6,462	2,933	24,914	9,545	2,819	2,218	48,891	69,539
Customer Account Receivables	1,390	-	17,408	-	-	-	18,798	2,041
Due from Other Funds	88,679	-	1,143,471	546,739	5,225	-	1,784,114	1,533,399
Due From Other Government Units	1,338	-	3,409	-	185	-	4,932	7,290
Inventory	-	-	139,928	-	-	-	139,928	149,804
Prepayments	84,667	-	-	-	104,400	-	189,067	189,067
Long-Term Assets								
Fixed Assets	4,683,994	2,783	15,664,848	8,773	4,337,637	-	24,698,035	24,519,488
Accumulated Depreciation	(3,947,393)	(2,783)	(9,124,836)	(123)	(2,318,878)	-	(15,394,013)	(14,777,226)
Total Assets	\$2,947,985	\$834,349	\$16,209,102	\$3,371,044	\$2,717,452	\$625,638	\$26,705,570	\$25,112,214
Liabilities & Fund Equity								
Current Liabilities								
Accounts Payable	\$230,879	-	\$251,345	\$208,386	\$54,659	\$225	745,494	\$762,625
Due To Other Funds	12,862	-	32,801	39,159	1,452	14	86,288	30,247
Due To Other Government Units	-	-	-	-	-	-	-	192
Lim.Tax G.O.Bond-Current Portion	-	-	-	-	150,194	-	150,194	142,957
Long-Term Liabilities								
Limited G.O.Bonds Payable	-	-	-	-	876,443	-	876,443	1,041,998
Compensated Absences Payable	189,214	-	63,365	12,893	115,705	-	381,177	353,508
Claims and Judgements Payable	-	-	-	1,826,183	-	-	1,826,183	1,969,629
Intergvrntl Loans & Cntrcts Payable	-	-	-	-	226,647	-	226,647	288,895
Total Liabilities	432,955	-	347,511	2,086,621	1,425,100	239	4,292,426	4,590,051
Fund Equity								
Contributed Capital	1,449,845	958	2,936,910	-	10,575	-	4,398,288	3,918,960
Retained Earnings-Reserved (Purch of FA)	-	-	6,777,031	-	-	-	6,777,031	6,846,402
Retained Earnings-Unreserved	1,065,185	833,391	6,147,650	1,284,423	1,281,777	625,399	11,237,825	9,756,801
Total Fund Equity	2,515,030	834,349	15,861,591	1,284,423	1,292,352	625,399	22,413,144	20,522,163
Total Liability & Fund Equity	\$2,947,985	\$834,349	\$16,209,102	\$3,371,044	\$2,717,452	\$625,638	\$26,705,570	\$25,112,214

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

	CENTRAL SERVICES	UNEMPL COMP	EQUIPMENT RENTAL & REVOLV	INSURANCE RISK MNGMNT	COMMUNI - CATIONS	BENEFITS ADMIN	2001	2000
Operating Revenues:								
Charges for Services	\$6,548,229	-	\$540,303	\$2,365,360	\$2,482,321	-	\$11,936,213	\$11,147,937
Equipment Rental	-	-	4,814,603	-	-	-	4,814,603	3,544,291
Assessment	-	-	-	-	970,018	-	970,018	930,845
Interfund Contributions	102,982	294,886	-	-	-	85,106	482,974	470,417
Other Miscellaneous Revenues	8,287	-	101	-	14,135	541	23,064	109,202
Total Operating Revenues	6,659,498	294,886	5,355,007	2,365,360	3,466,474	85,647	18,226,872	16,202,692
Operating Expenses:								
General Operations	4,001,315	202,513	2,200,039	940,628	3,173,144	91,540	10,609,179	9,323,526
Maintenance of Equipment & Facilities	440,228	-	1,205	-	120,588	-	562,021	384,195
General Administration	2,336,362	-	-	-	-	-	2,336,362	2,404,674
Depreciation/Amortization, Depletion	485,004	-	1,555,957	123	463,514	-	2,504,598	2,473,697
Risk Transfer Payments	-	-	-	467,726	-	-	467,726	510,377
Claims Payments	-	-	-	665,837	-	-	665,837	91,808
Total Operating Expenses	7,262,909	202,513	3,757,201	2,074,314	3,757,246	91,540	17,145,723	15,188,277
Operating Income	(603,411)	92,373	1,597,806	291,046	(290,772)	(5,893)	1,081,149	1,014,415
Nonoperating Revenues (Expenses):								
Interest Revenue	54,300	40,896	349,203	144,356	38,125	32,363	659,243	703,035
Other Non-Operating Revenue (Expense)	(17,583)	-	121,337	-	9,601	-	113,355	95,197
Interest Expense & Fiscal Charges	-	-	-	(1,255)	(71,011)	-	(72,266)	(59,067)
Total Nonoperating Revenue (Expenses)	36,717	40,896	470,540	143,101	(23,285)	32,363	700,332	739,165
Income Before Operating Transfers	(566,694)	133,269	2,068,346	434,147	(314,057)	26,470	1,781,481	1,753,580
Operating Transfers In	59,620	-	32,480	-	-	-	92,100	58,451
Operating Transfers Out	(3,399)	-	(7,733)	(44,766)	-	-	(55,898)	(32,860)
Net Income (Loss)	(510,473)	133,269	2,093,093	389,381	(314,057)	26,470	1,817,683	1,779,171
Fund Equity at Beginning of Year	2,987,681	701,080	13,733,022	895,042	1,606,409	598,929	20,522,163	18,648,197
Prior Period Adjustment	-	-	-	-	-	-	-	(44,024)
Residual Equity Transfers In/Contrib. Capital	49,239	-	54,681	-	-	-	103,920	140,950
Residual Equity Transfers Out	(11,417)	-	(19,205)	-	-	-	(30,622)	(2,131)
Fund Equity at End of Year	\$2,515,030	\$834,349	\$15,861,591	\$1,284,423	\$1,292,352	\$625,399	\$22,413,144	\$20,522,163

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

	CENTRAL SERVICES	UNEMPL COMP	EQUIP RENTAL & REVOLV	INS RISK MNGMNT	COMMUNI - CATIONS	BENEFITS ADMIN	2001	2000
Cash Flows from Operating Activities:								
Cash Received from Customers	\$6,968,687	\$294,885	\$5,166,245	\$2,083,105	\$3,468,691	\$90,647	\$18,072,260	\$16,091,874
Cash Payments for Goods and Services	(3,944,346)	-	(1,536,594)	(1,996,555)	(795,693)	(9,991)	(8,283,179)	(7,418,460)
Cash Payments to Employees	(2,937,982)	(202,512)	(649,618)	(170,714)	(2,490,557)	(86,414)	(6,537,797)	(5,929,337)
Net Cash Provided (Used) by Prior Period Adjustment	86,359	92,373	2,980,033	(84,164)	182,441	(5,758)	3,251,284	2,744,077
Net Cash Provided (Used) by Operating Activities After Prior Period Adjustment	86,359	92,373	2,980,033	(84,164)	182,441	(5,758)	3,251,284	2,744,077
Cash Flows From Noncapital Financing Activities:								
Operating Transfers In	59,620	-	32,480	-	-	-	92,100	58,451
Operating Transfers Out	(3,399)	-	(7,733)	(44,766)	-	-	(55,898)	(32,860)
Residual Equity Transfers In	49,239	-	54,681	-	-	-	103,920	140,950
Residual Equity Transfers Out	(11,417)	-	(19,205)	-	-	-	(30,622)	2,131
Net Cash Provided (Used) by Noncapital Financing Activities	94,043	-	60,223	(44,766)	-	-	109,500	168,672
Cash Flows from Capital & Related Financing Activities:								
Capital Asset Acquisitions	(61,986)	-	(1,896,422)	-	(62,380)	-	(2,020,788)	(3,071,530)
Sales Of Capital Assets	(37,822)	-	104,823	(6,933)	9,883	-	69,951	(362,136)
Principal Proceeds	-	-	-	-	-	-	-	380,035
Principal Repayments	-	-	-	-	(220,566)	-	(220,566)	(232,510)
Interest Paid	-	-	-	(1,255)	(71,011)	-	(72,266)	(59,067)
Net Cash Provided (Used) by Capital & Related Financing Activities	(99,808)	-	(1,791,599)	(8,188)	(344,074)	-	(2,243,669)	(3,345,208)
Cash Flows from Investing Activities:								
Interest Receipts	55,188	41,659	360,898	148,613	40,227	33,306	679,891	694,073
Net Cash Provided (Used) by by Investing Activities	55,188	41,659	360,898	148,613	40,227	33,306	679,891	694,073
Net Change in Cash and Cash Equivalents	135,782	134,032	1,609,555	11,495	(121,406)	27,548	1,797,006	261,614
Cash & Cash Equivalents 1-1-01	1,893,066	697,384	6,730,405	2,794,615	707,470	595,872	13,418,812	13,157,198
Cash & Cash Equivalents 12-31-01	\$2,028,848	\$831,416	\$8,339,960	\$2,806,110	\$586,064	\$623,420	\$15,215,818	\$13,418,812

	CENTRAL SERVICES	UNEMPL COMP	EQUIP RENTAL & REVLV	INS RISK MNGMNT	COMMUNI- CATIONS	BENEFITS ADMIN	2001	2000
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:								
Operating Income	(\$603,411)	\$92,373	\$1,597,806	\$291,046	(\$290,772)	(\$5,893)	\$1,081,149	\$1,014,415
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:								
Depreciation Expense	485,004	-	1,555,957	123	463,514	-	2,504,598	2,473,697
(Increase) Decrease in:								
Other Current Receivables	402	-	(17,408)	249	-	-	(16,757)	16,813
Due From Other Funds	291,688	-	(232,323)	(305,314)	(4,766)	-	(250,715)	(128,343)
Inventories	-	-	9,876	-	-	-	9,876	(26,841)
Increase (Decrease) in:								
Accounts Payable	(117,285)	-	53,257	39,545	7,199	153	(17,131)	(268,555)
Due to Other Funds	12,862	-	13,899	28,823	475	(18)	56,041	(1,181)
Claims and Judgements	-	-	-	(143,446)	-	-	(143,446)	(342,407)
Compensated Absences Payable	17,099	-	(1,031)	4,810	6,791	-	27,669	6,479
Total Adjustments	689,770	-	1,382,227	(375,210)	473,213	135	2,170,135	1,729,662
Net Cash Provided by Operating Activities	\$86,359	\$92,373	\$2,980,033	(\$84,164)	\$182,441	(\$5,758)	\$3,251,284	\$2,744,077

AGENCY FUNDS

Agency Funds are used to account for monies held by Thurston County as an agent for other governmental units. Many independent governmental entities are required by Washington State statute to deposit and disburse all funds through the Thurston County Treasurer's Office. These funds do not represent assets of Thurston County, who has custodial responsibility only. Therefore, it does not require measurement of the results of operations. Each agency is responsible for preparation of its own annual report.

Similar individual Agency Funds have been grouped on a functional basis to enhance communication and understanding of the financial statements. The County maintains 256 agency funds. A description of the funds and groups of funds follows:

Vendor Claims - A clearing fund or suspense account for vendor warrants payable in which monies are collected and warrants redeemed.

Other County Funds - There are 14 agency funds involving the administration of Thurston County composed of: Clerk's Trust, Forest Board Yield, Forest Excise, Treasurer's Trust, Salary Clearing, Employee Deductions, Pool and Treasurer's Cash, Treasurer's Daily Cash Clearing, Refunded General Obligation Bonds, G. O. Bonds Fiscal Agent, Leasehold Revenue Suspense, Juvenile Support, COBRA/Retiree Payments, and Treasurer's Cash Investment.

Port of Olympia - The County serves as custodian for 17 funds representing the general activities for the Port of Olympia.

Educational Service District - The County serves as custodian for four funds representing the general activities for Educational Service District 113.

Timberland Regional Library - The County services as custodian for six funds for the general and building activities of the Timberland Regional Library.

Intercity Transit - The County serves as custodian for three funds used by the bus transportation system.

Fire Districts - The County serves as custodian for 70 funds representing Fire Districts 1 through 17.

School Districts - The County accounts for 79 funds representing nine school districts which are: Yelm Community Schools, North Thurston, Tumwater, Olympia, Rainier, Griffin, Bucoda, Rochester and Tenino school districts.

Other Government Agency Funds - The County accounts for 62 funds of many other governments. These are comprised of: Drainage Districts 2,3, and 7; Scott Lake Special District; Public Utility District #1 (5 funds); State Forest Board; Dispute Resolution Center; Tanglewilde Park & Recreation District; State General; Forest Fire Service; State School (2 funds); Pass Through Grants; Cemetery Districts 1 and 2; Lewis/Mason/Thurston Area Agency on Aging; Olympic Air Pollution Control Authority (4 funds); Thurston County Housing Authority (10 funds); Schools Insurance; Thurston Regional Planning Council; City of Olympia (7 funds); City of Tumwater (3 funds); City of Tenino (2 funds); Town of Bucoda; City of Yelm; Town of Rainier; City of Lacey (2 funds); Conservation District; Fire District Training Consortium (5 funds); Regional Service Network (3 funds); and West Thurston Fire/Life Safety Consortium.

COMBINING BALANCE SHEET**Agency Funds****December 31, 2001 With Comparative****Totals For December 31, 2000****Agency Fund Totals**

Assets	2001	2000
Current Assets		
Cash & Pooled Investments	\$156,055,624	\$138,701,264
Taxes Receivable	6,823,422	6,797,165
Accrued Interest Receivables	1,764,127	1,877,949
Customer Account Receivables	24	23
Due From Other Government Units	34,661	1,215
Special Assessments Receivable	93,450	-
Total Assets	\$164,771,308	\$147,377,616
Liabilities		
Current Liabilities		
Warrants Payables	\$12,056,462	\$13,207,794
Accounts Payable	4,153,562	5,734,722
Due To Other Funds	15,106	36,935
Due To Fiscal Agent	1,301,977	952,662
Due To Other Governments	140,327,330	127,445,503
Deferred Revenue	6,916,871	-
Total Liabilities	\$164,771,308	\$147,377,616

COMBINING BALANCE SHEET**Agency Funds****December 31, 2001 With Comparative****Totals For December 31, 2000****(Page 1 of 2)**

Assets	Vendor Claims	Other County Agency Funds	Port of Olympia
Current Assets			
Cash & Pooled Investments	\$12,056,462	\$4,171,790	\$16,041,381
Taxes Receivable	-	-	163,802
Accrued Interest Receivables	-	1,764,127	-
Customer Account Receivables	-	-	-
Due From Other Government Units	-	3,948	-
Special Assessments Receivable	-	4,089	-
Total Assets	\$12,056,462	\$5,943,954	\$16,205,183
Liabilities			
Current Liabilities			
Warrants Payables	\$12,056,462	\$ -	\$ -
Accounts Payable	-	3,548,229	-
Due To Other Funds	-	15,106	-
Due To Fiscal Agent	-	1,301,977	-
Due To Other Governments	-	1,074,553	16,041,381
Deferred Revenue	-	4,089	163,802
Total Liabilities	\$12,056,462	\$5,943,954	\$16,205,183

Assets	Educational Service District	Timberland Regional Library	Intercity Transit	Fire Districts
Current Assets				
Cash & Pooled Investments	\$12,851,500	\$9,418,768	\$8,627,288	\$12,486,659
Taxes Receivable	-	296,409	-	566,880
Accrued Interest Receivables	-	-	-	-
Customer Account Receivables	-	-	-	-
Due From Other Government Units	-	-	-	-
Special Assessments Receivable	-	-	-	-
Total Assets	\$12,851,500	\$9,715,177	\$8,627,288	\$13,053,539
Liabilities				
Current Liabilities				
Warrants Payables	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	249,625
Due To Other Funds	-	-	-	-
Due To Fiscal Agent	-	-	-	-
Due To Other Governments	12,851,500	9,418,768	8,627,288	12,237,034
Deferred Revenue	-	296,409	-	566,880
Total Liabilities	\$12,851,500	\$9,715,177	\$8,627,288	\$13,053,539

COMBINING BALANCE SHEET**- Agency Funds -****December 31, 2001 With Comparative****Totals For December 31, 2000****(Page 2 of 2)**

Assets	School Districts	Other Gov't Agency Funds	2001	2000
Current Assets				
Cash & Pooled Investments	\$73,415,462	\$6,986,314	\$156,055,624	\$138,701,264
Taxes Receivable	3,179,036	2,617,295	6,823,422	6,797,165
Accrued Interest Receivables	-	-	1,764,127	1,877,949
Customer Account Receivables	-	24	24	23
Due From Other Funds	-	30,713	34,661	1,215
Special Assessments Receivable	-	89,361	93,450	-
Total Assets	\$76,594,498	\$9,723,707	\$164,771,308	\$147,377,616
Liabilities				
Current Liabilities				
Warrants Payables	\$ -	\$ -	\$12,056,462	\$13,207,794
Accounts Payable	-	355,708	4,153,562	5,734,722
Due To Other Funds	-	-	15,106	36,935
Due To Fiscal Agent	-	-	1,301,977	952,662
Due To Other Governments	73,415,462	6,661,344	140,327,330	127,445,503
Deffered Revenue	3,179,036	2,706,655	6,916,871	-
Total Liabilities	\$76,594,498	\$9,723,707	\$164,771,308	\$147,377,616

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**Agency Funds**

Year Ended December 31, 2001

(Page 1 of 4)

Vendor Claims

Assets	Balance	Increases	Decreases	Balance
	Jan 1, 2001			Dec 31, 2001
Current Assets				
Cash & Pooled Investments	\$13,208,246	\$12,056,462	\$13,208,246	\$12,056,462
Due From Other Government Units	-	-	-	-
Total Assets	\$13,208,246	\$12,056,462	\$13,208,246	\$12,056,462
Liabilities				
Current Liabilities				
Warrants Payables	\$13,207,794	\$12,056,462	\$13,207,794	\$12,056,462
Due To Other Funds	452	-	452	-
Total Liabilities	\$13,208,246	\$12,056,462	\$13,208,246	\$12,056,462

Other County Agency Funds

Assets	Balance	Increases	Decreases	Balance
	Jan 1, 2001			Dec 31, 2001
Current Assets				
Cash & Pooled Investments	\$7,083,533	\$4,171,790	\$7,083,533	\$4,171,790
Taxes Receivable	4,089	-	4,089	-
Accrued Interest Receivables	1,877,949	1,764,127	1,877,949	1,764,127
Customer Account Receivables	-	-	-	-
Due From Other Funds	-	3,948	-	3,948
Special Assessments Receivable	-	4,089	-	4,089
Total Assets	\$8,965,571	\$5,943,954	\$8,965,571	\$5,943,954
Liabilities				
Current Liabilities				
Warrants Payables	\$ -	\$ -	\$ -	\$ -
Accounts Payable	5,345,941	3,548,229	5,345,941	3,548,229
Due To Other Funds	36,483	15,106	36,483	15,106
Due To Fiscal Agent	952,662	1,301,977	952,662	1,301,977
Due To Other Governments	2,630,485	1,074,553	2,630,485	1,074,553
Deffered Revenue	-	4,089	-	4,089
Total Liabilities	\$8,965,571	\$5,943,954	\$8,965,571	\$5,943,954

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**Agency Funds**

Year Ended December 31, 2001

(Page 2 of 4)

Port of Olympia

	Balance			Balance
Assets	Jan 1, 2001	Increases	Decreases	Dec 31, 2001
Current Assets				
Cash & Pooled Investments	\$7,725,939	\$16,041,381	\$7,725,939	\$16,041,381
Taxes Receivable	152,818	163,802	152,818	163,802
Total Assets	\$7,878,757	\$16,205,183	\$7,878,757	\$16,205,183
Liabilities				
Current Liabilities				
Due To Other Governments	\$7,878,757	\$16,041,381	\$7,878,757	\$16,041,381
Deffered Revenue	-	163,802	-	163,802
Total Liabilities	\$7,878,757	\$16,205,183	\$7,878,757	\$16,205,183

Educational Service District

	Balance			Balance
Assets	Jan 1, 2001	Increases	Decreases	Dec 31, 2001
Current Assets				
Cash & Pooled Investments	\$13,276,786	\$12,851,500	\$13,276,786	\$12,851,500
Total Assets	\$13,276,786	\$12,851,500	\$13,276,786	\$12,851,500
Liabilities				
Current Liabilities				
Due To Other Governments	\$13,276,786	\$12,851,500	\$13,276,786	\$12,851,500
Total Liabilities	\$13,276,786	\$12,851,500	\$13,276,786	\$12,851,500

Timberland Regional Library

	Balance			Balance
Assets	Jan 1, 2001	Increases	Decreases	Dec 31, 2001
Current Assets				
Cash & Pooled Investments	\$8,889,175	\$9,418,768	\$8,889,175	\$9,418,768
Taxes Receivable	290,349	296,409	290,349	296,409
Total Assets	\$9,179,524	\$9,715,177	\$9,179,524	\$9,715,177
Liabilities				
Current Liabilities				
Due To Other Governments	\$9,179,524	\$9,418,768	\$9,179,524	9,418,768
Deffered Revenue	-	296,409	-	296,409
Total Liabilities	\$9,179,524	\$9,715,177	\$9,179,524	\$9,715,177

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Agency Funds

Year Ended December 31, 2001

(Page 3 of 4)

Intercity Transit

	Balance			Balance
Assets	Jan 1, 2001	Increases	Decreases	Dec 31, 2001
Current Assets				
Cash & Pooled Investments	\$10,163,332	\$8,627,288	\$10,163,332	\$8,627,288
Total Assets	\$10,163,332	\$8,627,288	\$10,163,332	\$8,627,288
Liabilities				
Current Liabilities				
Due To Other Governments	\$10,163,332	\$8,627,288	\$10,163,332	\$8,627,288
Total Liabilities	\$10,163,332	\$8,627,288	\$10,163,332	\$8,627,288

Fire Districts

	Balance			Balance
Assets	Jan 1, 2001	Increases	Decreases	Dec 31, 2001
Current Assets				
Cash & Pooled Investments	\$9,736,343	\$12,486,659	\$9,736,343	\$12,486,659
Taxes Receivable	507,758	566,880	507,758	566,880
Total Assets	\$10,244,101	\$13,053,539	\$10,244,101	\$13,053,539
Liabilities				
Current Liabilities				
Accounts Payable	\$177,502	\$249,625	\$177,502	\$249,625
Due To Other Governments	10,066,599	12,237,034	10,066,599	12,237,034
Deffered Revenue	-	566,880	-	566,880
Total Liabilities	\$10,244,101	\$13,053,539	\$10,244,101	\$13,053,539

School Districts

	Balance			Balance
Assets	Jan 1, 2001	Increases	Decreases	Dec 31, 2001
Current Assets				
Cash & Pooled Investments	\$62,002,597	\$73,415,462	\$62,002,597	\$73,415,462
Taxes Receivable	3,055,029	3,179,036	3,055,029	3,179,036
Total Assets	\$65,057,626	\$76,594,498	\$65,057,626	\$76,594,498
Liabilities				
Current Liabilities				
Due To Other Governments	\$65,057,626	\$73,415,462	\$65,057,626	\$73,415,462
Deffered Revenue	-	3,179,036	-	3,179,036
Total Liabilities	\$65,057,626	\$76,594,498	\$65,057,626	\$76,594,498

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**Agency Funds**

Year Ended December 31, 2001

(Page 4 of 4)

Other Government Agency Funds

Assets	Balance	Increases	Decreases	Balance
	Jan 1, 2001			Dec 31, 2001
Current Assets				
Cash & Pooled Investments	\$6,615,313	\$6,986,314	\$6,615,313	\$6,986,314
Taxes Receivable	2,787,122	2,617,295	2,787,122	2,617,295
Customer Account Receivable	23	24	23	24
Due From Other Funds	1,215	30,713	1,215	30,713
Special Assessments Receivable	-	89,361	-	89,361
Total Assets	\$9,403,673	\$9,723,707	\$9,403,673	\$9,723,707
Liabilities				
Current Liabilities				
Accounts Payable	\$211,279	\$355,708	\$211,279	\$355,708
Due To Other Govts	9,192,394	6,661,344	9,192,394	6,661,344
Deferred Revenue	-	2,706,655	-	2,706,655
Total Liabilities	\$9,403,673	\$9,723,707	\$9,403,673	\$9,723,707

Total Agency Funds

Assets	Balance	Increases	Decreases	Balance
	Jan 1, 2001			Dec 31, 2001
Current Assets				
Cash & Pooled Investments	\$138,701,264	\$156,055,624	\$138,701,264	\$156,055,624
Taxes Receivable	6,793,076	6,823,422	6,793,076	6,823,422
Accrued Interest Receivables	1,877,949	1,764,127	1,877,949	1,764,127
Customer Account Receivables	4,112	24	4,112	24
Due From Other Funds	1,215	34,661	1,215	34,661
Special Assessments Receivable	-	93,450	-	93,450
Total Assets	\$147,377,616	\$164,771,308	\$147,377,616	\$164,771,308
Liabilities				
Current Liabilities				
Warrants Payables	\$13,207,794	\$12,056,462	\$13,207,794	\$12,056,462
Accounts Payable	5,734,722	4,153,562	5,734,722	4,153,562
Due To Other Funds	36,935	15,106	36,935	15,106
Due To Fiscal Agent	952,662	1,301,977	952,662	1,301,977
Due To Other Governments	127,445,503	140,327,330	127,445,503	140,327,330
Deferred Revenue	-	6,916,871	-	6,916,871
Total Liabilities	\$147,377,616	\$164,771,308	\$147,377,616	\$164,771,308

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group is used to account for fixed assets used in the operations funded by governmental fund types. This includes all fixed assets of the County except for those which are used in proprietary fund types, namely Enterprise and Internal Service Funds. Fixed assets of proprietary fund types are recorded in the individual funds.

GENERAL FIXED ASSET ACCOUNT GROUP

SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION & ACTIVITY

For the Fiscal Year Ended DECEMBER 31, 2001

FUNCTION & ACTIVITY	YEAR END ASSETS BY TYPE					FIXED ASSETS 12/31/01
	LAND	BUILDINGS	CIP	IMPROV	MACH & EQUIP	
General Government Services						
Courts	-	3,449	-	-	1,662,707	1,666,156
Finance & Other Administrative	191,359	3,462,156	-	850,456	1,133,672	5,637,643
Personnel Services	-	13,788	-	3,690	122,522	140,000
Misc. General Government	2,436,101	19,205,134	-	-	249,956	21,891,191
Total General Gov. Services	2,627,460	22,684,527	-	854,146	3,168,857	29,334,990
Security Of Persons & Property						
Law Enforcement	-	851	-	-	1,121,279	1,122,130
Adult Detention/Correction	636,100	4,246,553	191,290	-	678,516	5,752,459
Emergency Services	2	-	-	-	1,410,640	1,410,642
Juvenile Services	1,235,182	17,345,391	-	10,204	255,672	18,846,449
Total Security Of Persons & Prop.	1,871,284	21,592,795	191,290	10,204	3,466,107	27,131,680
Physical Environment						
Natural Resources	-	-	69,406	-	32,193	101,599
Utilities	-	-	-	-	-	-
Environmental/Services	-	-	-	716,998	-	716,998
Total Physical Environment	-	-	69,406	716,998	32,193	818,597
Transportation						
Road/Street Maintenance	350,802	2,572,118	-	20,691	2,843,069	5,786,680
Transit Systems & Railroads	-	-	-	-	-	-
Total Transportation	350,802	2,572,118	-	20,691	2,843,069	5,786,680
Economic Environment						
Employment Opportunity	-	-	-	35,751	8,812	44,563
Planning	-	-	-	2,271,622	14,008	2,285,630
Housing	479,785	3,441	-	-	384,722	867,948
Other Economic Env.	-	-	-	-	-	-
Total Economic Environment	479,785	3,441	-	2,307,373	407,542	3,198,141
Mental & Physical Health						
Hospitals/Convalescent Centers	43,582	-	-	-	-	43,582
Public Health	607,021	4,892,042	-	1,699	591,640	6,092,402
Community Mental Health	-	-	-	-	21,065	21,065
Other Mental & Phys. Health	213,643	-	31,800	-	144,437	389,880
Total Mental & Physical Health	864,246	4,892,042	31,800	1,699	757,142	6,546,929
Culture & Recreation						
Education	-	-	28,319	-	44,542	72,861
Multipurpose & Com. Center	41,136	346,338	-	3,113	30,649	421,236
Fairgrounds	-	296,174	-	186,952	-	483,126
Parks	7,883,291	681,930	102,063	1,179,458	321,252	10,167,994
Other Culture & Recreation	1,487,432	-	-	60,697	-	1,548,129
Total Culture & Recreation	9,411,859	1,324,442	130,382	1,430,220	396,443	12,693,346
Total General Fixed Assets	15,605,436	53,069,365	422,878	5,341,331	11,071,353	85,510,363

GENERAL FIXED ASSET ACCOUNT GROUP

SCHEDULE OF, AND CHANGES IN, GENERAL FIXED ASSETS - BY FUNCTION & ACTIVITY

For the Fiscal Year Ended DECEMBER 31, 2001

FUNCTION & ACTIVITY	YEAR END ASSETS BY TYPE		CHANGES IN ASSETS		TOTAL
	FIXED ASSETS 1/1/2001		ADDED	DELETED	FIXED ASSETS 12/31/2001
General Government Services					
Courts	1,792,325		58,660	184,829	1,666,156
Finance & Other Administrative	6,952,131		7,934	1,322,422	5,637,643
Personnel Services	191,215		16,079	67,294	140,000
Misc. General Government	21,942,788		2,848	54,445	21,891,191
Total General Gov. Services	30,878,459		85,521	1,628,990	29,334,990
Security Of Persons & Property					
Law Enforcement	1,181,994		39,716	99,580	1,122,130
Adult Detention/Correction	5,773,180		32,800	53,521	5,752,459
Emergency Services	1,440,864		124,749	154,971	1,410,642
Juvenile Services	18,846,215		43,660	43,426	18,846,449
Total Security Of Persons & Prop.	27,242,253		240,925	351,498	27,131,680
Physical Environment					
Natural Resources	59,602		69,406	27,409	101,599
Utilities	-		-	-	-
Environmental/Services	721,363		-	4,365	716,998
Total Physical Environment	780,965		69,406	31,774	818,597
Transportation					
Road/Street Maintenance	5,199,563		658,764	71,647	5,786,680
Transit Systems & Railroads	-		-	-	-
Total Transportation	5,199,563		658,764	71,647	5,786,680
Economic Environment					
Employment Opportunity	46,522		-	1,959	44,563
Planning	2,295,457		-	9,827	2,285,630
Housing	811,839		126,690	70,581	867,948
Other Economic Env.	5,364		-	5,364	-
Total Economic Environment	3,159,182		126,690	87,731	3,198,141
Mental & Physical Health					
Hospitals/Convalescent Centers	43,582		-	-	43,582
Public Health	2,149,187		4,061,277	118,062	6,092,402
Community Mental Health	21,066		(1)	-	21,065
Other Mental & Phys. Health	147,171		246,895	4,186	389,880
Total Mental & Physical Health	2,361,006		4,308,171	122,248	6,546,929
Culture & Recreation					
Education	65,996		6,865	-	72,861
Multipurpose & Com. Center	166,545		267,554	12,863	421,236
Fairgrounds	483,126		-	-	483,126
Parks	9,998,490		216,557	47,053	10,167,994
Other Culture & Recreation	1,665,089		-	116,960	1,548,129
Total Culture & Recreation	12,379,246		490,976	176,876	12,693,346
Total General Fixed Assets	82,000,674		5,980,453	2,470,764	85,510,363

GENERAL FIXED ASSET ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCE
For the Fiscal Year Ended DECEMBER 31, 2001

DESCRIPTION	AMOUNT
General Fixed Assets	
Land	15,605,436
Buildings	53,069,365
Improvements Other Than Buildings	5,341,331
Machinery & Equipment	11,071,353
Construction In Progress	422,878
Total General Fixed Assets	85,510,363
Investment In General Fixed Assets	
Federal Grants	554,029
State & Interlocal Agreements	886,737
General Fund	19,543,661
Special Revenue Funds	62,436,258
Gifts	1,288,191
Other Sources	84,488
Investment in Joint Ventures	716,998
Total Investment In General Fixed Assets	85,510,363

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
STATISTICAL TABLES
FOR A TEN YEAR PERIOD
TABLE NO. 1**

FISCAL YEAR	GENERAL GOV'T SERVICE	SECURITY OF PERSONS & PROPERTY	PHYSICAL ENVIRON- MENT	TRANSPOR- TATION	ECONOMIC ENVIRON- MENT	MENTAL & PHYSICAL HEALTH	CULTURE & RECREATION	CAPITAL OUTLAY	DEBT SERVICE	TOTALS
1992	\$20,620,695	\$12,063,632	\$1,619,873	\$9,042,633	\$3,007,607	\$5,905,997	\$1,259,171	\$7,092,855	\$806,572	\$61,419,035
1993	\$17,105,772	\$14,382,793	\$2,361,595	\$10,269,150	\$10,250,245	\$12,198,982	\$1,337,431	\$6,667,194	\$837,418	\$75,410,580
1994	\$18,288,352	\$15,578,467	\$2,248,570	\$10,371,673	\$10,880,866	\$14,680,870	\$1,701,390	\$5,318,772	\$937,082	\$80,006,042
1995	\$19,508,439	\$17,223,730	\$2,174,582	\$11,359,160	\$10,888,237	\$16,509,088	\$1,864,107	\$8,676,491	\$2,237,928	\$90,441,762
1996	\$22,886,910	\$18,561,501	\$1,621,157	\$12,784,103	\$14,244,221	\$16,636,953	\$1,999,038	\$9,395,903	\$1,641,554	\$99,771,340
1997	\$22,210,746	\$19,512,006	\$1,501,555	\$12,689,005	\$13,982,912	\$18,536,029	\$1,997,344	\$20,522,812	\$20,493,289	\$131,445,698
1998	\$23,606,536	\$21,517,114	\$1,433,255	\$14,672,312	\$13,666,157	\$21,182,768	\$1,981,529	\$27,002,611	\$3,343,621	\$128,405,903
1999	\$24,966,070	\$24,263,566	\$1,324,438	\$15,399,447	\$16,222,204	\$20,654,998	\$4,645,622	\$6,425,751	\$4,683,971	\$118,586,067
2000	\$23,305,103	\$27,295,351	\$1,308,728	\$15,236,454	\$13,282,357	\$20,675,383	\$2,001,181	\$10,087,016	\$2,634,262	\$115,825,835
2001	\$24,243,352	\$29,979,500	\$1,289,608	\$17,367,425	\$12,491,181	\$22,799,944	\$2,211,708	\$11,098,175	\$3,167,563	\$124,648,456

All expenditures of governmental funds have been included.

GENERAL REVENUES BY SOURCE
ALL GOVERNMENTAL FUND TYPES
STATISTICAL TABLES
FOR A TEN YEAR PERIOD
TABLE NO. 2

FISCAL YEAR	TAXES	LICENSES & PERMITS	INTER- GOV'T	CHARGES FOR SVS.	FINES & FORFEIT.	MISC.	TOTALS
1992	\$ 31,805,215	\$ 1,831,367	\$ 25,002,796	\$ 6,968,186	\$ 870,434	\$ 3,347,260	\$ 69,825,258
1993	\$ 34,777,481	\$ 1,824,906	\$ 29,721,637	\$ 7,770,750	\$ 894,657	\$ 3,105,220	\$ 78,094,651
1994	\$ 37,395,445	\$ 1,855,368	\$ 33,878,197	\$ 8,441,086	\$ 892,101	\$ 2,991,744	\$ 85,453,941
1995	\$ 40,560,944	\$ 1,714,524	\$ 33,163,150	\$ 8,314,736	\$ 796,473	\$ 5,634,240	\$ 90,184,067
1996	\$ 45,329,192	\$ 2,329,139	\$ 42,682,696	\$ 8,679,531	\$ 932,683	\$ 5,193,065	\$ 105,146,306
1997	\$ 48,669,974	\$ 2,079,617	\$ 42,523,814	\$ 9,186,405	\$ 1,021,120	\$ 5,195,497	\$ 108,676,427
1998	\$ 51,549,984	\$ 2,276,162	\$ 34,407,184	\$20,344,565	\$ 1,263,194	\$ 5,511,669	\$ 115,352,758
1999	\$ 53,072,233	\$ 2,406,412	\$ 47,671,797	\$ 9,627,041	\$ 1,346,374	\$ 5,063,888	\$ 119,187,745
2000	\$ 57,073,237	\$ 2,273,569	\$ 43,562,639	\$ 9,002,140	\$ 1,323,871	\$ 6,331,244	\$ 119,566,700
2001	\$ 60,813,878	\$ 2,655,338	\$ 43,494,212	\$ 9,948,628	\$ 1,308,925	\$ 6,110,827	\$ 124,331,808

**TAXABLE & ESTIMATED ACTUAL VALUE OF REAL & PERSONAL PROPERTY
STATISTICAL TABLES
FOR A TEN YEAR PERIOD
TABLE NO. 3**

FISCAL YEAR	REAL PROPERTY		PERSONAL PROPERTY		TOTAL		RATIO OF TOTAL TAXABLE TO
	TAXABLE VALUE	ESTIMATED ACTUAL VALUE	TAXABLE VALUE	ESTIMATED ACTUAL VALUE	TAXABLE VALUE	ESTIMATED ACTUAL VALUE	TOTAL EST. ACTUAL VALUE
1992	\$ 6,798,522,184	\$ 7,421,967,450	\$ 506,235,466	\$ 555,082,748	\$ 7,304,757,650	\$ 7,977,050,198	91.57%
1993	\$ 7,603,255,425	\$ 8,327,771,550	\$ 504,514,195	\$ 603,485,879	\$ 8,107,769,620	\$ 8,931,257,429	90.78%
1994	\$ 8,489,785,038	\$ 9,308,974,822	\$ 603,773,289	\$ 753,774,393	\$ 9,093,558,327	\$ 10,062,749,215	90.37%
1995	\$ 9,034,099,223	\$ 10,480,393,530	\$ 670,819,640	\$ 706,125,937	\$ 9,704,918,863	\$ 11,186,519,467	86.76%
1996	\$ 9,557,891,392	\$ 10,775,525,808	\$ 742,974,877	\$ 777,984,102	\$ 10,300,866,209	\$ 11,553,509,910	89.16%
1997	\$ 10,218,595,177	\$ 11,023,295,768	\$ 719,448,133	\$ 822,226,438	\$ 10,938,043,310	\$ 11,845,522,206	92.34%
1998	\$ 10,425,713,541	\$ 11,584,126,279	\$ 707,594,913	\$ 718,370,470	\$ 11,133,308,564	\$ 12,302,496,749	90.50%
1999	\$ 10,729,656,008	\$ 12,347,130,044	\$ 724,315,797	\$ 759,240,877	\$ 11,453,971,805	\$ 13,106,370,921	87.39%
2000	\$ 11,371,528,943	\$ 12,635,032,159	\$ 836,254,772	\$ 869,287,705	\$ 12,207,783,715	\$ 13,504,319,864	90.40%
2001	\$ 12,153,163,988	\$ 13,685,995,482	\$ 884,808,092	\$ 930,397,573	\$ 13,037,972,080	\$ 14,616,393,055	89.20%

**WEIGHTED AVERAGE PROPERTY TAX LEVY RATES
DIRECT AND OVERLAPPING GOVERNMENTS
STATISTICAL TABLES
FOR A TEN YEAR PERIOD
(PER \$1000 OF ASSESSED VALUE)
TABLE NO. 4**

FISCAL YEAR	COUNTY - (1)	FUNDS - (2)	TOTAL COUNTY FUNDS	LOCAL SCHOOL DISTRICT	STATE SCHOOL	FIRE DISTRICT	CEMETERY DISTRICT	PORT OF OLYMPIA	CITIES & TOWNS	TIMBER-LAND LIBRARY	PUBLIC UTILITY DISTRICT	(3) TOTALS
1992	1.81	2.42	4.23	4.72	3.3	1.51	0.1	0.29	3.5	0.49	0	18.14
1993	1.73	2.3	4.03	5.08	3.35	1.71	0.1	0.25	3.12	0.49	0	18.13
1994	1.72	2.26	3.98	5.13	3.46	1.55	0.1	0.22	3.37	0.49	0	18.3
1995	1.69	2.3	3.99	4.74	3.56	1.7	0.09	0.21	3.35	0.47	0.02	18.13
1996	1.73	2.35	4.08	4.78	3.55	1.7	0.08	0.19	3.37	0.46	0	18.21
1997	1.78	2.38	4.16	4.98	3.63	1.76	0.09	0.18	3.51	0.47	0	18.78
1998	1.74	2.36	4.1	4.94	3.44	1.73	0.09	0.22	3.36	0.47	0	18.35
1999	1.77	2.4	4.17	5.27	3.38	1.75	0.09	0.22	3.64	0.49	0	19.01
2000	1.8	2.61	4.41	5.6	3.38	1.76	0.05	0.29	3.72	0.5	0.02	19.73
2001	1.77	2.57	4.34	5.27	3.13	1.72	0.08	0.28	3.68	0.5	0	19.00

(1) Includes County General fund, Mental Health, Mental Retardation, Mental Health Administration and Veterans levies.

(2) Includes County Road District, Medic One and Land Conservation Futures levies.

(3) Totals shown are greater than the levy possible on any one parcel (I.e. A city levy is not imposed on unincorporated parcels and likewise, County Road, Fire District and Cemetery Districts are not levied on incorporated parcels.)

(4) The table is based on a weighted average calculation using assessed value, levy rates, and total tax levied. The levy rate is weighted proportionately by the relative tax levy of each district.

**PROPERTY TAX LEVIES AND COLLECTIONS
STATISTICAL TABLES
FOR A TEN YEAR PERIOD
TABLE NO. 5**

FISCAL YEAR	TAX COLLECTIONS						RATIO OF	
	(1) TOTAL TAX LEVY	CURRENT	% OF CURRENT TO LEVY	DELINQUENT	TOTAL		OUT- STANDING DELINQ. TAXES	DELINQ. TAXES TO TOTAL TAX LEVY
1992	\$20,647,834	\$19,779,911	95.8%	\$771,890	\$20,551,801	99.5%	\$1,468,397	7.1%
1993	\$22,840,300	\$21,986,736	96.3%	\$892,457	\$22,879,193	100.2%	\$1,421,903	6.2%
1994	\$25,436,416	\$24,594,278	96.7%	\$867,464	\$25,461,742	100.1%	\$1,371,337	5.4%
1995	\$28,151,146	\$27,153,443	96.5%	\$751,461	\$27,904,904	99.1%	\$1,644,286	5.8%
1996	\$30,670,605	\$29,536,263	96.3%	\$847,535	\$30,383,798	99.1%	\$1,794,877	5.9%
1997	\$33,255,890	\$32,046,213	96.4%	\$1,038,988	\$33,085,201	99.5%	\$1,875,255	5.6%
1998	\$34,851,641	\$33,604,797	96.4%	\$1,552,550	\$35,157,347	100.9%	\$1,966,773	5.6%
1999	\$36,102,918	\$34,735,607	96.2%	\$1,121,754	\$35,857,361	99.3%	\$2,000,251	5.5%
2000	\$39,729,591	\$38,417,951	96.7%	\$1,082,232	\$39,500,183	99.4%	\$2,122,825	5.3%
2001	\$41,441,550	\$40,123,022	96.8%	\$1,176,368	\$41,299,390	99.7%	\$2,169,926	5.2%

(1) Includes County General Fund, Roads, Veteran's, Medic One, Conservation Futures, Tax Refund, and Mental Health tax levies.

**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
STATISTICAL TABLES
FOR A TEN YEAR PERIOD
TABLE NO. 6**

FISCAL YEAR	(1) ASSESSMENTS RECEIVABLE JANUARY 1	BILLINGS	(2) COLLECTIONS	ASSESSMENTS RECEIVABLE DECEMBER 31
1992	\$2,920,741	\$1,196,987	\$1,617,973	\$2,499,755
1993	\$2,499,755	\$1,239,226	\$1,673,712	\$2,065,269
1994	\$2,065,269	\$1,611,217	\$1,657,497	\$2,018,989
1995	\$2,018,989	\$1,030,959	\$1,298,529	\$1,751,419
1996	\$1,751,419	\$1,107,512	\$1,317,104	\$1,541,827
1997	\$1,541,827	\$1,133,202	\$1,359,225	\$1,315,804
1998	\$1,315,804	\$1,267,546	\$1,382,590	\$1,200,758
1999	\$1,200,758	\$6,956,838	\$1,540,431	\$6,617,165
2000	\$6,617,165	\$1,790,585	\$2,137,231	\$6,270,519
2001	\$6,270,519	\$2,511,937	\$1,948,214	\$6,834,242

(1) Special Assessments include: Noxious Weed, Long Lake, Lawrence Lake, Stormwater, Tamoshan, Boston Harbor, Olympic View and Grand Mound

(2) Includes Cancellations, supplements and adjustments

Reconciliation to Combined Statements

Per Combined Statements

Special Assessment Receivables:

Current \$383,124

Long-Term \$6,451,118

Total Special Assessments \$6,834,242

**RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE AND
NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
STATISTICAL TABLES
FOR A TEN YEAR PERIOD
TABLE NO. 7**

FISCAL YEAR	(1) POPULATION	(2) ASSESSED VALUE	(3) GROSS G.O. BONDED DEBT	(4) LESS DEBT SERVICE FUND	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
1992	174,300	\$7,304,757,650	\$3,375,000	\$10,935	\$3,364,065	0.046%	19
1993	180,500	\$8,107,769,620	\$2,865,000	\$12,267	\$2,852,733	0.035%	16
1994	185,900	\$9,093,558,327	\$4,675,000	\$14,403	\$4,660,597	0.051%	25
1995	189,200	\$9,704,918,862	\$13,430,000	\$16,517	\$13,418,621	0.138%	71
1996	193,100	\$10,300,866,207	\$22,290,000	\$10,837	\$22,279,163	0.216%	115
1997	197,600	\$10,938,043,310	\$29,510,000	\$109,285	\$29,400,715	0.269%	149
1998	199,700	\$11,133,308,564	\$32,500,350	\$13,237	\$32,487,113	0.292%	163
1999	202,700	\$11,453,971,805	\$29,364,350	\$14,288	\$29,350,062	0.256%	145
2000	204,300	\$12,207,783,715	\$34,248,998	\$18,672	\$34,230,326	0.280%	168
2001	210,200	\$13,037,972,080	\$32,826,140	\$23,485	\$32,802,655	0.252%	156

(1) Source: Regional Planning.

*Year 2000 population adjusted

(2) Source: County Assessor.

(3) Excludes proprietary debt.

(4) Amount available for repayment of general obligation bonds.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL
BONDED DEBT TO TOTAL GENERAL EXPENDITURES
STATISTICAL TABLES
TABLE NO. 8**

FISCAL YEAR	PRINCIPAL	INTEREST	(1) TOTAL DEBT SERVICE	(2) TOTAL GENERAL EXPENDITURES	RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES (PERCENT)
1992	\$520,000	\$142,480	\$662,480	\$60,756,555	1.09%
1993	\$510,000	\$173,179	\$683,179	\$64,305,232	1.06%
1994	\$601,702	\$145,597	\$747,299	\$79,258,743	0.94%
1995	\$1,695,548	\$286,896	\$1,982,444	\$88,459,318	2.24%
1996	\$1,040,000	\$556,669	\$1,596,669	\$98,174,671	1.63%
1997	\$19,195,000	\$995,193	\$20,190,193	\$111,255,143	18.15%
1998	\$2,225,000	\$1,079,770	\$3,304,770	\$128,405,903	2.57%
1999	\$3,136,000	\$1,498,930	\$4,634,930	\$133,950,717	3.46%
2000	\$1,135,000	\$1,417,492	\$2,552,492	\$112,868,465	2.26%
2001	\$1,422,858	\$1,546,086	\$2,968,944	\$121,679,512	2.44%

(1) Total debt service is the interest and principal expenditures from the Debt Service Funds.

(2) Total general expenditures do not include the interest and principal expenditures from the Debt Service Funds:

Total Governmental Fund Expenditures	\$124,648,456
Less Total Debt Service	<u>(\$2,968,944)</u>
Total General Expenditures	<u><u>\$121,679,512</u></u>

**COMPUTATION OF LEGAL DEBT MARGIN
STATISTICAL TABLES
FOR THE YEAR ENDED DECEMBER 31, 2001
TABLE NO. 9**

TOTAL PROPERTY VALUE	<u>\$13,037,972,080</u>	
I. INDEBTEDNESS FOR GENERAL PURPOSES WITHOUT A VOTE		
LEGAL LIMIT IS 1.5% OF TAXABLE PROPERTY VALUE		\$195,569,581
1. G.O. Bond Liabilities	<u>\$46,592,777</u>	
Less Redemption Fund Assets Available to Pay Principal		
Cash on Hand Plus Investments	\$817,707	
Uncollected Taxes	<u>\$0</u>	
Total Applicable Assets	<u>\$817,707</u>	
Excess of Liabilities over Assets		\$45,775,070
2. General Fund Liabilities including Warrants, Contracts and others; but not loan agreements with the state or federal government dated April 3, 1987, or later	<u>\$4,991,876</u>	
Less General Fund Assets:		
Cash on Hand Plus Investments	\$3,853,712	
Uncollected Taxes	<u>\$630,684</u>	
Total Applicable Assets	<u>\$4,484,396</u>	
Excess of Liabilities over Assets		\$507,480
3. Road Fund Liabilities including Warrants, Contracts and others; but not loan agreements with the state or federal government dated April 3, 1987, or later	<u>\$293,338</u>	
Less Road Fund Assets:		
Cash on Hand Plus Investments	\$5,250,640	
Uncollected Taxes	<u>\$454,303</u>	
Total Applicable Assets	<u>\$5,704,943</u>	
Excess of Liabilities over Assets		<u>\$0</u>
Total Section I Indebtedness Incurred		\$46,282,550
Indebtedness Margin Before Excess		\$149,287,031
Indebtedness Incurred From Section II in Excess of 1% of Taxable Property Value		<u>\$0</u>
MARGIN OF INDEBTEDNESS AVAILABLE WITHOUT A VOTE		<u>\$149,287,031</u>
II. INDEBTEDNESS FOR GENERAL PURPOSES WITH 3/5 VOTE		
LEGAL LIMIT 2.5% OF TAXABLE PROPERTY VALUE		\$325,949,302
Indebtedness (Liabilities):		
G.O. Bond Liabilities	\$0	
Other Liabilities	<u>\$0</u>	
Less Assets Available:		
Cash on Hand	\$0	
Uncollected Taxes	<u>\$0</u>	
Total Applicable Assets	<u>\$0</u>	
Total Section II Indebtedness Incurred		<u>\$0</u>
Margin of Indebtedness Available with 3/5 Vote		<u>\$325,949,302</u>
Total Indebtedness Allowable (Legal Limit 2.5%)		\$325,949,302
Less: Indebtedness Incurred - Section I		\$46,282,550
Less: Indebtedness Incurred - Section II		<u>\$0</u>
MARGIN OF INDEBTEDNESS STILL AVAILABLE		<u>\$279,666,752</u>

**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
 GENERAL OBLIGATION BONDS
 STATISTICAL TABLES
 FOR THE YEAR ENDED DECEMBER 31, 2001
 TABLE NO. 10**

JURISDICTION	G.O. BONDED DEBT OUTSTANDING
Direct:	
Thurston County (1)	<u>\$32,826,140</u>
Overlapping:	
Fire Districts	15,842,545
Library	-
Port of Olympia	30,005,000
School Districts	252,044,261
Cities and Towns	<u>12,918,113</u>
Total Overlapping	<u>310,809,919</u>
Total	<u><u>\$343,636,059</u></u>

(1) Excluding General Obligation Bonds Reported in the Proprietary Funds.

**DEMOGRAPHIC STATISTICS
STATISTICAL TABLES
FOR A TEN YEAR PERIOD
TABLE NO. 11**

FISCAL YEAR	POPULATION UNINCOR- PORATED (1)	INCOR- PORATED (1)	TOTAL	PER CAPITA INCOME (1)	MEDIAN AGE (1)	SCHOOL ENROLL- MENT (1)	UNEMPLOY- MENT RATE (1)
1992	101,742	72,558	174,300	\$19,801	N/A	33,517	6.60%
1993	105,555	74,945	180,500	N/A	N/A	34,748	7.00%
1994	108,382	77,518	185,900	N/A	N/A	35,812	6.20%
1995	109,039	78,511	187,550	N/A	N/A	36,343	6.20%
1996	111,245	81,855	193,100	N/A	N/A	37,159	6.60%
1997	113,130	84,470	197,600	N/A	N/A	37,181	5.10%
1998	113,815	85,885	199,700	N/A	N/A	37,752	5.10%
1999	114,375	88,325	202,700	N/A	35.7	38,031	4.90%
2000	115,350	88,950	204,300	N/A	36.0	37,786	4.60%
2001	116,300	93,900	210,200	N/A	36.5	35,760	5.00%

1) Thurston County Regional Planning Council, The Profile, date October 2001.

(www.trpc.org/statistics_ataglance.html)

2) Median Age and The Unemployment Rate reflect 2000 statistics. 2001 unavailable.

CONSTRUCTION ACTIVITY
STATISTICAL TABLES
FOR A TEN YEAR PERIOD
TABLE NO. 12

FISCAL YEAR	COMMERCIAL *		RESIDENTIAL		PROPERTY VALUE **		
	# OF UNITS	VALUE	# OF UNITS	VALUE	COMMERCIAL	RESIDENTIAL	NONTAXABLE
1992	88	\$ 16,035,398	1,098	\$ 117,931,242	\$1,828,570,542	\$ 5,476,187,108	\$ 1,224,828,390
1993	79	\$ 3,665,149	1,004	\$ 110,361,020	\$1,885,438,992	\$ 6,222,330,628	\$ 1,355,608,820
1994	60	\$ 8,752,561	861	\$ 91,309,331	\$2,127,385,853	\$ 6,966,172,474	\$ 1,654,507,327
1995	68	\$ 17,278,704	865	\$ 98,118,035	\$2,298,372,574	\$ 7,406,546,289	\$ 1,693,133,443
1996	35	\$ 13,494,917	886	\$ 112,325,760	\$2,415,099,196	\$ 7,885,767,013	\$ 1,844,107,852 ⁽¹⁾
1997	45	\$ 7,291,115	712	\$ 123,010,911	\$2,470,979,299	\$ 8,467,064,011	\$ 2,016,279,965
1998	86	\$ 9,017,443	825	\$ 133,773,743	\$2,485,628,123	\$ 8,647,680,441	\$ 2,111,866,878
1999	57	\$ 9,845,319	868	\$ 144,625,891	\$2,630,789,495	\$ 8,823,182,310	\$ 2,148,209,883
2000	79	\$ 8,170,076	767	\$ 111,580,651	\$3,432,905,772	\$ 8,774,877,943	\$ 2,254,228,239
2001	88	\$ 10,891,164	1028	\$ 159,523,507	\$3,741,376,986	\$ 8,898,004,810	\$ 2,309,771,757

(1) Nontaxable property values including exempt properties (real and personal) plus head-of-household and senior citizen exemptions for regular levies is \$0.

SOURCE:

* Thurston County Development Services. Includes only Construction in Unincorporated areas of the County.

** Thurston County Assessor's Office.

**THURSTON COUNTY
PRINCIPAL TAXPAYERS
TABLE 13**

NAME	NATURE OF BUSINESS	ASSESSED VALUATION	% of TOTAL
Puget Sound Energy/Gas	Utility	\$166,468,830	1.28%
U. S. West Communications	Telecommunications	\$75,177,199	0.58%
Capital Development Company	Real Estate/Developer	\$48,094,915	0.37%
Panorama City Inc.	Retirement Center/Health Care	\$45,451,461	0.35%
Rainier General	Real Estate/Developer	\$42,646,650	0.33%
Vine Stree Investors LLC	Property Management	\$41,522,750	0.32%
Miller Brewing Co.	Manufacturer	\$38,615,979	0.30%
CNC Containers Corp.	Manufacturer	\$38,334,798	0.29%
Olympia Mall Co.	Retail shopping mall	\$32,155,200	0.25%
Weyerhaeuser Vickwood Partners	Timber Products	\$30,661,050	0.24%
Columbia Beverage Co.	Manufacturer	\$30,586,678	0.23%
Kaufman Development	Real Estate/Developer	\$30,199,300	0.23%
TCI Cablevision of WA	Cable TV Company	\$29,726,022	0.23%
Vine Street Investors LLC	Property Management	\$28,996,300	0.22%
Weyerhaeuser Co.	Timber Products	\$27,927,895	0.21%
Target Corp	Retail Sales	\$25,446,150	0.20%
Walter W. Cox	Real Estate/Developer	\$24,659,320	0.19%
Group Health Cooperative of Puget Sound	Health Care	\$19,864,615	0.15%
YCOM Networks Inc.	Telecommunications	\$18,988,403	0.15%
Campbell Family Partnership	Real Estate/Developer	\$17,844,300	0.14%
Cardinal I G Co.	Manufacturer	\$16,992,976	0.13%
Burlington Norther/BNSF	Railroad/Utility	\$16,865,667	0.13%
Columbia Capital Medical Center	Health Care/Hospital	\$16,827,500	0.13%
Graoch Associates #5 LTD	Real Estate/Developer	\$16,642,600	0.13%
Property Development Associates	Real Estate/Developer	\$16,059,600	0.12%
E. DeTray	Real Estate/Developer	\$15,123,196	0.12%
API/Pichon VIII LLC	Real Estate/Developer	\$14,953,650	0.11%
Ocean Front-Cambridge LLC	Real Estate/Developer	\$14,398,700	0.11%
Crown Beverage Packaging Inc	Manufacturer	\$13,732,674	0.11%
Michael Mastro	Real Estate/Developer	\$13,476,874	0.10%
Pan Pacific Development	Real Estate/Developer	\$13,404,850	0.10%
Northwest Pipeline Corp	Utility	\$13,280,665	0.10%
		<u>\$995,126,767</u>	<u>7.63%</u>

Total County Assessed Value is \$13,037,972,080

2001 Assessed Valuation for 2002 taxes.

Source: Thurston County Assessor

MISCELLANEOUS STATISTICAL INFORMATION
STATISTICAL TABLES
TABLE NO. 14

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
(A) Miles of Road										
Paved	909	924	926	930	947	967	968	972	979	982
Unpaved	86	74	69	69	53	46	48	45	42	41
(B) Building Permits										
Permits Issued	6,437	6,354	5,340	3,880	3,382	2,974	3,189	2,904	2,896	3,233
Value of Building (000'S Omitted)	\$159,293	\$134,651	\$128,450	\$115,396	\$125,820	\$130,302	\$142,791	\$154,471	\$150,790	\$196,827
(C) Fire Protection										
Districts	16	16	16	16	16	16	16	16	16	15
Paid Firefighters	88	43	49	61	84	100	104	95	102	81
Volunteer Firefighters	556	494	518	504	576	515	520	489	487	436
(D) Police Protection										
Number of Employees:										
Commissioned	76	77	77	81	80	80	86	87	87	92
Civilian	82	82	85.5	86	95	102	110	111	122	122
Average Monthly Jail Pop. (All Programs)	238	248	278	318	359	391	447	469	428	463
Police Patrol Units :										
- Vehicles	76	78	78	93	92	90	95	94	95	95
- Boats	4	4	3	4	4	4	4	4	4	4
- Special Purpose Vehicles (Communications Van, SWAT, Van, Dive Van, Speed Watch Vehicle, Search & Rescue)	N/A	N/A	N/A	N/A	N/A	5	5	5	6	6
(E) Recreation Facilities										
Parks	20	21	21	21	25	25	24	26	25	25
Parks Acres	2,195	2,595	2,595	2,595	3,003	3,026	2,706	2,773	2,773	2,773
(F) General Elections										
Registered Voters	95,998	101,614	106,412	111,470	122,297	116,514	119,604	119,016	126,680	132,072
Votes Cast	85,479	63,123	67,323	63,173	88,566	70,708	79,202	74,204	98,610	58,131
% of Registered Voters Voting	89.0%	62.1%	63.3%	56.7%	72.4%	60.69%	66.22%	62.35%	77.84%	44.01%
(G) Public Education										
Special	4	3	3	4	5	0	0	0	0	0
Elementary	38	37	41	41	51	42	41	41	41	41
Middle	10	11	12	12	12	12	13	13	13	13
Junior High	2	0	0	0	0	0	0	0	0	0
High	9	12	13	12	13	13	11	11	11	11
Complete (K-12)	0	0	0	0	2	0	0	0	0	0
Community College	1	1	1	1	1	1	1	1	1	1
State College	1	1	1	1	1	1	2	2	2	1
Alternative	0	0	0	0	0	0	4	5	5	6

Source:

- (A) Thurston County Roads and Transportation Department
 (B) Thurston County Building and Fire Safety Department
 (C) Thurston County Fire Districts
 (D) Thurston County Sheriff's Office
 (E) Thurston County Parks and Recreation
 (F) Thurston County Auditor's Office
 (G) www.K12.wa.us
 (G) State College revised 2001

Note: Miles of paved and unpaved
 Roads for years 1998-2000 have
 been revised.

**Schedule of Expenditures of State Awards
For the Year Ended December 31, 2001**

Fund Agency	Grantor Program Title	BARS Number	Treasurer RSRC	Other Identification Number	Current Year	Notes
STATE ASSISTANCE						
ADMINISTRATOR FOR THE COURTS						
001 160	Witness Reimbursement	334.01.20	3412	n/a	\$2,970	
102 180	Unified Family Court Pilot Project	334.01.20	3412	ICA-2000-124	\$43,910	
102 180	CASA	334.01.20	3412	ICA-2002-041	\$11,017	
102 180	CASA	334.01.20	3412	CSC-2000-38	\$12,441	
TOTAL FOR ADMINISTRATOR FOR THE COURTS					\$70,338	
COUNTY ROAD ADMIN BOARD						
119 019	County Arterial Preservation Program	334.03.72	3437	n/a	\$384,537	
TOTAL FOR COUNTY ROAD ADMIN BOARD					\$384,537	
DEPT OF ECOLOGY						
150 018	Coordinated Prevention Grant	334.03.10	3431	G0000195/6	\$188,945	
150 018	On Site Shellfish	334.03.10	3431	G9700192	\$49,696	
150 018	Well Delegation	334.03.10	3431	C9500175	\$28,350	
150 018	Site Hazard Assessment	334.03.10	3431	G9800274/G0	\$176,157	
178 032	Deschutes Watershed Mgmt Plan	334.03.11	3431	G9800019	\$100,246	
403 032	LTCA (Local Toxic Controls)	334.03.10	3431	G0000194	\$40,014	
403 032	WWR/MLCF (Litter)	334.03.10	3431	C0100020	\$24,817	
406 032	FCAAP-Salmon Creek Basin Plan Ph I	334.03.10	3431	G0000069	\$14,544	
406 032	FCAAP-Salmon Creek Basin Plan Ph II	334.03.10	3431	G0200089	\$69,673	
TOTAL FOR DEPT OF ECOLOGY					\$692,442	
DEPT OF HEALTH						
129 021	West Region EMS & TCC	334.04.90	3449	FY01-03	\$5,500	
129 021	West Region EMS & TCC	334.04.90	3449	FY02-03	\$5,750	
150 018	Women, Infant, Children (WIC)	334.04.97	3449	C08662	\$52,650	
150 018	Oral Health	334.04.93	3449	C08662	\$47,234	
150 018	Family Planning	334.04.90	3449	C08662	\$91,800	
150 018	Family Planning-Vasectomy	334.04.92	3449	C08662	\$999	
150 018	PHIP-Breast & Cervical Health	334.04.97	3449	C08662	\$40,163	
150 018	Vaccine In Lieu of Cash	334.04.97	3449	C08662	\$370,337	
150 018	PHIP-Local Capacity Fund	334.04.97	3449	C08662	\$249,021	
150 018	Recreational Shellfish	334.04.97	3449	C08662	\$3,804	
150 018	Bioterrorism	334.04.97	3449	C08662	\$3,775	
150 018	Youth Tobacco	334.04.97	3449	C08662	\$18,053	

The Accompanying Notes To The Schedule Of Expenditures Of State And Local Awards Are An Integral Part Of This Schedule.

**Schedule of Expenditures of State Awards
For the Year Ended December 31, 2001**

Fund Agency	Grantor Program Title	BARS Number	Treasurer RSRC	Other Identification Number	Current Year	Notes
TOTAL FOR DEPT OF HEALTH					\$889,086	
DEPT OF TRANSPORTATION						
001 002	Commute Trip Reduction	334.03.60	3436	GCA-1850	\$104,767	
TOTAL FOR DEPT OF TRANSPORTATION					\$104,767	
EMPLOYMENT SECURITY						
126 027	Welfare to Work	334.07.00	3447	n/a	\$588,538	Note 6
126 027	Welfare to Work	334.07.00	3447	Program Inco	\$30	Note 3
TOTAL FOR EMPLOYMENT SECURITY					\$588,568	
HECB						
001 190	Work Study-UPS Law School	334.05.30	3453	RCW 28B.12	\$1,249	
150 018	Work Study	334.05.30	3453	n/a	\$888	Note 6
TOTAL FOR HECB					\$2,137	
IAC						
132 026	Griffin Atheltic Fields	334.02.73	3427	99-1511D	\$33,711	
132 026	Kenneydell Phase II	334.02.73	3427	98-1201C	\$46,682	
132 024	ORV Sports Park Planning Project	334.02.73	3427	00-1587N	\$50,000	
132 024	ORV Sports Park M & O	334.02.73	3427	99-1267N	\$98,650	
TOTAL FOR IAC					\$229,043	
SOCIAL & HEALTH SERVICES						
001 185	JRA-Becca Bill	334.04.60	3446	9963-43578	\$125,776	
001 180	High Intensity Drug Trafficing Area (HIDTA)	334.04.60	3446	7319-2	\$64,741	
001 190	Title IV Social Security Act	334.04.67	3446	2110-80383	\$190,988	
001 185	JRA-Agression Replacement Therapy	334.04.66	3446	0063-44994	\$21,157	
001 185	JRA-Special Sex Offender Disposition Alt	334.04.60	3446	0163-03583	\$76,377	
001 185	JRA-Special Sex Offender Disposition Alt	334.04.60	3446	9963-43265	\$67,346	
001 185	JRA-CJAA	334.04.60	3446	0163-03582	\$117,394	
001 185	JRA-CJS	334.04.60	3446	9963-43265	\$129,697	
001 185	JRA-Firearms at School	334.04.60	3446	n/a	\$538	Note 6
001 185	Structured Residential Treatment	334.04.63	3446	n/a	\$7,800	Note 6
001 185	CJS-Diagnostic Beds	334.04.60	3446	n/a	\$21,117	Note 6
001 185	JRA-Max Supervision Probation	334.04.66	3446	0163-03682	\$27,699	
001 185	JRA-Rural Outreach Initiative	334.04.66	3446	0063-44472	\$19,442	
001 185	JRA-Juv Accountability Max Supervision	334.04.66	3446	0063-45007	\$71,221	

The Accompanying Notes To The Schedule Of Expenditures Of State And Local Awards Are An Integral Part Of This Schedule.

**Schedule of Expenditures of State Awards
For the Year Ended December 31, 2001**

Fund	Agency	Grantor Program Title	BARS Number	Treasurer RSRC	Other Identificatio n Number	Current Year	Notes
001	185	JRA-ESHB3900	334.04.60	3446	9863-14662	\$100,748	
001	160	IVD Child Support	334.04.60	3446	2110-80383	\$42,952	
001	185	JRA-CJAA	334.04.60	3446	9963-43265	\$39,444	
001	185	JRA-Becca Bill	334.04.60	3446	0163-01651	\$113,509	
001	185	JRA-CDDA	334.04.60	3446	n/a	\$47,767	Note 6
001	185	JRA-CJAA	334.04.60	3446	0163-03582	\$42,936	
102	160	Division of Child Support-Assess & Visitation	334.04.60	3446	9863-15387	\$20,176	
126	027	Work First	334.07.00	3447	n/a	\$154,375	Note 6
150	018	CPS Public Health Nurse	334.04.63	3446	81040701200	\$35,052	
150	018	Passport	334.04.60	3446	916001375 0	\$34,407	
150	018	Mental Health	334.04.60	3446	0169-0157	\$37,441	
150	018	Family Policy Council Network	334.04.60	3446	9974-16248	\$139,776	
150	018	DASA-Chemical Dependency	334.04.60	3446	6842/7544	\$1,073,315	
150	018	Alternate Response	334.04.60	3446	89990701200	\$11,688	
TOTAL FOR SOCIAL & HEALTH SERVICES						\$2,834,879	
STATE TREASURER							
001	190	Reimb 1/2 PA Salary	344.00.10	3401	RCW 36.17.0	\$48,300	
001	210	Death Investigation	334.00.12	3401	RCW 68.50.1	\$38,240	
TOTAL FOR STATE TREASURER						\$86,540	
TRAFFIC SAFETY COMMISSION							
001	200	School Zone Enforcement Incentive Grant	334.03.50	3435	Sen HB 2518	\$3,994	
001	170	Alcohol Mini Grant	334.03.50	3435	n/a	\$500	
TOTAL FOR TRAFFIC SAFETY COMMISSION						\$4,494	
TRANSPORTATION IMPVMT BOARD							
301	019	Martin Way Sideway	334.03.80	3438	8-5-034P11-1	\$94,427	
301	019	Pacific/Kinwood	334.03.80	3438	8-5-034-012-	\$1,635	
TOTAL FOR TRANSPORTATION IMPVMT BOARD						\$96,062	
WA STATE MILITARY							
119	019	Disaster Assistance-State Share	334.01.80	3418	EM010481-06	\$475	
121	015	Disaster Assistance-State Share	334.01.80	3418	EM010481-06	\$2,290	
124	033	Disaster Assistance-State Share	334.01.80	3418	EM010481-06	\$2,748	
TOTAL FOR WA STATE MILITARY						\$5,513	

The Accompanying Notes To The Schedule Of Expenditures Of State And Local Awards Are An Integral Part Of This Schedule.

THURSTON COUNTY

**Schedule of Expenditures of State Awards
For the Year Ended December 31, 2001**

Fund Agency	Grantor Program Title	BARS Number	Treasurer RSRC	Other Identificatio n Number	Current Year	Notes
<u>TOTAL STATE ASSISTANCE</u>					<u>\$5,988,406</u>	

The Accompanying Notes To The Schedule Of Expenditures Of State And Local Awards Are An Integral Part Of This Schedule.

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2001**

Fund Agency	Grantor Pass-Through Grantor Program Title	Federal CFDA #	BARS Number	Treasurer RSRC	Other Identificatio n Number	Current Year	Notes
DEPT OF AGRICULTURE							
<u>PASSED THRU Superintendent of Public Instruction</u>							
001 205	Juvenile Donable Food Program	10.550	333.10.51	3310	34904	\$3,254	
<u>PASSED THRU Social & Health Services</u>							
001 190	Food Stamp Act of 1977	10.551	333.10.51	3310	9763-14115	\$10,166	
<u>PASSED THRU Superintendent of Public Instruction</u>							
001 185	National School Breakfast Program	10.553	333.10.53	3310	34-111-9757	\$20,378	
<u>PASSED THRU Superintendent of Public Instruction</u>							
001 185	National School Lunch Program	10.555	333.10.55	3310	34-111-9757	\$40,690	
<u>PASSED THRU Dept of Health</u>							
150 018	Women, Infants & Children (WIC)	10.557	333.10.57	3310	C08662	\$255,305	
<u>PASSED THRU Wa State Treasurer</u>							
301 019	Federal Forest Receipts	10.664	333.10.60	3310	n/a	\$2,199	
TOTAL FOR DEPT OF AGRICULTURE						\$331,993	
DEPT OF JUSTICE							
<u>PASSED THRU Wa State Military</u>							
119 019	Terrorism Assistance	16.007	333.83.00	3383	EM010414	\$1,475	
150 018	Terrorism Assistance	16.007	333.83.00	3383	EM010414	\$675	
TOTAL CFDA NUMBER						\$2,150	
<u>PASSED THRU Social & Health Services</u>							
150 018	Juvenile Justice Neighborhood Centers	16.540	333.16.50	3316	1-200-00499	\$23,654	
<u>PASSED THRU CTED</u>							
001 190	Victims of Crime Act-VOCA	16.575	333.16.50	3316	996340848	\$37,476	
<u>PASSED THRU CTED</u>							
001 205	Substance Abuse Treatment in Jails	16.579	333.16.57	3316	F99-67799003	\$90,429	
001 180	Byrne Formula Grant	16.579	333.16.50	3316	7376-2	\$146,270	
001 205	Substance Abuse Treatment in Jails	16.579	333.16.57	3316	F20-67720003	\$95,169	
001 200	Byrne Formula Grant	16.579	333.16.50	3316	F01-67401010	\$36,473	

The Accompanying Notes To The Schedule Of Expenditures Of Federal Awards Are An Integral Part Of This Schedule.

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2001**

Fund Agency	Grantor Pass-Through Grantor Program Title	Federal CFDA #	BARS Number	Treasurer RSRC	Other Identificatio n Number	Current Year	Notes
	TOTAL CFDA NUMBER					\$368,342	
	<u>PASSED THRU CTED</u>						
001 180	Drug Court Discretionary Grant	16.585	331.16.52	3316	98-DC-VX-0101	\$43,200	
	<u>PASSED THRU CTED</u>						
001 200	Violence Against Women	16.588	333.16.51	3316	n/a	\$713	Note 6
001 190	STOP Grant	16.588	333.16.51	3316	F00-30320-005	\$6,752	
	TOTAL CFDA NUMBER					\$7,465	
	<u>PASSED THRU Office of Justice Programs</u>						
144 200	2000 Local Law Enforcement Block Grant	16.592	331.16.50	6115	Program Income	\$1,055	Note 3
144 200	2001 Local Law Enforcement Block Grant	16.592	331.16.50	6115	Program Income	\$1,024	Note 3
144 200	1999 Local Law Enforcement Block Grant	16.592	331.16.50	3116	99LBVX8145	\$12,621	
144 200	1999 Local Law Enforcement Block Grant	16.592	331.16.50	6115	Program Income	\$3,101	Note 3
144 200	2000 Local Law Enforcement Block Grant	16.592	331.16.50	3116	2000LBBX0946	\$30,993	
144 200	2001 Local Law Enforcement Block Grant	16.592	331.16.50	3116	200LBBX1356	\$49,892	
	TOTAL CFDA NUMBER					\$98,686	
	<u>PASSED THRU Office of Justice Programs</u>						
001 205	St Criminal Alien Assist. Program (SCAAP)	16.606	331.16.60	3116	n/a	\$100,125	Note 6
	<u>PASSED THRU Office of Justice Programs</u>						
001 200	Bulletproof Vest Partnership	16.607	331.16.65	3116	n/a	\$6,180	Note 6
	<u>PASSED THRU Office of Justice Programs</u>						
001 190	Community Prosecution	16.609	331.16.60	3116	2001-PP-CX-001	\$53,792	
	<u>PASSED THRU Office of Community Oriented Policing</u>						
198 200	Public Safety Partnership & Community Policing	16.710	331.16.00	3116	n/a	\$119,473	Note 6
	<u>PASSED THRU Office of Police Corp</u>						
198 200	Police Corp	16.712	331.16.59	3316	9198	\$10,000	
	<u>PASSED THRU Wa State Patrol</u>						
001 200	Marijuana Eradication	16.999	333.16.50	3316	C-000303GSC	\$15,001	
	TOTAL FOR DEPT OF JUSTICE					\$885,542	

The Accompanying Notes To The Schedule Of Expenditures Of Federal Awards Are An Integral Part Of This Schedule.

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2001**

Fund Agency	Grantor Pass-Through Grantor Program Title	Federal CFDA #	BARS Number	Treasurer RSRC	Other Identificatio n Number	Current Year	Notes
DEPT OF LABOR							
<u>PASSED THRU Employment Security</u>							
126	027	JTPA	17.250	333.17.20	3317	n/a	\$226,759 Note 6
126	027	JTPA	17.250	333.61.11	6111	Program Income	\$9 Note 3
126	027	JTPA-High Tech	17.250	333.17.20	3317	n/a	(\$6,576) Note 7
TOTAL CFDA NUMBER						\$220,193	
<u>PASSED THRU Employment Security</u>							
126	027	Welfare To Work	17.253	333.61.11	6111	Program Income	\$38 Note 3
126	027	Welfare To Work	17.253	333.17.20	3317	n/a	\$959,055 Note 6
TOTAL CFDA NUMBER						\$959,093	
<u>PASSED THRU Employment Security</u>							
126	027	WIA-Adult Program	17.258	333.17.20	3317	n/a	\$1,873,435 Note 6
126	027	WIA-Adult Program	17.258	333.61.11	6111	Program Income	\$75 Note 3
TOTAL CFDA NUMBER						\$1,873,510	
<u>PASSED THRU Employment Security</u>							
126	027	WIA-Youth Program	17.259	333.17.20	3317	n/a	\$1,554,912 Note 6
126	027	WIA-Youth Program	17.259	333.61.11	6111	Program Income	\$62 Note 3
TOTAL CFDA NUMBER						\$1,554,974	
<u>PASSED THRU Employment Security</u>							
126	027	WIA-Dislocated Worker	17.260	333.61.11	6111	Program Income	\$98 Note 3
126	027	WIA-Dislocated Worker	17.260	333.17.20	3317	n/a	\$2,452,631 Note 6
TOTAL CFDA NUMBER						\$2,452,729	
TOTAL FOR DEPT OF LABOR						\$7,060,498	
DEPT OF THE INTERIOR							
<u>PASSED THRU IAC</u>							
140	028	Salmon Recovery	15.608	333.15.60	3315	99-1674N	\$375
301	019	Salmon Recovery-Pleasant Glade Bridge	15.608	333.10.60	3310	00-1887D	\$18,939
301	019	Salmon Recovery-Vantine Rd Culvert	15.608	333.15.60	3315	99-1432D	\$120
301	019	Salmon Recovery-Carpenter Rd Culvert	15.608	333.15.60	3315	99-1680D	\$139
TOTAL CFDA NUMBER						\$19,573	
<u>PASSED THRU Regional Planning</u>							
001	002	Historic Preservation	15.904	333.01.50	3315	53-01-16448	\$12,764
TOTAL FOR DEPT OF THE INTERIOR						\$32,337	

The Accompanying Notes To The Schedule Of Expenditures Of Federal Awards Are An Integral Part Of This Schedule.

THURSTON COUNTY

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2001**

Fund Agency	Grantor Pass-Through Grantor Program Title	Federal CFDA #	BARS Number	Treasurer RSRC	Other Identificatio n Number	Current Year	Notes
Housing & Urban Development							
<u>PASSED THRU CTED</u>							
140	028	Community Dev Block Grant-Public Service	14.228	333.14.20	3314	01-64021-053	\$102,675
140	028	Community Dev Block Grant-Rehabilitation	14.228	333.14.20	3314	00-64020-002	\$245,494
140	028	Community Dev Block Grant-Nisqually Buyout	14.228	333.14.20	3314	97-74197-007	\$26,828
TOTAL CFDA NUMBER						\$374,997	
TOTAL FOR Housing & Urban Development						\$374,997	
FEDERAL HWY ADMINISTRATION							
<u>PASSED THRU Dept of Transportation</u>							
301	019	Hwy Planning & Const-Chehalis Western Trail	20.205	333.20.20	3320	LA-04565	\$114
301	019	Hwy Planning & Const-Vail Road Curve	20.205	333.20.20	3320	LA-1659	\$495,960
301	019	Hwy Planning & Const-191st RR Crossing	20.205	333.20.20	3320	LA-1819	\$2,156
301	019	Hwy Planning & Const-Joselyn RR Crossing	20.205	333.20.20	3320	LA-1818	\$117,414
301	019	Hwy Planning & Const-Old 99/88th	20.205	333.20.20	3320	LA-5035	\$149,476
301	019	Hwy Planning & Const-Hensley/11th/Horne	20.205	333.20.20	3320	LA-04214	\$4,230
301	019	Hwy Planning & Const-Martin Way Signal	20.205	333.20.20	3320	LA-04519	\$251,383
301	019	Hwy Planning & Const-Mud Bay Park & Ride	20.205	333.20.20	3320	LA-04079	\$4,673
301	019	Hwy Planning & Const-Countywide Sign/Stripe	20.205	333.20.20	3320	LA-04195	\$44,269
301	019	Hwy Planning & Const-36th/Libby	20.205	333.20.20	3320	LA-04197	\$2,228
301	019	Hwy Planning & Const-Fish Pond Creek/Kennydell	20.205	333.20.20	3320	LA-4497	\$143,604
301	019	Hwy Planning & Const-188th Bridges	20.205	333.20.20	3320	LA-04648	\$23,590
301	019	Hwy Planning & Const-Martin/Kinwood	20.205	333.20.20	3320	GCA1010	\$429
301	019	Hwy Planning & Const-Martin Way Bridge M15	20.205	333.20.20	3320	LA-3003	\$1,192
TOTAL CFDA NUMBER						\$1,240,719	
TOTAL FOR FEDERAL HWY ADMINISTRATION						\$1,240,719	
Nat'l Hwy Traffic Safety Commission							
<u>PASSED THRU Dept of Transportation</u>							
001	200	State & Community Hwy Safety	20.600	333.20.65	3320	n/a	\$2,539 Note 6
<u>PASSED THRU Dept of Transportation</u>							
001	200	Safety Incentive Grant for Use of Seatbelts	20.604	333.20.60	3320	n/a	\$321 Note 6
TOTAL FOR Nat'l Hwy Traffic Safety Commission						\$2,860	

The Accompanying Notes To The Schedule Of Expenditures Of Federal Awards Are An Integral Part Of This Schedule.

THURSTON COUNTY

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2001

Fund Agency	Grantor Pass-Through Grantor Program Title	Federal CFDA #	BARS Number	Treasurer RSRC	Other Identificatio n Number	Current Year	Notes
ENVIRONMENTAL PROTECTION AGENCY							
<u>PASSED THRU Dept of Ecology</u>							
450	018	State Revolving Loan	66.458	382.80.00	8281	n/a	\$13,297 Note 4
451	018	State Revolving Loan	66.458	382.80.00	8281	n/a	\$20,491 Note 4
TOTAL CFDA NUMBER						\$33,788	
<u>PASSED THRU Dept of Health</u>							
406	032	SWA/UIC Source Water Assessment	66.468	333.06.60	3366	N10276	\$17,798
447	032	Madrona Water Feasibility Study	66.468	333.06.60	3366	N10609	\$19,657
TOTAL CFDA NUMBER						\$37,455	
TOTAL FOR ENVIRONMENTAL PROTECTION AGENCY						\$71,243	
FEMA							
<u>PASSED THRU Wa State Military</u>							
119	019	Disaster Assistance	83.544	333.83.00	3383	EM010481-069	\$37,079
121	015	Disaster Assistance	83.544	333.83.00	3383	EM010481-069	\$9,015
124	033	Disaster Assistance	83.544	333.83.00	3383	EM010481-069	\$16,487
TOTAL CFDA NUMBER						\$62,580	
TOTAL FOR FEMA						\$62,580	
Health & Human Services							
<u>PASSED THRU Dept of Health</u>							
150	018	HIV/AIDS Prevention	93.118	333.91.18	3391	C08662	\$60,534
<u>PASSED THRU Social & Health Services</u>							
150	018	Projects for Assist in Transition for Homeless	93.150	333.91.50	3391	9763-12421	\$42,702
<u>PASSED THRU Dept of Health</u>							
150	018	Family Planning Title X	93.217	333.92.17	3392	C08662	\$60,300
<u>PASSED THRU Dept of Health</u>							
150	018	Vaccine In Lieu of Cash	93.268	333.92.68	3392	C08662	\$742,099
150	018	Infant Immunizations	93.268	333.92.68	3392	C08662	\$70,514
TOTAL CFDA NUMBER						\$812,613	
<u>PASSED THRU Dept of Health</u>							
150	018	Bioterrorism	93.283	333.92.00	3392	C08662	\$14,603

The Accompanying Notes To The Schedule Of Expenditures Of Federal Awards Are An Integral Part Of This Schedule.

THURSTON COUNTY

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2001

Fund Agency	Grantor Pass-Through Grantor Program Title	Federal CFDA #	BARS Number	Treasurer RSRC	Other Identificatio n Number	Current Year	Notes
150 018	<u>PASSED THRU Dept of Health</u> Alternative Response	93.556	333.95.56	3395	916001375	\$35,064	
150 018	<u>PASSED THRU Dept of Health</u> Vasectomy/TANF	93.558	333.98.58	3398	C08662	\$4,329	
001 190	<u>PASSED THRU Social & Health Services</u> Title IV Social Security Act	93.563	333.95.63	3395	2110-80383	\$396,515	
001 180	Child Support Enforcement	93.563	333.95.63	3395	2110-80383	\$36,348	
001 160	IVD Child Support	93.563	333.95.63	3395	2110-80383	\$89,416	
	TOTAL CFDA NUMBER					\$522,279	
150 018	<u>PASSED THRU Dept of Health</u> Child Care Capacity	93.575	333.93.56	3395	N10347	\$56,721	
150 018	Infant Toddler	93.575	333.95.75	3395	C08662	\$33,000	
	TOTAL CFDA NUMBER					\$89,721	
150 018	<u>PASSED THRU Dept of Health</u> Passport	93.778	333.97.79	3397	21348	\$34,406	
150 018	Medical Assistance	93.778	333.97.78	3397	0063-42359	\$9,575	
	TOTAL CFDA NUMBER					\$43,981	
150 018	<u>PASSED THRU Dept of Health</u> Ryan White/Title II	93.917	333.99.17	3399	N08323/N10098	\$120,244	
150 018	<u>PASSED THRU Dept of Health</u> Breast & Cervical Cancer Early Detection	93.919	333.99.19	3399	C08662/N10260	\$53,393	
150 018	<u>PASSED THRU Social & Health Services</u> RSN Block Grant	93.958	333.99.58	3399	0069-41459	\$187,714	
150 018	Mentally Ill Juvenile Off Project	93.958	333.99.58	3399	0069-44392	\$25,000	
	TOTAL CFDA NUMBER					\$212,714	
150 018	<u>PASSED THRU Social & Health Services</u> Chemical Dependency	93.959	333.99.59	3399	6842/7544	\$756,026	
001 200	<u>PASSED THRU Dept of Health</u> Preventative Health Block Grant	93.991	333.99.91	3399	N10056	\$870	
150 018	Preventative Health Block Grant	93.991	333.99.91	3399	C08662	\$16,687	
	TOTAL CFDA NUMBER					\$17,557	
150 018	<u>PASSED THRU Dept of Health</u> Maternal & Child Health Block Grant	93.994	333.99.00	3399	C08662	\$136,082	

The Accompanying Notes To The Schedule Of Expenditures Of Federal Awards Are An Integral Part Of This Schedule.

THURSTON COUNT
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2001

Fund Agency	Grantor Pass-Through Grantor Program Title	Federal CFDA #	BARS Number	Treasurer RSRC	Other Identificatio n Number	Current Year	Notes
TOTAL FOR Health & Human Services						\$2,982,142	
TOTAL FEDERAL ASSISTANCE						\$13,044,911	

THURSTON COUNTY
Notes to the Schedule of Expenditures of
Federal, State, and Local Awards
For the Year Ended December 31, 2001

NOTE 1 – BASIS OF ACCOUNTING

The Schedule of Financial Assistance is prepared on the same basis of accounting as Thurston County's financial statements. Thurston County uses the accrual basis of accounting for all funds except the government types and agency funds, which use the modified accrual basis of accounting.

NOTE 2 – PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal and state portion of the costs. Actual program costs, including Thurston County's portion may be more than shown.

NOTE 3 – PROGRAM INCOME

Pacific Mountain receives electronic funds transmittals in the exact dollar amount to correspond with the vouchers in process for disbursement. Monies are received and disbursed again, usually within 24 hours, but monies are never held more than three days. These EFT's are governed by the JTPA State Provision No. 1220 on Cash Management. Thurston County Treasurer's Office invests these monies in accordance with their office policy. Per the JTPA State Provision interest earned on these federal monies is accounted and reported for as program income.

NOTE 4 – FEDERAL LOANS

The County has been approved by the Environmental Protection Agency to receive three loans to establish low interest septic improvement loans to homeowners with failing septic systems that meet the low income requirements of the program. Two of the loans have a maximum amount available to borrow of \$200,000, and one loan has a maximum of \$300,000. The loans are 80% federally funded, and 20% state funded. The current year expenditures represent the amounts drawn down from the federal agency in the County's fiscal year 2000.

NOTE 5 – NONCASH AWARDS

The amount of vaccines reported on this schedule is the value of vaccines distributed by the County during the current year and priced as prescribed by the Washington State Department of Health.

The amount of food commodities reported on this schedule is the value of the commodities distributed by the County during the current year and priced as prescribed by the Washington State Superintendent of Public Instruction.

The amount of car seats reported on this schedule is the value of the commodities distributed by the County during the current year and priced as prescribed by the Washington State Traffic Safety Commission.

NOTE 6 – NOT AVAILABLE (N/A)

The County was unable to obtain other identification numbers.

NOTE 7 – ADJUSTMENT

Adjustment related to over reporting of expenditures for 2000.