

**THURSTON COUNTY
WASHINGTON
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR YEAR ENDED DECEMBER 31, 2010**

Contributors

Auditor's Office

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Additional assistance provided by all County fiscal personnel.

**THURSTON COUNTY
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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KIM WYMAN
AUDITOR

June 30, 2011

To the Honorable Board of Commissioners and Citizens of Thurston County:

In accordance with provisions of Chapter 36.22 of the Revised Code of Washington, I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of Thurston County for the fiscal year ended December 31, 2010. The CAFR is prepared in accordance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by independent auditors from the Office of the Washington State Auditor.

The CAFR is developed to provide meaningful financial information to legislative bodies, creditors, investors, bond counsels, students of public finance, political researchers, and the public we serve. The CAFR consists of management's representations concerning the finances of the County. A full discussion of these statements is included in the Management Discussion and Analysis (MD&A) section and the Notes to Financial Statements.

Thurston County has prepared this annual report in compliance with Governmental Accounting Standards Board Statement (GASB) #34, with the inclusion of government-wide statements that are based on full accrual accounting and include capital assets and long term debt. Beginning in fiscal year 2007, it also includes an actuarial-based accrued liability for post employment benefits in compliance with GASB 45.

Responsibility for the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of Thurston County. Thurston County has established a comprehensive internal control framework to provide a reasonable basis for making these representations. Management of the County has established internal controls that are designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the presentation of the financial statements in conformity with GAAP. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable assurance that the financial statements are free of any material misstatements.

The Office of the Washington State Auditor conducts an annual audit of the financial statements of Thurston County as required by law. For the fiscal year ending December 31, 2010, the auditor issued an unqualified ("clean") opinion on Thurston County's financial statements. The Independent Auditor's Report is located at the front of the financial section of this report.

Profile of the County

Thurston County, Washington is located at the southern end of Puget Sound in the beautiful Pacific Northwest. Majestic Mount Rainier and the rugged Cascade Mountains are nearby to the east, while Washington's Pacific Ocean coast is just an hour's drive to the west. Thurston County is 60 miles south of Seattle, Washington and is 100 miles north of Portland, Oregon. Thurston County is home to over 252,000 residents. Of this number, over 156,000 residents live in the more urban north County areas in and around the cities of Lacey, Olympia, and Tumwater. The rest live in and around the smaller towns of Bucoda, Tenino, Rainier, and Yelm and in the more rural areas of Thurston County. Thurston County is the sixth most populated county among Washington State's 39 counties and is among the fastest growing counties in the Pacific Northwest.

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 a full range of municipal services, including: public safety, construction and maintenance of roads and bridges, water and waste management, public health and social services, cultural and recreational facilities and activities, planning and zoning services, job training, and general administrative services. The financial statements present Thurston County as the primary government as required by generally accepted accounting principles.

Thurston County is a statute county, which means the organization of the County is prescribed by state statute. Locally elected officials include the county assessor, auditor, clerk, prosecuting attorney, sheriff, treasurer, coroner, eight superior court judges, three district court judges and the three-member board of county commissioners. These elected officials govern the county and establish policies on the basis of the local community's needs and preferences. The Board of County Commissioners acts as the County's legislative body and appoints a County Manager who acts as the chief administrative officer of the County and oversees non-elected offices and departments. By virtue of the County's authority over their operations, this annual financial report 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 Numbers 14, 34, 39, and 45.

The County's annual budget serves as the foundation for financial planning and control. Washington State law (RCW 36.40) establishes the general requirements of Thurston County's budget process. Budgets are prepared and maintained by establishing detailed line items. Office and department heads have the authority to move budget authorizations between objects within their funds, but the County Manager is the only position authorized to transfer budget authority between offices and departments within a fund. On-line access reports are available for all elected officials and department managers, comparing current budget appropriation levels to actual revenues and expenditures by detailed line item. The budget status of offices and departments are reviewed on a quarterly basis. If there is a need for budget modifications, requests are submitted to the County Auditor's Office, and then on to the County Manager and Board of County Commission (BoCC). Only the BoCC can approve budget increases. The Board of County Commissioners is required to adopt a final budget by no later than the close of the fiscal year. After adoption, the budget is systematically monitored on the fund level for special revenue and capital project funds and on an office/department level for the general fund. The acquisition, construction, or major renovation of capital items is approved on an item by item basis in accordance with a long-term capital plan.

Local Economy

Economic conditions play a significant role in the financial stability of Thurston County. The economy is dependent on many factors, including (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 economy of Thurston County increased steadily, but not at the same rate as the prior two decades. The economy took a downturn in 2002, fueled first by the cutbacks in Boeing and then by the aftermath of the tragic events of September 11, 2001. In 2003 the economy in Thurston County began a steady recovery, peaking in 2008. An emphasis was placed on business recruitment and retention and the creation of quality jobs in technology-based businesses, light manufacturing, educational services, and real estate services. The year 2008 was a good economic year as housing starts were up and employment remained stable. Then the economy started on a downward spin. The housing markets came to a screeching halt, foreclosures increased and credit tightened. The result was a rise in unemployment and the beginning of major budget deficits at both the state and county level. Statistics and information that follows highlight the changes in Thurston County's economic conditions for 2009 and 2010 and include a brief outlook for 2011 and beyond.

The population of Thurston County has grown from 207,355 in 2000 to 252,400 in 2010. This is an increase of 45,045 residents and an average growth rate of 2.2 percent per year. In 2010 the County's population increased slightly from 249,800 to 252,400. This is a growth rate from the previous year of 1.0 percent. Almost 80 percent 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 has been the third fastest growing of our state's 39 counties over the past decade.

In 2009 the number of full-time and part-time jobs in Thurston County was 130,574 (the latest full statistical year based on the Federal Bureau of Economic Analysis). This is down significantly by 3,388 full and part-time jobs, or 2.5%, from 133,962 in 2008. For the prior period 2007 to 2008, there was a slight increase of 1,703 full and part-time jobs, or 1.3%. The construction industry showed the greatest decline in 2009, decreasing by 1,019 employees or 14.3%, followed by the retail industry with a decrease of 773 employees or 5.5%. The only two industries showing marginal growth in 2009 are the health care and social assistance industry at 363 employees, or 3% and the finance and insurance industry at 234 employees or 6%. Within the government sector, state government employment decreased slightly by 373 jobs or 1.6%, while local government employment decreased by 165 jobs or 1.5%. Information technology showed the second most significant decline percentage wise at 199 employees or 13.3%.

New housing starts increased from 2,422 in 2004 to a high of 3,139 in 2006, reducing slightly to 2,714 in 2007. In 2008, the bottom started to fall out, and Thurston County only had 1,411 new housing starts, decreasing to 1,195 in 2009. Fifty five percent of these permits were located within Thurston County cities, 21 percent in the urban growth boundaries, and 24 percent in the unincorporated areas of the County. In 2000 the average sales price of a home was \$160,606. In 2004 it was \$209,165, and in 2005 the average sales price rose sharply to \$252,452. Sales prices continued to increase in 2006 to an average of \$282,585 and in 2007 to an average of \$298,290. In 2008, the impact of the downturn in economy reflected in housing sales, and the average price of a home in Thurston County decreased to \$283,933, a drop of almost 5%. That drop was even more severe in 2009, with the average sales price in Thurston County falling back to 2005 levels at \$259,950. This is a price drop of 8.4%.

Housing affordability in Thurston County continues to be relatively good compared to the statewide average. In the first quarter of 2010, the index was 149.1 vs. 135.4 statewide. An index of 100.0 is considered a good balance between monthly income and housing costs for a middle class family. The affordability index made a rebound in 2009 from the downward trend of the three prior years which were 111.6 and 110.1, and 109.6 respectively. For first time homebuyers, the index was 89.0 in 2010 vs. 76.6 in 2009. Higher indexes means housing is more affordable. An increase in both measures reflects more accessibility to affordable housing.

Thurston County, Washington 2010

In 2008 (the last year of complete data), the estimated median household income for Thurston County was \$56,880, a decrease of over 5 % from the high of \$60,161 in 2006. Projections for 2009 show a continued decrease to \$55,085, or 3.2%. Compared with neighboring counties, Thurston County continues to experience a higher median household income than adjacent Lewis, Mason, Pierce and Grays Harbor counties. Thurston County continues to be slightly higher than the overall median household income average for Washington State in 2008 which was \$54,086. Thurston County is projected to exceed the average median household income in the state for 2009 by approximately \$2,700.

Real personal income for Thurston County, which is measured by dividing total personal income by population and adjusted for inflation, has increased from \$33,058 to \$39,998 during the ten year period from 1998 to 2008. This is a real per capita increase of \$6,940, using 2008 dollars. During the same time period, Washington State's real personal income increased from \$36,457 to \$42,747, a slightly lower increase of \$6,290. In 2008 (the latest statistical year), both Thurston County's real per capita income and the State's personal income decreased. This was the first drop in real personal income in over 25 years. Thurston County decreased by \$820. This compares with an overall statewide decrease from 2007 to 2008 of \$597.

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, from 2008 to 2009, taxable retail sales for Thurston County continued to decline. The County as a whole experienced a 5 % decrease from 2007 to 2008 as the effects of the national recession hit the local economy. This was followed by a decline of 6.7% from 2008 to 2009. This followed three very good years of growth from 2005 to 2007, although in a downward trend, of 16%, 10% and 6% respectively. The "taxable retail sales" for the County has increased by an average of 6.3% annually from 1990 to 2000, and by an average of only 4.3% over the nine year period, 2000 to 2009. Expectations are that this average will reflect a continued decline in 2010 and possibly into 2011.

Thurston Regional Planning Council (TRPC) predicts that the population will increase from 252,400 in 2010 to 309,000 in the year 2020 and by 2030 will be at 370,000, an average increase of 2.3% over this twenty year period. The Thurston County economy and employment growth is also expected to grow over this 20 plus year period, but not at the same rate as recent years. In fact for 2010 and in 2011, both revenues and employment are expected to decrease as the national, state, and local economies continue to recover slowly from a major recession. Thurston Regional Planning Council does project a long range increase in employment for Thurston County from 132,200 persons in 2010 to 163,500 in 2020 to 189,100 by the year 2030. This is an increase of 57,000 jobs or 2% per year over the twenty year period. The number of local government jobs is expected to increase at a slightly higher rate of approximately 2.3% per year, with state government continuing at a much slower growth rate of 1.3%. The service and tribal enterprise industry is expected to be the most dominant employment base, with an expected 62,000 jobs in 2030.

Thurston County's economic vitality has traditionally come from being the site of the state Capitol. Growth in state employment was fairly steady from the mid 1990's through 2007, except for a slight dip in 2003. The adopted budget for the 2007-09 Biennium added over 4,000 new government jobs statewide, a third of which were in Thurston County. After this spike, the recession hit. With the downturn in the economy and significant projected budget deficits, a hiring freeze was imposed on both state and local governments in the last quarter of 2008, and re-instated in the 2009 and 2010 legislative sessions. The result was that Thurston County's steady growth in state employment dropped by 1.5% in 2009, while overall state employment decreased by 3%. While final figures have not been reported for 2010, expectations are that there will be decreases in both state and local county employment in 2010, 2011, and 2012 of 2% to 4%.

State government, with its substantial employment base, has significant ripple effects in the consumer business trade and services sectors. All of which experienced reductions in employment beginning in the last quarter of 2008, and continuing throughout 2009. With new housing starts coming to a screeching halt, the construction industry experienced a double digit rise in unemployment, as did title companies, mortgage centers, and permit centers, including Thurston County's Land Use and Permitting (formerly Development Services). Unemployment in Thurston County touched up against 10 percent for the first time in two decades in the early quarters of 2010 and is currently hovering between 8.0 and 8.5 percent. Even investments by Harbour Wholesale, Nisqually and Chehalis Tribes, and the City of Olympia could not temper the downturn and corresponding loss in local revenues.

Local governments in Thurston County, including the County, are also experiencing the challenges of reduced revenues and budget cutbacks. The combination of the reduction of statewide revenue sources such as sales and real estate excise taxes, limits on property tax increases, and a rapid slow down in the housing market caused many local cities and the County to tighten their budgetary positions in 2008 and again in 2009 and 2010 as Washington State and the nation entered into a major recession. The early reaction by the County was instrumental in helping to mitigate further layoffs in the 2010 fiscal year.

Major Initiative and Future Outlook

The long-term outlook will depend on a combination of the timeliness and strength in national, state, and local economic recovery, and the availability of new revenue sources to support program growth opportunities. The recent passage of legislation lifting the restriction on non-supplanting and the likelihood of continued state funding for public health and public safety will help in supporting these important county programs. However the significant cutbacks in state and local expenditures for education, health care, and general government services in 2009 and 2010, will likely be followed by more significant reductions in 2011 and 2012. One of the biggest challenges will be the ability of local governments, including Thurston County, to meet critical service demands with limited resources for the next few years while retaining an adequate reserve base.

For the fourth consecutive year, the major initiative facing Thurston County is directly related to its General Fund budget. Under the direction of the Commissioners and County Manager, Thurston County took early action in 2008 to address forecasted shortfalls in revenue. This early action resulted in General Fund savings of approximately \$4 million. With property taxes, which is the largest single source of revenues to the General Fund, capped at 1% growth on all properties except new construction, and new building at a standstill, the General Fund budget challenges were heightened in 2009.

As the full impact of the recession hit, early 2009 revenue forecasts showed even further decreases in sales taxes, real estate excise taxes and licensing and recording fees. The original adopted 2009 budget called for General Fund revenues of \$75.8 million, a decrease of \$6 million from the 2008 final revenue budget. General Fund expenditures for 2009 were initially budgeted at \$76.0 million, a reduction of approximately \$4.6 million from the 2008 budget. In the last half of 2009, the County Commissioners called for a major reorganization and further restrictions in budgeted expenditures. In total, 98 positions were held vacant or eliminated. At the conclusion of Fiscal Year 2009, the General Fund revenue budget was reduced to \$75.3 million and the General Fund expenditure budget increased to \$76.8 million. Actual General Fund revenues dropped to \$74.3 million and General Fund expenditures to \$73.5 million.

While it was expected that the passing of Washington State's new Destination Based Sales Tax Law would result in net sales tax revenue increases to Thurston County of several million dollars at some point in time, actual revenue gains were very small. In 2009 projected millions turned into mere thousands. As a result, the County modified its financial revenue plan for Fiscal Year 2009 and projected very nominal growth in sales tax revenues in 2010 and 2011. The Thurston County Board of County Commissioners did approve a 1/10th of one percent Treatment Sales Tax to help preserve public safety and public health programs in mental health and chemical dependency. This new revenue source brought in \$2.2 million in 2009 and \$3.9 million in 2010.

The preparation of the 2010 Thurston County budget was based on ten long-term goals and an expected slow but deliberate economic recovery. No cost of living adjustments were granted and offices and departments were again asked to absorb inflationary costs. The reorganization was fully implemented in January 2010 and resulted in a reduction from 16 offices and departments to eight, excluding elected officials. Incorporated in the reorganization was the separation in 2010 of the County from two departments that became independent- Emergency Communications and Pacific Mountain Workforce Consortium. Both of these departments provided services to multi-governmental jurisdictions and had significant grant activity.

The final revised 2010 General Fund budget reflected \$76.9 million in revenues and \$75.7 million in expenditures. While Thurston County's 2010 adopted General Fund revenue budget showed a slight growth over 2009 and the adopted 2010 expenditure budget was slightly lower than 2009, actual activity put the County in a much stronger financial position. Actual General Fund revenues increased to \$79.2 million and expenditures were contained to \$72.7 million. This enabled the County Commissioners to repay the loan from the Detention Facility Sales Tax Fund and end the biennium with a healthy General Fund ending fund balance of \$15.1 million.

Looking forward into 2011 and 2012, it is the second of these two years that poses the biggest fiscal concern. While early actions have significantly helped mitigate lagging revenues, difficult cutbacks in services and staff will likely need to continue to assure sufficient reserves to meet cash flow needs and unforeseen emergencies.

The other significant initiative in Thurston County's future is the goal to be more "green" and to build a sustainable service delivery system. Several projects are underway to achieve this goal, including replacing several paper-based financial reports with e-commerce electronic records.

Thurston County has effectively used the Budget Team and Financial Management Committee to develop a series of sound principles for meeting its statutory responsibilities in the most cost effective way possible. The combination of starting reduction opportunities early, the hiring of a highly capable Budget and Fiscal Manager, the recent reorganization to reduce overhead, and increased oversight of spending by all offices and departments puts Thurston County in a strong position to come out of the recession and rebuild a strong County government.

Long-Term Capital Investments

Thurston County has recently begun construction and renovation of the Tilley Road Public Works site and is in the midst of upgrading the 3400 Building. The County's main capital investment, the construction of a new Accountability and Restitution Center (ARC) detention facility, is complete. The ARC distinguishes itself from a conventional detention center in that its focus is on assessment, intervention and monitoring in inmates. Since its conception in 2005, the planning for the ARC has experienced several revisions. Construction of the first phase, which will add 256 beds, is complete and was financed up to \$40 million by Detention Facility Sales Tax.

The County is now considering several options including moving existing jail populations into the ARC or leasing out the facility to the Department of Corrections. A consulting firm is being brought in to evaluate the most cost effective alternatives for the new facility, including required staffing levels. The full operating costs are currently estimated at \$6 million annually.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Thurston County for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2009. This was the fourth consecutive year for Thurston County under the new GASB 34 standards. In order to be awarded a Certificate of Achievement, the County has to publish an easily readable and efficiently organized CAFR that satisfies 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 CAFR continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine eligibility for a certificate in 2010.

The professional and dedicated staff of the financial services division of the County Auditor's Office prepared this report. In addition, the report could not be accomplished without the valuable assistance of the County Treasurer's Office and accounting personnel of other County departments. I appreciate their efforts, and appreciate the approach of the Board of County Commissioners in their sound conduct of the financial affairs of the County. We also recognize the professional efforts of the State Auditor's Office in their audit and the direction they provide us throughout the year.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Kim Wyman". The signature is fluid and cursive, with a long horizontal stroke at the end.

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, 2009

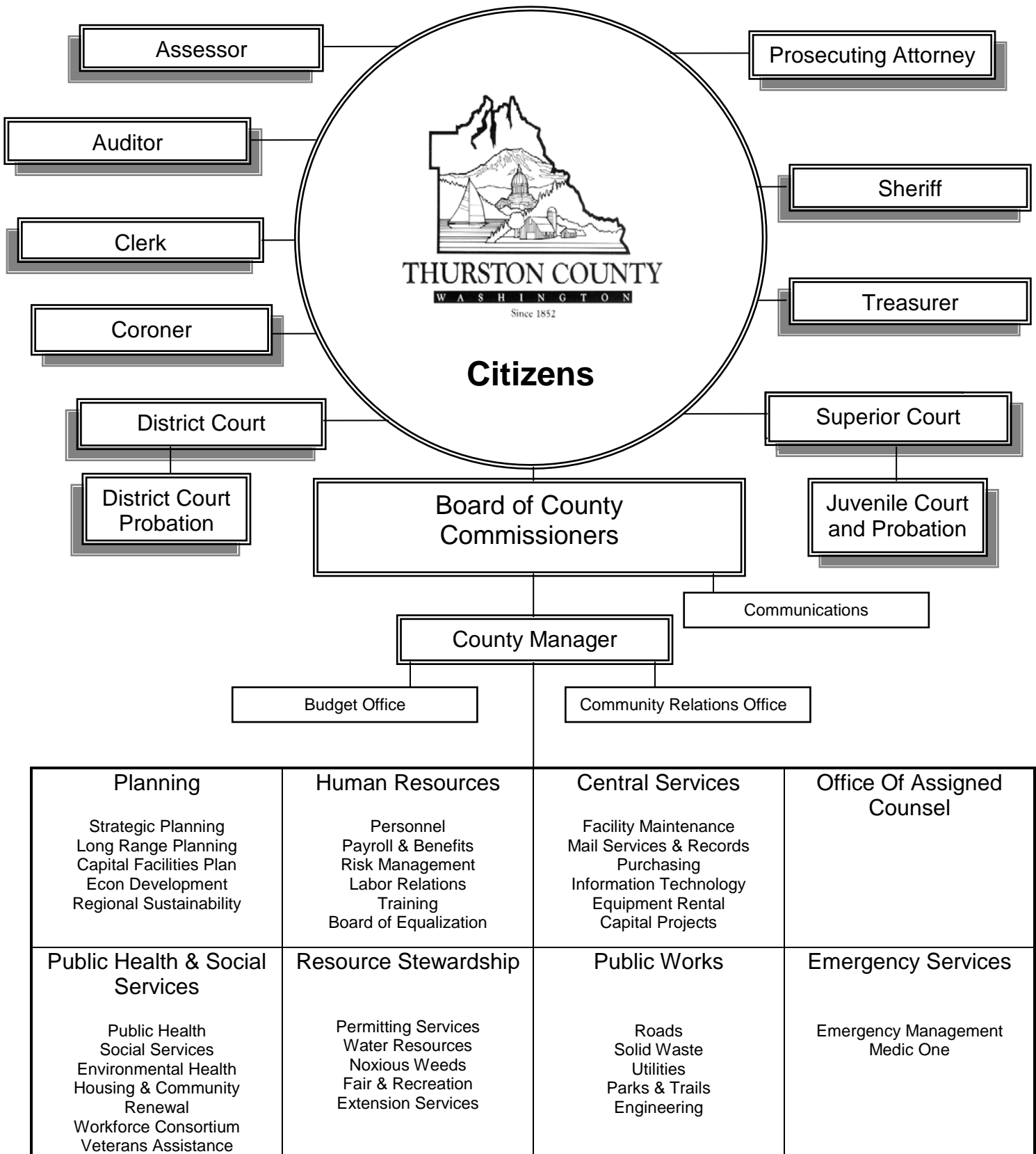
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

THURSTON COUNTY ORGANIZATION CHART



Elected Officials

December 31, 2010

Thurston County Board of Commissioners

Honorable Cathy Wolfe, **District One**
Honorable Sandra Romero, **District Two**
Honorable Karen Valenzuela, **District Three**

Honorable Patricia Costello, **Assessor**

Honorable Kim Wyman, **Auditor**

Honorable Betty J. Gould, **Clerk**

Honorable Gary Warnock, **Coroner**

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

Honorable Dan Kimball, **Sheriff**

Honorable Shawn Myers, **Treasurer**

District Court Judges

Honorable Susan A. Dubuisson
Honorable M. Brett Buckley
Honorable Samuel G. Meyer

Superior Court Judges

Honorable Paula Casey
Honorable Wm. Thomas McPhee
Honorable Christine A. Pomeroy
Honorable Gary R. Tabor
Honorable Chris Wickham
Honorable Anne Hirsch
Honorable Carol Murphy
Honorable Lisa Sutton



**Washington State Auditor
Brian Sonntag**

INDEPENDENT AUDITOR'S REPORT

June 21, 2011

Board of Commissioners
Thurston County
Olympia, Washington

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Thurston County, Washington, as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Thurston County, Washington, as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General, Debt Holding, Detention Facilities Sales Tax Holding, Real Estate Excise Tax, Roads, Medic One and Public Health & Social Services funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we will also issue our report dated June 21, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the County's

Thurston County, Washington 2010

Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 13 through 31 and retiree medical benefits schedule of funding progress on page 118 are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying information listed as combining and individual fund statements and schedules on pages 119 through 205 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as the Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the County. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Sonntag", written in a cursive style.

BRIAN SONNTAG, CGFM
STATE AUDITOR

MANAGEMENT DISCUSSION AND ANALYSIS

Thurston County's discussion and analysis provides a narrative overview and analysis of the County's financial activities for the year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with additional information in the letter of transmittal, which can be found preceding this narrative, and with the County's financial statements and notes to the financial statements, which follow this discussion.

FINANCIAL HIGHLIGHTS

- The financial health of Thurston County greatly improved during 2010, over a stable 2009, despite a nearly three year long nationwide economic downturn still affecting the country. During 2010, overall county revenues increased more than expected and, thanks to prudent planning and cautious spending, overall expenditures were lower than expected.
- Thurston County's total assets (governmental and business-type, combined) exceeded its total liabilities at December 31, 2010 by \$545.8 million, compared to \$529.6 million in 2009. This represents a 3.1% increase. Details of factors contributing to this increase are discussed later within this discussion and analysis.
- For 2010, total net assets of the County (governmental and business-type, combined) are comprised of the following:
 1. Capital assets, net of related debt, of \$399.2 million, include property, infrastructure, and equipment, net of accumulated depreciation, reduced for outstanding debt related to the purchase or construction of capital assets.
 2. Restricted net assets of \$127 million represent the portion restricted by constraints imposed from outside the County such as debt covenants, grants, and laws.
 3. Unrestricted net assets of \$19.6 million represent the portion available to maintain the County's continuing obligations to citizens and creditors.
- Thurston County reported a positive change in governmental net assets as of December 31, 2010 of \$10.6 million, compared to \$2.3 at the end of 2009. Details of factors contributing to this increase are discussed later within this discussion and analysis.
- Unreserved/undesignated fund balance for the General Fund was \$15.1 million at December 31, 2010 compared to \$8.6 million at the end of 2009. This represents a 21.2% of 2010 General Fund total expenditures compared to 12.2% in 2009. Details of factors contributing to this increase are discussed later within this discussion and analysis.
- The County's General fund total revenues increased by \$4.7 million, or 6.6%, compared to 2009 whereas expenditures increased by just \$1.2 million, or 1.7% over the same time period. Details of factors contributing to these figures are discussed later within this discussion and analysis.
- Due to a conscience effort on the part of directors and managers of General Fund offices/departments, actual 2010 expenditures were \$2.9 million, or 3.8%, under the final 2010 adopted budget level.

- During 2010, Thurston County sold General Obligation Bonds of \$27.8 million to finance several construction projects and to advance refund general obligation bonds issued in 2002. This caused the County's total long term debt at December 31, 2010 to increase to \$107.1 million with a remaining capacity for non-voted debt of \$292.3 million. Details of factors contributing to this increase are discussed later within this discussion and analysis.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Thurston County's basic financial statements. Thurston County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of Thurston County's finances in a manner similar to a private sector business. Thurston County reports two Government-wide financial statements: the statement of net assets and the statement of activities.

The **statement of net assets** presents information on all of Thurston County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The **statement of activities** presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues related to uncollected taxes and expenses related to earned but unused vacation leave and sick leave. This statement separates program income (revenue generated by specific programs through charges for services, grants, and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program). By separating program revenue from general revenue, users can identify the extent to which each program relies on taxes for funding.

The government-wide financial statements distinguish functions of Thurston County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include services provided to the public such as law enforcement and public safety; road construction and maintenance; recreation and open space preservation; employment and training; public health and social services; and general administration. Business-type activities of Thurston County include solid waste, land use and permitting, and sewer and water management. Both of the government-wide financial statements have separate columns for two different types of County programs or activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Thurston County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into one of three categories: governmental, proprietary, or fiduciary.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information is useful in evaluating a government's near-term financing requirements in comparison to available near-term resources.

Because the focus of governmental fund financial statements is narrower than that of government-wide financial statements, it is useful to compare information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This gives readers a better understanding of the long-term impact of the government's financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances present separate columns for financial data for the following funds: General, Debt Holding, Detention Facility Sales Tax Holding, Real Estate Excise Tax, Roads, Medic One, Public Health and Social Services, and Other Governmental, which are considered major funds for financial reporting purposes. The Other Governmental Fund aggregates data from all of the remaining non-major governmental funds into a single, combined presentation. The governmental fund financial statements can be found immediately following the government-wide financial statements. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements, outside of the basic financial statements, following the notes to the financial statements.

The County maintains budgetary controls with an annual appropriated budget to ensure compliance with legal provisions. Budgets for governmental funds are established in accordance with state law, and are adopted on a fund level, except for the General Fund, which is adopted on a department level. A budgetary comparison of revenues, expenditures, and changes in fund balances is provided for the General Fund, all special revenue funds, debt service funds, and all capital project funds. Major fund budgetary variance statements are included with the basic financial statements, while non-major fund budget variance schedules follow the combining fund statements. Budgetary variances for the General fund are discussed in more detail later in this section.

Proprietary funds are used to account for a government's business type activities, where all or part of the costs of activities are supported by fees and charges that are paid directly by those who benefit from the activities. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail, since both apply the accrual basis of accounting. Proprietary fund statements follow the governmental fund statements in this report. The County maintains two types of proprietary funds:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Enterprise funds account for the County's solid waste, land use and permitting, utilities planning and development, septic assistance community loan, storm water, and waste water programs. The Solid Waste and Grand Mound funds are both considered major funds for financial reporting purposes. The County reports six non-major enterprise funds.

Internal service funds are used to report activities that provide services to the County's other programs and activities on a cost reimbursement basis. The County internal service funds include: risk management, enterprise engineering services, benefits and utilities administration, central services (facilities maintenance and construction and information technology support) and unemployment compensation, equipment rental and replacement. The utilities administration and enterprise engineering funds were closed for activity at the beginning of 2010; however, residual cash balances in each fund were not moved until early 2011. The revenues and expenses of internal service funds that are duplicated in other funds through allocations are eliminated in the government-wide statements, with the remaining balances included in the governmental activities column. All internal service funds are aggregated in a single column in the basic proprietary fund financial statements.

Fiduciary funds are used to account for resources that are held by a government as a trustee or agent for parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Thurston County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The County has three types of fiduciary funds: 1) Investment Trust Funds which report the portion of the County investments that belong to other jurisdictions, 2) Private Purpose Trust Funds which report trust arrangements where the principal and interest benefit those outside of the County, and 3) Agency Funds which are clearing accounts for assets held by Thurston County in its role as custodian until the funds are allocated to the private parties, organizations, or government agencies to which they belong. The basic fiduciary fund financial statements can be found following the proprietary fund financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements in this report.

Other Supplementary Information

The section on grant schedules report a summary of amounts received and spent on federal and state awards. The statistical section presents a summary of County financial, revenue, debt, economic, demographic and performance information over the past ten years.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Assets

Net Assets serve over time as a useful indicator of a government's financial position. As indicated in the condensed financial information on the following pages, which was derived from the government-wide Statement of Net Assets, the County's combined net assets (governmental and business-type activities) were \$545.8 million at the end of 2010. This reflects a net increase of \$16.2 million, or 3.1%, from 2009. This increase in equity reflects the County's continuing ability to meet its ongoing obligations which includes its debt service requirements.

Thurston County, Washington 2010

Of the County's total net assets, \$399.2 million, or 73.1%, is invested in capital assets, less outstanding debt used to acquire those assets. These assets provide services to County citizens and are not available for future spending purposes. However, resources needed to repay this debt must be provided by other sources since capital assets cannot be readily liquidated to pay these liabilities. Of the County's total net assets, \$127 million, or 23.3%, are subject to external spending restrictions. External restrictions include those provided by state law or by contractual agreement with outside entities, primarily state and federal agencies. The remaining \$19.6 million, or 3.6%, which is essentially unchanged from last year (\$19.1 million, or 3.6%, in 2009) is unrestricted and represents the amount that may be used to meet the County's ongoing general purpose obligations.

Thurston County reported \$705.2 million of total assets as of December 31, 2010, compared to \$671.2 million for 2009. This represents an increase of \$34 million, or 5.1%. For 2010, \$483.1 million, or 68.5%, was reported as capital assets, which includes infrastructure and construction in progress. This represents a net increase over 2009 of \$9.9 million, or 2.1%. The majority of the net increase was due to assets being placed in service that were formerly recorded as Construction in Progress. The remaining assets include approximately \$184.1 million, or 26.1%, in cash and pooled investments (including restricted), and \$38 million, or 5.4%, in other current and long term assets.

Thurston County's total liabilities were \$159.5 million at the end of 2010 compared to \$141.6 million in 2009. Noncurrent liabilities were \$143 million as of December 31, 2010, up \$22.1 million compared to the end of 2009. This increase was primarily due to the sale of General Obligation Bonds of \$27.8 million in 2010, partially offset by a refunding of a 2002 general obligation bond issue. General obligation bonds are 67.2% of total liabilities and accumulated landfill closure costs are 11.8% of total liabilities. The other significant liability is Other Post Employment Benefits (OPEB) payable of \$11.1 million, or 6.9% of total liabilities. Current liabilities at the end of 2010 were \$16.4 million compared to \$20.7 million at this point last year. This decrease (\$4.3 million and 20.7%) was primarily due to a change in the method used to calculate the allocation of compensated absences between current and long term liabilities. In 2009 the current amount of compensated absences reported was \$4.9 million whereas that same figure for 2010 is approximately \$357,000. The county believes this change was necessary to reflect a more accurate pattern of historical activity in this liability account.

Thurston County, Washington 2010

The condensed financial information that follows is derived from the Government-Wide Statement of Net Assets and reflects how the County's net assets in 2010 compare with 2009:

Thurston County Net Assets

Account	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Total	
	2010	2009	2010	2009	2010	2009
Assets	\$ 185,006,195	\$ 164,060,698	\$ 37,133,032	\$ 33,983,011	\$ 222,139,227	\$ 198,043,709
Capital Assets	443,798,950	435,497,051	39,306,961	37,695,440	483,105,911	473,192,491
Total Assets	628,805,145	599,557,749	76,439,993	71,678,451	705,245,138	671,236,200
Current Liabilities	13,981,366	18,477,474	2,454,944	2,237,481	16,436,310	20,714,955
Long Term Liabilities	113,690,368	91,297,210	29,355,190	29,618,237	143,045,558	120,915,447
Total Liabilities	127,671,734	109,774,684	31,810,134	31,855,718	159,481,868	141,630,402
Net Assets:						
Invested in Capital Assets, Net of Related Debt	369,474,630	367,485,013	29,716,183	26,673,569	399,190,813	394,158,582
Restricted	123,019,483	106,941,800	3,993,892	9,423,124	127,013,375	116,364,924
Unrestricted	8,639,298	15,356,252	10,919,784	3,726,040	19,559,082	19,082,292
Total Net Assets	\$ 501,133,411	\$ 489,783,065	\$ 44,629,859	\$ 39,822,733	\$ 545,763,270	\$ 529,605,798

Governmental activities – During 2010, the total net assets for governmental activities realized an increase of \$11.4 million compared to 2009. Much of this increase is ultimately attributed to the increase of cash and pooled investments in the General Fund. Of the County's \$501.1 million in total net assets, \$369.5 million was invested in capital assets less any related outstanding debt used to acquire those assets. This represents an increase of \$2 million from 2009. There was a lot of activity in and out of this account during 2010; however, the increase was modest compared to 2009. For 2010, \$123 million is recorded as restricted net assets for various purposes in almost every major service area in the County. This represents an increase of \$16.1 million from the prior year and is due to the collection of more detention facility sales tax revenues, a county re-organization and the drawdown of additional bond funds. The final category of net assets, unrestricted, is \$8.6 million in 2010, a decrease of \$6.7 million, or 43.7% over 2009. These funds are available for future spending.

Business-type activities – Business-type activities saw an increase of \$4.8 million in total net assets in 2010 compared to 2009. Of the 2010 total net assets of \$44.6 million, \$29.7 million is invested in capital assets, net of related debt. Business-type activities use their capital assets to provide services to customers. Consequently, these assets are not available for future spending. For restricted net assets, the amount decreased by \$5.4 million compared to prior year due to a reclassification of net assets from restricted to unrestricted. As a result, the unrestricted net assets amount in 2010 of \$10.9 million is an increase of \$7.2 million over 2009. This latter category of net assets is available for future spending in the business-type funds.

Analysis of the Statement of Activities

The following chart presents key elements in the Statement of Activities. In 2010, total County primary government revenues increased by \$6.5 million, or 3.1%, compared to 2009. Total County expenses decreased by \$4.1 million, or 2%, from 2010 to 2009. This overall decrease was mainly due to budget reductions taken by county offices and departments during 2010.

Thurston County's Statement of Activities

Account	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Program Revenues:						
Charges for Services	\$ 26,111,579	\$ 24,715,365	\$ 28,110,764	\$ 23,002,948	\$ 54,222,343	\$ 47,718,313
Operating Grants & Contrib.	45,542,586	45,501,657	772,906	1,063,007	46,315,492	46,564,664
Capital Grants & Contrib.	5,097,806	9,318,083	45,114	114,696	5,142,920	9,432,779
General Revenues (Expenses):						
Taxes	103,779,418	98,470,757	-	-	103,779,418	98,470,757
Interest and Invest. Earnings	6,018,575	6,457,964	811,036	1,029,658	6,829,611	7,487,622
Other General Revenues	247,810	381,641	27,889	22,005	275,699	403,646
Total Revenues	186,797,774	184,845,467	29,767,709	25,232,314	216,565,483	210,077,781
Program Expenses: (Net)						
General Government	8,631,534	8,569,812	-	-	8,631,534	8,569,812
Culture and Recreation	4,312,994	3,780,250	-	-	4,312,994	3,780,250
Economic Environment	15,326,356	15,850,367	-	-	15,326,356	15,850,367
Health and Human Services	45,154,389	47,548,566	-	-	45,154,389	47,548,566
Utilities and Environment	1,284,194	1,316,016	-	-	1,284,194	1,316,016
Public Safety	69,864,003	70,615,888	-	-	69,864,003	70,615,888
Transportation	26,688,315	28,651,349	-	-	26,688,315	28,651,349
Interest	4,016,966	3,459,983	-	-	4,016,966	3,459,983
Solid Waste	-	-	16,675,874	15,991,345	16,675,874	15,991,345
Water	-	-	852,396	894,297	852,396	894,297
Sewer	-	-	1,914,258	1,706,458	1,914,258	1,706,458
Stormwater	-	-	3,146,000	2,459,443	3,146,000	2,459,443
Land Use & Permitting	-	-	3,322,395	4,476,037	3,322,395	4,476,037
Total Expenses	175,278,751	179,792,231	25,910,923	25,527,580	201,189,674	205,319,811
Excess (Deficiency) of Revenues over (under) Expenses before						
Transfers	11,519,023	5,053,236	3,856,786	(295,266)	15,375,809	4,757,970
Transfers	(950,340)	(2,799,438)	950,340	2,799,438	-	-
Change in Net Assets	10,568,683	2,253,798	4,807,126	2,504,172	15,375,809	4,757,970
Ending Net Assets January 1	489,783,065	487,529,267	39,822,733	37,318,561	529,605,798	524,847,828
Prior Period Adjustment	781,663	-	-	-	781,663	-
Restated Net Assets January 1	490,564,728	487,529,267	39,822,733	37,318,561	530,387,461	524,847,828
Ending Net Assets	\$ 501,133,411	\$ 489,783,065	\$ 44,629,859	\$ 39,822,733	\$ 545,763,270	\$ 529,605,798

Thurston County, Washington 2010

In 2010, Governmental activities provided \$186.8 million in revenues (86.3% of total revenues), while business-type activities provided \$29.8 million (13.7% of total revenues). The 2010 ratio of total revenues between governmental and business-type is consistent with 2009 with just a 1.7% shift to business-type from governmental activities. The two largest governmental revenues are taxes at \$103.8 million, or 55.6%, of total governmental revenues and operating grants and contributions at \$45.5 million, or 24.4%, of total governmental revenues. The remaining 20% of governmental revenues include charges for services, capital grants, interest and investment earnings and other general revenues.

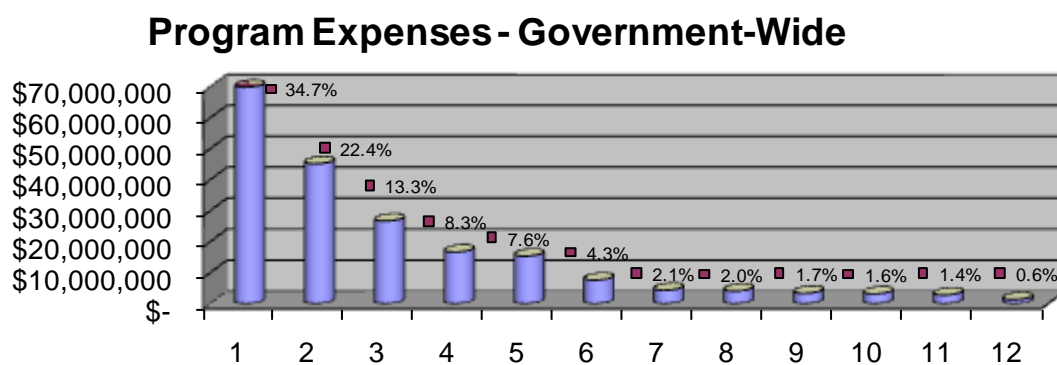
The net change in governmental total revenues between 2010 and 2009 was an increase of nearly \$2 million. The largest increase in governmental revenues was taxes of \$5.3 million followed by charges for services of \$1.4 million. These increases were offset by decreases in capital grants and contributions of \$4.2 million.

In 2010, charges for services accounted for \$28.1 million, or 94.4%, of total business-type revenues. Within this category, the Solid Waste fund revenues accounted for \$19.9 million, or 70.9%.

The County decreased total primary governmental expenses by \$4.1 million, to \$201.2 million, in 2010. The governmental activity decrease was mainly in Transportation, Health and Human Services, and Public Safety with a slight increase offset in Culture and Recreation and Interest. The governmental and business-type expense distribution in 2010 closely resembles the distribution from the prior year as \$175.3 million, or 87.1% was in governmental activities and \$25.9 million, or 12.9%, was in business-type activities. Public Safety, Health and Human Services, and Transportation programs comprise 80.9% of governmental expenses and 70.4% of total expenses.

In 2010, Solid Waste comprised \$16.7 million, or 64.4%, of the \$25.9 million in business-type expenses. This represents a modest increase of just under \$0.7 million over 2009. Overall expenses in business-type activities increased by just under \$0.4 million compared to 2009. This represents a slight increase of 1.5%.

The following graph illustrates the distribution of expenses by program for both governmental and business type activities.



Legend:

- | | | | |
|-------------------------|-------------------------|--------------------------|-----------------------------|
| 1. Public Safety | 4. Solid Waste | 7. Culture & Recreation | 10. Stormwater |
| 2. Health & Human Serv. | 5. Economic Environment | 8. Interest | 11. Water & Sewer |
| 3. Transportation | 6. General Government | 9. Land Use & Permitting | 12. Utilities & Environment |

FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS

Following is an analysis of the county's major governmental and proprietary funds.

Governmental Funds Analysis

The focus of Thurston County's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Unreserved/undesignated fund balance serves as a useful measure of the County's net resources available for spending at the end of the fiscal year.

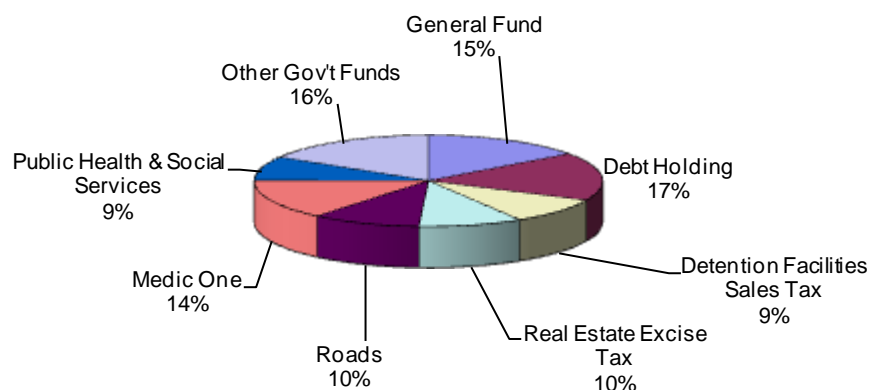
As of December 31, 2010, the County's governmental funds reported combined ending fund balances of \$127.1 million, an increase of \$19.4 million, or 18%, compared with the prior year. This increase was due mainly to increase in cash in the General Fund (after taking into account the payoff of a \$6 million Interfund loan, discussed later), and an increase in cash in the Debt Holding fund due to the sale of GO bonds and subsequent drawdown of funds (\$24.5 million of unreserved fund balance was reported in the Debt Holding fund at year-end 2010). While these funds are reported as unreserved, they are, in essence, restricted to fund specific construction activities and programs.

In 2010, total assets in the governmental funds increased \$13.6 million compared to 2009. The largest increase in assets was in Cash and Pooled Investments of \$20.4 million and the largest decrease was in Advances To Other Funds of \$6.3 million. The majority of this decrease is due to the payoff of an interfund loan by the General Fund discussed earlier. Within cash and pooled investments, the largest increase, also discussed earlier, was in the Debt Holding fund which increased its cash balance by \$11.4 million over 2009. The Detention Facility Sales Tax Holding fund's cash balance also increased by \$4.7 million due to an increase of a local sales tax rate. The largest cash decrease was in the County's Real Estate Excise Tax fund which realized a decrease of \$3.7 million. The main driver here was a \$1.6 million transfer to a neighboring jurisdiction, the City of Lacey, to liquidate the county's portion of a joint venture. Details on this transaction can be found in Note XIII later in this report.

In 2010, total liabilities decreased by \$5.7 million over 2009 levels. This was primarily due to the payoff of the \$6 million loan. This was recorded as Advances From Other Funds in the General Fund and was paid off on 4/30/2010. All other liabilities remained fairly constant compared to 2009.

The following chart shows the distribution of total assets for all major governmental funds:

Total Assets - Governmental Funds



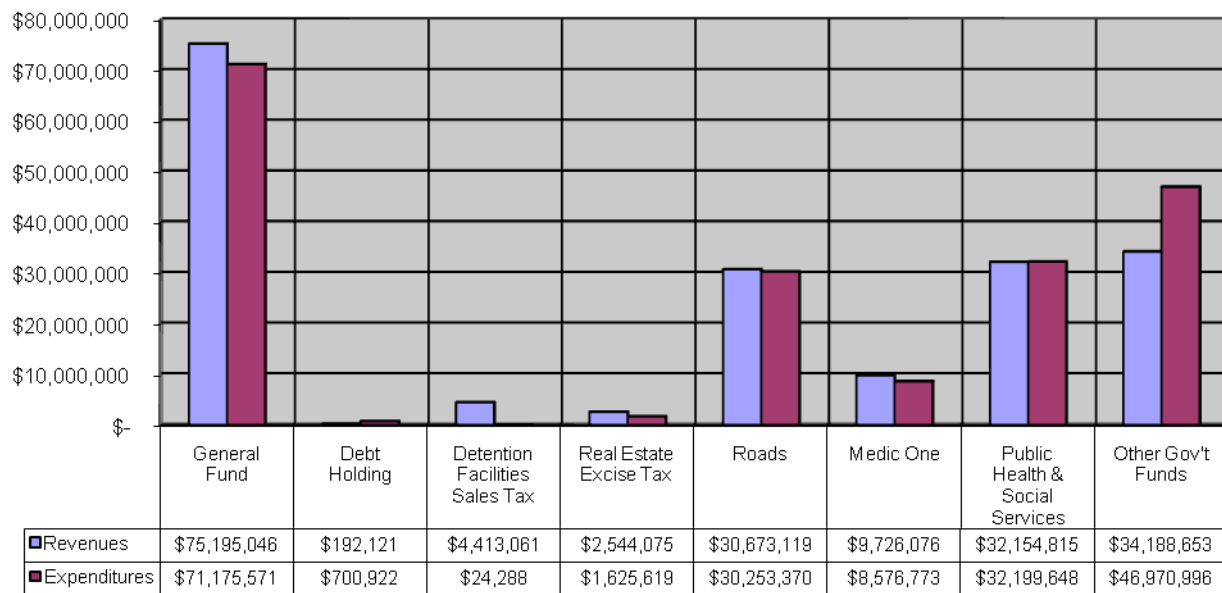
Thurston County, Washington 2010

Governmental Fund revenues in 2010 exceeded 2009 levels by \$4.8 million, or 2.6%. The increase was primarily due to stronger than expected tax collections and an unanticipated collection of impact fees in the Roads fund.

Governmental expenditures in 2010 were lower than 2009 by \$23.6 million, or 11%. The category that decreased the most from 2009 was Capital Outlay by \$21.5 million. This was due to a large amount of construction expenditures happening in 2009 related to the completion of the County's Accountability and Restitution Center.

The following chart shows revenues and expenditures for Thurston County's eight major governmental funds, including the Other Governmental Funds. Charted revenues and expenditures exclude other financing sources/uses and transfers.

Governmental Fund Revenues and Expenditures



In 2010, the General Fund, Public Health and Social Services Fund and Roads Fund account for 73% of total revenues and 69.8% of total expenditures. The percentage difference between revenues and expenditures is due to taxes receipted into the Detention Facilities Sales Tax fund categorized as revenues and in transfers out of the Detention Facilities Sales Tax fund for construction expenditures categorized as Other Financing Sources (instead of revenues).

For 2010, the County is reporting the following as major governmental funds: General, Debt Holding, Detention Facility Sales Tax Holding, Real Estate Excise, Roads, Medic One, Public Health and Social Services, and Other Governmental.

The following are highlights related to each major fund in 2010:

The **General Fund** is the chief operating fund of the County. Including net transfers and capital lease financing, the General Fund unreserved fund balance was \$15.1 million at the end of 2010, compared to \$8.6 million at the end of 2009. General Fund total assets were \$21.4 million and total liabilities were \$6.4 million at the end of 2010. Assets increased by just 6% whereas liabilities decreased by 45.4% compared to 2009. As previously discussed, the decrease in liabilities was mainly due to the \$6 million interfund loan paid off by the General Fund.

General Fund revenues increased by \$4.7 million, or 6.6%, from 2009 to 2010. This increase was mainly due to increased property and sales tax revenues and more grant funding received. Overall expenditures in the General Fund for 2010, compared to 2009, increased slightly by \$1.2 million, or 1.7%. Economic Environment and Interest charges were the categories that increased the most in 2010 and the Public Safety category, on the other hand, decreased the most.

The **Debt Holding Fund** was created in 2009 for the purpose of accounting for the receipt of bond funds for the 2009 & 2010 bond issues and to transfer out funds to Capital Projects Funds as expenditures become due. In 2010 the fund receipted in over \$28.1 million in debt issuance, premiums, and proceeds on advance refunding. This fund transferred out \$9.4 million to capital project funds, and paid \$7.4 million in bond refunding and interest charges. The difference resulted in an increase of \$11.4 million to cash and pooled investments and unreserved fund balance.

The **Detention Facility Sales Tax Holding Fund** receives a dedicated 1/10-cent sales tax for future transfers for expenditures on detention-related facilities projects and debt service payments. In comparing 2010 to 2009, this fund saw a decrease in total assets of \$1.3 million, or 9%. Liabilities, which are diminutive in this fund by design, increased by about \$167,000 in 2010 compared to 2009. During 2010 revenues increased by just over \$245,000, expenditures remained very near the same level as 2009, and transfers out for continued bond payments increased by \$1.1 million. As a result, the net change in fund balance was a decrease of \$1.5 million.

The **Real Estate Excise Tax (REET) Fund** accounts for excise taxes collected from real estate transactions. Each real estate transaction is charged $\frac{1}{2}$ of 1 percent of the value of transacted property. These moneys are restricted for various capital expenditures as stipulated in state statutes.

REET fund total assets (mainly cash and pooled investments) decreased by \$3.8 million, or 21.4% compared to 2009. Credit for this decrease goes to the housing market and the fewer number of real estate transactions during 2010. Liabilities were small and remained constant compared to 2009.

Revenues continue to be depressed and were down just under \$0.6 million, or 18.1%, in 2010 as compared to 2009. Revenues associated with this fund are directly tied to activity in the real-estate market and reflected a fourth consecutive year of reduced revenues. Expenditures increased by over \$1.6 million in 2010 due to a one-time-transaction to the City of Lacey.

From 1998 to 2010, the county participated in a joint venture with the City of Lacey on the construction and operation of a Regional Athletic Complex. During 2010, the County made a payment of \$1.6 million out of this fund to the City of Lacey. In so doing, it divested its share of ownership in the complex. Transfers out remained constant compared to 2009 with an increase of just under \$300,000 to \$4.7 million. These transfers mainly went for bond payments and various construction projects.

Thurston County, Washington 2010

The **Roads Fund** provides road maintenance and construction services to the citizens of Thurston County. In this fund, total assets increased by \$2.5 million in 2010 compared to 2009. The increase was primarily in the cash account and was due to the receipt of more taxes and impact fees. Liabilities decreased by \$0.7 million from 2009 to 2010.

Compared to 2009, revenues in the Roads fund increased by \$2.7 million, or 9.8%, and expenditures decreased by \$5.2 million, or 14.6%. The increase in revenues was described above with the cash account and the decrease in expenditures was mainly in the Capital Outlay category described earlier. Transfers Out decreased in the Roads fund by \$4 million compared to 2009. This decrease is mainly due to expenditures on a new phase of the Tilley Master Plan project being funding by Central Services whereas in 2009 Roads fund capital was used. This also explains the decrease in the Capital Outlay category above. The result on fund balance in the Roads fund was an increase of \$3.2 million compared to 2009.

The **Public Health and Social Services Fund** provides social and health services to the citizens of Thurston County. Fund total assets increased in 2010 by \$2.8 million and total liabilities decreased by just over \$0.8 million compared to 2009. Revenues and expenditures remained at a constant level compared to 2009, decreasing by \$2 million and \$2.1 million respectively. Intergovernmental payments (grants) are still the main source of revenues and Health and Human Services related Professional Services are still the main expenditure category.

Within the Public Health Fund, Transfers In increased by \$930,000 and Transfers Out decreased by nearly \$2.3 million. An increased level of treatment sales tax transfers is the source of the transfers-in and a one-time transfer of a department in the Public Health fund to another county fund in 2009 was the reason transfers-out decreased from 2009 to 2010. As a result, ending fund balance for 2010 increased by \$2 million, or 28%.

The **Medic One Fund** provides basic and advanced life support services to the citizens of Thurston County. In 2010, Medic One's total assets increased by \$1.3 million, or 6.7%, compared to 2009. Liabilities remained relatively constant increasing at just over \$127,000. Revenues in Medic One consist primarily of voter approved property taxes. Both revenues and expenditures remained very constant in 2010 compared to 2009, at \$9.7 million (5.6% increase) and \$8.6 million (1.7% increase) respectively. As a result, ending fund balance increased by \$1.1 million in 2010.

The **Other Governmental Funds** is a major fund comprising all non-major Special Revenue, Capital Projects, and Debt Service funds of the County. During 2010 total assets in these funds remained very constant decreasing by just \$0.5 million, or 2.1%. The liabilities in these funds in 2010 saw an increase of just over \$0.5 million, or 18.5%. Revenues in the Other Governmental funds decreased by \$0.5 million, or 1.4%. During 2010, expenditures for Other Governmental Funds showed an increase of \$6.2 million, primarily as a result of a significant increase in Capital Outlay. The reason for this is that the Jail Capital Projects fund expended \$7.5 million for capital outlay in 2010. This fund was created to account for capital asset activity related to the Accountability and Restitution Center described earlier. In 2009, this fund was a major fund for reporting purposes, however, in 2010, it did not meet the criteria of a major fund. After including other financing sources, fund balance in the Other Governmental Funds decreased by nearly \$390,000, or 2%.

Proprietary Funds Net Assets Analysis

Thurston County's enterprise funds provide the same type of information found in the government-wide financial statements for business-type activities. This information is presented in the same accounting format. Internal service funds, although proprietary, are not included in the following section.

**Thurston County
Enterprise Net Assets**

Assets	Solid Waste	Grand Mound	Other Enterprise Funds	Total Enterprise Funds
Cash & Pooled Investments	\$ 6,808,071	\$ 1,953,340	\$ 3,847,121	\$ 12,608,532
Other Current Assets	4,680,445	753,044	642,536	6,076,025
Restricted Assets:				
Cash and Pooled Investments	-	83,462	150,602	234,064
Total Current Assets	11,488,516	2,789,846	4,640,259	18,918,621
Long-Term Assets:				
Receivables and Deff Chrgs.	-	2,210,207	817,741	3,027,948
Capital Assets	13,367,468	15,749,746	10,189,747	39,306,961
Restrict Assets: Cash and Pooled Investments	18,533,517	-	-	18,533,517
Total Long Term Assets	31,900,985	17,959,953	11,007,488	60,868,426
Total Assets	43,389,501	20,749,799	15,647,747	79,787,047
Liabilities				
Current Liabilities:				
Accounts Payable/ Due To's	3,833,203	216,593	707,217	4,757,013
Restricted Liabilities - Debt	-	749,319	81,818	831,137
Total Current Liabilities	3,833,203	965,912	789,035	5,588,150
Long-Term Liabilities:				
Limited G.O. Bonds Payable	-	7,873,208	-	7,873,208
Comp Abs & OPEB Payable	503,611	79,286	751,609	1,334,506
Intergov. Loans & Contracts Payable	-	77,476	1,324,133	1,401,609
Advances From Other Funds	-	-	344,982	344,982
Accumulated Landfill Closure Costs	18,745,867	-	-	18,745,867
Total Long Term Liabilities	19,249,478	8,029,970	2,420,724	29,700,172
Total Liabilities	23,082,681	8,995,882	3,209,759	35,288,322
Net Assets				
Invested in Capital Assets, Net Rel. Debt	13,367,468	7,044,578	9,304,137	29,716,183
Restricted For:				
Postclosure, Net Of Related Liability	415,365	-	-	415,365
Debt Service	-	2,693,799	884,728	3,578,527
Unrestricted (Deficit)	6,523,987	2,015,540	2,249,123	10,788,650
Total Net Assets	\$ 20,306,820	\$ 11,753,917	\$ 12,437,988	\$ 44,498,725

The Solid Waste and Grand Mound utilities are the only major enterprise funds for Thurston County.

Thurston County, Washington 2010

The **Solid Waste Fund** provides solid waste disposal and reduction services to the citizens of Thurston County. The **Grand Mound Fund** provides water and waste water services to residents of Grand Mound in southern Thurston County. These funds comprise 80.4% of enterprise assets and 90.9% of enterprise liabilities.

Combined net assets for enterprise funds were \$44.5 million in 2010, of which \$32.1 million, or 72.1%, resided in the two major funds noted above. Of the total enterprise funds' net assets, \$29.7 million, or 66.8%, are capital assets net of related debt, whereas \$10.8 million, or 24.2%, are unrestricted. Unrestricted net assets increased by \$7.6 million from 2009. Total assets for all of the enterprise funds increased over 2009 by \$5.8 million, or 7.9%. The majority of this increase was in the Cash and Pooled Investments account as, during 2010, the Board of County Commissioners approved a substantial rate increase at the Waste and Recovery Center accounted for in the Solid Waste Fund. As a result, cash increased in that fund by \$4.3 million over 2009. Total Liabilities in the Enterprise funds were \$35.3 million which represented an increase of \$1.5 million over 2009, mainly in the Due To Other Funds account.

Proprietary Funds Revenue/Expense Analysis

The following table is a summary of enterprise fund revenues and expenses in 2010.

Thurston County Washington Enterprise Funds Revenues and Expenses

	Solid Waste	Grand Mound	Other Enterprise Funds	Total Enterprise Funds
Revenues:				
Charges for Services	\$ 19,925,078	\$ 1,406,431	\$ 7,517,057	\$ 28,848,566
Miscellaneous	11,545	11,316	5,028	27,889
Interest Revenue	531,941	177,957	101,138	811,036
Other Nonoperating Revenue	-	(50,827)	514,243	463,416
Total Revenues	20,468,564	1,544,877	8,137,466	30,150,907
Expenses:				
Salaries and Benefits	2,703,976	384,766	4,296,993	7,385,735
Other Supplies and Expenses	259,762	55,862	162,881	478,505
Contractual Services	1,465,962	211,618	985,197	2,662,777
Longhaul Contract	10,332,231	-	-	10,332,231
Interfund Services and Charges	1,252,100	168,719	1,771,553	3,192,372
Depreciation/Amortization	850,415	444,414	783,213	2,078,042
Misc. Nonoperating Expenses	172,463	474,340	38,931	685,734
Total Expenses	17,036,909	1,739,719	8,038,768	26,815,396
Income (Loss) Before Contrib. and Trans.	3,431,655	(194,842)	98,698	3,335,511
Capital Contributions	-	38,530	-	38,530
Transfers In (Out)	(50,129)	875,515	124,954	950,340
Change in Net Assets	3,381,526	719,203	223,652	4,324,381
Net Assets as of January 1	16,925,294	11,034,714	12,214,336	40,174,344
Net Assets as of December 31	\$ 20,306,820	\$ 11,753,917	\$ 12,437,988	\$ 44,498,725

Total operating revenues from charges for services in 2010 are \$28.8 million and comprise 95.7% of total enterprise operating and non-operating revenues. Total operating revenues for enterprise funds increased by \$5.4 million from 2009 mainly because of the rate increase discussed above. Please note that operating revenues and expenses are not segregated within the accompanying summarized table whereas they are segregated within the fund financial statements.

The **Solid Waste Fund** has provided waste disposal and reduction services through a solid waste transfer facility since 1999 at the Hawk's Prairie Solid Waste and Recovery Center. Solid waste was disposed at a landfill at this site prior to that time. Maintenance of the closed landfill is fully funded through post closure reserves generated from landfill revenues prior to closure. Solid Waste Fund revenues comprise 67.9% of total enterprise revenues and 63.5% of total enterprise expenditures.

The **Grand Mound Fund** has provided water and waste water services to the Grand Mound area since 1999. Grand Mound Fund revenues comprise 5.1% of total enterprise revenues and 6.5% of total enterprise expenses. Interest revenues comprise 11.5% of total revenues in the Grand Mound Fund, primarily from funds reserved for the repayment of general obligation debt. In 2010, Charges for Services remained constant from 2009 and operating expenses increased slightly under \$253,000. This increase was due to adjustments the county made in its countywide cost allocation plan. Because of a significant transfer in from the Real Estate Excise Tax Fund, net assets in the Grand Mound Fund increased by \$0.7 million, or 6.5%.

The County has usually funded utility capital construction and major replacement with general facility charges and assessments. Consequently, depreciation expense comprises 35.1% of the \$1.3 million Grand Mound Fund operating expenses in 2010. In April of 2007 the County signed an agreement with the Chehalis Tribe for a \$1.6 million water-line construction and service agreement for a Great Wolf Lodge water park, convention center and hotel. The agreement states that the Grand Mound utility will provide up to 85,000 gallons of water per day to this facility. The lodge opened in the spring of 2008 and is one of the major utility users for the County.

General Fund Budgetary Highlights

Thurston County adopts an annual budget in December of the preceding year. Adjustments are made to the budget throughout the year with a major review in June. The following table shows the changes between the original and final budget as of December 31, 2010. A positive variance is reported if final budget revenues exceed original budget revenues whereas a negative variance is reported if final budget revenues are less than the original budgeted revenues. The reverse is shown for expenditures. A negative variance is reported if final budget expenditures exceed original budget expenditures and a positive variance is shown if the original budget expenditures exceeds the final budgeted expenditures.

Thurston County General Fund Changes in Budget

	Original Budget	Final Budget	Variance Pos (Neg)
Revenues:			
Taxes	\$ 50,398,599	\$ 50,398,599	\$ -
Licenses & Permits	1,652,406	1,652,406	-
Intergovernmental	7,966,432	9,082,067	1,115,635
Charges for Services	8,590,044	8,477,367	(112,677)
Fines & Forfeitures	1,598,650	1,598,650	-
Miscellaneous	1,280,120	1,301,629	21,509
Total General Revenues	71,486,251	72,510,718	1,024,467
Other Financing Sources	4,297,628	4,382,974	85,346
Total Revenues	\$ 75,783,879	\$ 76,893,692	\$ 1,109,813
Expenditures by Department:			
Assessor's Office	\$ 3,239,430	\$ 3,239,430	\$ -
Auditor's Office	4,924,184	4,953,625	(29,441)
Assigned Counsel	2,738,784	2,859,761	(120,977)
Civil Service	109,613	109,613	-
Clerk's Office	3,004,599	3,004,599	-
Commissioner's Office	1,516,271	1,516,271	-
Coroner's Office	896,297	898,097	(1,800)
Corrections	14,208,962	14,284,755	(75,793)
District Court	2,897,883	2,918,668	(20,785)
Human Resources	1,363,177	1,413,981	(50,804)
Juvenile Probation	6,742,095	6,742,095	-
Non-Departmental	3,572,828	3,548,212	24,616
Planning	872,721	1,246,694	(373,973)
Prosecuting Attorney	7,557,227	7,755,453	(198,226)
State Examiner	115,000	125,000	(10,000)
Sheriff	14,298,394	14,678,707	(380,313)
Superior Court	4,731,465	4,834,011	(102,546)
Treasurer's Office	1,055,577	1,055,577	-
WSU Extension	344,612	471,755	(127,143)
General Fund Expenditures	74,189,119	75,656,304	(1,467,185)
Net Changes in Fund Balances	1,594,760	1,237,388	(357,372)
Fund Balances as of January 1	5,408,780	7,046,106	1,637,326
Fund Balances as of December 31	\$ 7,003,540	\$ 8,283,494	\$ 1,279,954

For revenues, the net increase in total budgeted revenues from the original budget to the final budget was just over \$1 million, or 1.4%. The most significant increase was in the Intergovernmental category and was due to general fund offices and departments being awarded more grant revenues than originally planned.

With regard to expenditures, the net increase in total budget expenditures from the original budget to the final budget was just under \$1.5 million, or 2%. The most significant dollar value change in budget expenditures occurred in the following departments/offices:

- Sheriff's Office – Increase due to expenditures of grant awards during the course of the year.
- Planning Department – Increase due to a Natural Resource program being moved into this department during the year and also the department receiving and spending more grant funds during the year.
- Prosecuting Attorney – Increase due to expenditures of grant awards during the course of the year.

The budgeted ending fund balance was \$8.3 million, an increase of \$1.3 million from the original budgeted ending fund balance. The net change (variance) in budgeted fund balance for the general fund was a reduction of just over \$357,000, or 6.6% of January 1, 2010 original budget fund balance.

General Fund Budget to Actual Variances

The table on the following page summarizes differences between budget and actual for revenues and expenditures in the General Fund for 2010. Transfers are included within the amounts reported for revenues and expenditures for each office and department. The final results for 2010 show actual total revenues (including other financing sources) at \$79.2 million, \$2.4 million, or 3.1%, above the final budget and actual expenditures of \$72.7 million, \$2.9 million or 3.8% under budget. When compared to the prior year, actual total revenues (including other financing sources) increased by \$5 million, or 6.7%, whereas actual expenditures (including transfers out) decreased by just over \$0.7 million or 1%.

In regards to revenues, the two largest variances between budget and actual were in the Taxes and Intergovernmental categories. The county collected just under \$0.9 million more in taxes and it received just under \$1 million more in grant proceeds than it had planned.

The ending actual fund balance in the General Fund for 2010 was \$15.1 million. This was a \$6.5 million increase from 2009. This increase is attributed to the increased collection of property and sales taxes, as well as the successful efforts to reduce expenditures.

All offices/departments had a positive expenditure variance in 2010 with one exception, Superior Court. This department had \$8,627 more in actual expenditures vs. budgeted expenditures, which was related to a capital lease approved in 2010 by the Board of County Commissioners through a separate authorizing resolution.

Thurston County General Fund Revenues, Expenditures & Fund Balance

	Final Budget	Actuals	Variance Pos (Neg)
Revenues:			
Taxes	\$ 50,398,599	\$ 51,279,799	\$ 881,200
Licenses & Permits	1,652,406	1,814,262	161,856
Intergovernmental	9,082,067	10,058,342	976,275
Charges for Services	8,477,367	8,994,989	517,622
Fines & Forfeitures	1,598,650	1,912,601	313,951
Miscellaneous	1,301,629	1,135,053	(166,576)
Total General Revenues	72,510,718	75,195,046	2,684,328
Total Other Financing Sources	4,382,974	4,054,575	(328,399)
Total Revenues	\$ 76,893,692	\$ 79,249,621	\$ 2,355,929
Expenditures by Department:			
Assessor's Office	\$ 3,239,430	\$ 3,237,834	\$ 1,596
Auditor's Office	4,953,625	4,623,342	330,283
Assigned Counsel	2,859,761	2,817,668	42,093
Civil Service	109,613	19,670	89,943
Clerk's Office	3,004,599	2,986,471	18,128
Commissioner's Office	1,516,271	1,479,407	36,864
Coroner's Office	898,097	877,393	20,704
Corrections	14,284,755	13,877,632	407,123
District Court	2,918,668	2,744,013	174,655
Human Resources	1,413,981	1,192,420	221,561
Juvenile Probation	6,742,095	6,445,560	296,535
Non-Departmental	3,548,212	2,845,470	702,742
Planning	1,246,694	1,152,296	94,398
Prosecuting Attorney	7,755,453	7,659,076	96,377
State Examiner	125,000	123,284	1,716
Sheriff	14,678,707	14,366,625	312,082
Superior Court	4,834,011	4,842,638	(8,627)
Treasurer's Office	1,055,577	1,018,650	36,927
WSU Extension	471,755	439,000	32,755
General Fund Expenditures	75,656,304	72,748,449	2,907,855
Net Changes in Fund Balances	1,237,388	6,501,172	5,263,784
Fund Balances as of January 1	7,046,106	8,565,102	1,518,996
Fund Balances as of December 31	\$ 8,283,494	\$ 15,066,274	\$ 6,782,780

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Thurston County's total net investment in governmental and business-type capital assets was \$483.1 million at year end. Of this total, \$280.5 million (58.1%) are non-depreciable assets and \$202.6 million (41.9%) are depreciated. Capital assets comprise 68.5% of total assets. Capital assets include land, construction in progress, buildings, improvements, machinery and equipment and infrastructure. A capital asset breakdown is provided in Note VI within the financial statement section.

Government-wide, net depreciable assets increased by \$39.2 million in 2010, while non-depreciable assets decreased by \$29.3 million. The main reason for the large shift in assets from non-depreciable to depreciable was due to the recent completion of the Accountability and Restitution Center, described earlier. This asset was moved out of construction in progress status and into a Central Services fund where it is now being depreciated.

Long-Term Debt

Total general obligation debt outstanding at year end was \$107.1 million (\$98.5 million in governmental activities and \$8.6 million in Business-type activities). This total represents an increase of \$17 million over 2009 and was due to the issuance of \$27.8 million in general obligation debt in late 2010. The \$10 million difference here was because part of this new bond issuance included a refunding of outstanding general obligation bonds issued in 2002, as well as required annual payments on other bond issues.

At the end of 2010, the County has the capacity to issue \$407.2 million in debt without a vote under the limitation of indebtedness statute. Debt liabilities exceed assets reserved for debt repayment by \$108.4 million. This leaves \$298.8 million of additional indebtedness available under the 1.5% limit of taxable property value. See financial statement note VIII for more information on the various debt issuances outstanding and the original reason for their issuance.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Thurston County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Auditor's Office, Thurston County, 2000 Lakeridge Drive SW, Olympia, WA. 98502.

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Government Wide Financial Statements

Statement Of Net Assets

December 31, 2010

Page 1 of 2

ASSETS	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Current Assets:			
Cash & Pooled Investments	\$ 152,713,611	\$ 12,608,532	\$ 165,322,143
<i>Receivables:</i>			
Taxes Receivable	3,157,614	-	3,157,614
Special Assessment Receivables	74,147	467,227	541,374
Accrued Interest & Penalties	3,974,370	221,734	4,196,104
Customer Account Receivables	15,489,575	2,178,642	17,668,217
Internal Balances	735,309	(735,309)	-
Due from Other Government Units	5,701,472	596,677	6,298,149
Inventory	806,104	-	806,104
Prepayments	281,656	-	281,656
<i>Restricted Assets:</i>			
Cash & Pooled Investments	-	234,064	234,064
Total Current Assets	182,933,858	15,571,567	198,505,425
Long-Term Assets:			
Deferred Charges	68,482	159,807	228,289
Community Loans Receivable	-	144,164	144,164
Special Assessment Receivables	134,300	2,723,977	2,858,277
Investment in Joint Ventures, Net	1,869,555	-	1,869,555
<i>Capital Assets:</i>			
Non-Depreciable	270,373,407	10,124,323	280,497,730
Depreciable, Net	173,425,543	29,182,638	202,608,181
<i>Restricted Assets: Cash and Pooled Investments</i>	-	18,533,517	18,533,517
Total Noncurrent Assets	445,871,287	60,868,426	506,739,713
Total Assets	628,805,145	76,439,993	705,245,138

See accompanying notes to the financial statements

Statement Of Net Assets
December 31, 2010
Page 2 of 2

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	7,658,049	1,502,156	9,160,205
Notes/Leases Payable	138,049	69,460	207,509
Due to Other Government Units	565,631	5,789	571,420
Compensated Absences	323,804	33,076	356,880
Claims & Judgments Payable	667,562	-	667,562
Limited G.O. Bonds Payable	4,518,757	749,319	5,268,076
Special Assessment Debt - Govern. Commitment	-	81,818	81,818
Unearned Revenue	109,514	13,326	122,840
Total Current Liabilities	13,981,366	2,454,944	16,436,310
Long-Term Liabilities:			
Limited G.O. Bonds Payable	93,948,425	7,873,208	101,821,633
Special Assessment Debt - Govern. Commitment	-	757,069	757,069
Compensated Absences	5,859,701	598,518	6,458,219
Other Post Employment Benefits Payable	10,325,702	735,988	11,061,690
Claims & Judgments Payable	3,358,234	-	3,358,234
Notes/Leases Payable	198,306	644,540	842,846
Accumulated Landfill Closure Costs	-	18,745,867	18,745,867
Total Noncurrent Liabilities	113,690,368	29,355,190	143,045,558
Total Liabilities	127,671,734	31,810,134	159,481,868
NET ASSETS			
Investment in Capital Assets, Net of Related Debt	369,474,630	29,716,183	399,190,813
Restricted Net Assets:			
Culture & Recreation	269,900	-	269,900
Economic Environment	4,626,700	-	4,626,700
General Government	13,632,900	-	13,632,900
Health and Human Services	20,357,100	-	20,357,100
Internal Service	23,341,183	-	23,341,183
Public Safety	43,074,800	-	43,074,800
Physical Environment	4,087,100	-	4,087,100
Transportation	13,629,800	-	13,629,800
Debt Service	-	3,578,527	3,578,527
Landfill Postclosure	-	415,365	415,365
Unrestricted (Deficit)	8,639,298	10,919,784	19,559,082
Total Net Assets	\$ 501,133,411	\$ 44,629,859	\$ 545,763,270

See accompanying notes to the financial statements

Statement Of Activities
For The Year Ended December 31, 2010
Page 1 of 2

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues		
			Charges for Services	Operating Grants And Contributions	Capital Grants & Contributions
PRIMARY GOVERNMENT					
Governmental Activities:					
General Government	\$ 14,581,176	\$ (5,949,642)	\$ 5,418,389	\$ 18,931	\$ 94,568
Culture & Recreation	4,260,639	52,355	768,987	58,448	-
Economic Environment	14,957,885	368,471	1,563,871	13,499,260	152,341
Health & Human Services	44,292,237	862,152	4,263,352	27,516,931	-
Public Safety	67,281,650	2,582,353	8,647,506	4,193,779	42,098
Transportation	25,610,697	1,077,618	4,760,155	-	4,808,799
Utilities & Environment	1,241,527	42,667	689,319	255,237	-
Interest and Fiscal Charges	4,016,966	-	-	-	-
Total Governmental Activities	176,242,777	(964,026)	26,111,579	45,542,586	5,097,806
Business-Type Activities:					
Solid Waste	16,420,859	255,015	19,925,078	325,412	6,584
Water	796,825	55,571	650,572	-	12,843
Sewer	1,803,116	111,142	1,325,797	-	25,687
Stormwater	2,987,244	158,756	2,825,544	441,196	-
Land Use & Permitting	2,938,853	383,542	3,383,773	6,298	-
Total Business-Type Activities	24,946,897	964,026	28,110,764	772,906	45,114
Total Primary Government	\$ 201,189,674	\$ -	\$ 54,222,343	\$ 46,315,492	\$ 5,142,920

See accompanying notes to the financial statements

Statement Of Activities
For The Year Ended December 31, 2010
Page 2 of 2

Functions/Programs	Net (Expense) Revenue and Changes In Net Assets		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT			
<i>Governmental Activities:</i>			
General Government	\$ (3,099,646)	\$ -	\$ (3,099,646)
Culture & Recreation	(3,485,559)	-	(3,485,559)
Economic Environment	(110,884)	-	(110,884)
Health & Human Services	(13,374,106)	-	(13,374,106)
Public Safety	(56,980,620)	-	(56,980,620)
Transportation	(17,119,361)	-	(17,119,361)
Utilities & Environment	(339,638)	-	(339,638)
Interest and Fiscal Charges	(4,016,966)	-	(4,016,966)
Total Governmental Activities	(98,526,780)	-	(98,526,780)
<i>Business-Type Activities:</i>			
Solid Waste	-	3,581,200	3,581,200
Water	-	(188,981)	(188,981)
Sewer	-	(562,774)	(562,774)
Stormwater	-	120,740	120,740
Land Use & Permitting	-	67,676	67,676
Total Business-Type Activities	-	3,017,861	3,017,861
Total Primary Government	\$ (98,526,780)	\$ 3,017,861	\$ (95,508,919)
General Revenues:			
<i>Taxes:</i>			
Property Taxes	\$ 61,633,139	\$ -	\$ 61,633,139
Sales Taxes	25,251,364	-	25,251,364
Shared Revenues & Entitlements	10,365,416	-	10,365,416
Business & Harvest Taxes	1,751,460	-	1,751,460
Excise Taxes	4,778,039	-	4,778,039
<i>Other General Revenues:</i>			
Interest & Investment Earnings	6,018,575	811,036	6,829,611
Miscellaneous	247,810	27,889	275,699
Transfers In/(Out)	(950,340)	950,340	-
Total General Revenues, Special Items & Transfers	109,095,463	1,789,265	110,884,728
Change in Net Assets	10,568,683	4,807,126	15,375,809
Net Assets as of January 1	489,783,065	39,822,733	529,605,798
Prior Period Adjustment	781,663	-	781,663
Net Assets as of January 1 - Restated	490,564,728	39,822,733	530,387,461
Net Assets as of December 31	\$ 501,133,411	\$ 44,629,859	\$ 545,763,270

See accompanying notes to the financial statements

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Balance Sheet
Governmental Funds
December 31, 2010
Page 1 of 2

	General Fund	Debt Holding	Detention Facility Sales Tax Holding	Real Estate Excise Tax	Roads
ASSETS					
Assets:					
Cash & Pooled Investments	\$ 11,326,879	\$ 24,452,566	\$ 13,207,134	\$ 13,783,654	\$ 10,220,836
<i>Receivables:</i>					
Taxes Receivable	1,716,941	-	-	-	882,664
Special Assessment Receivables	-	-	-	-	-
Accrued Interest & Penalties	3,715,608	26,651	23,891	26,396	3,328
Customer Account Receivables	2,737,940	-	-	-	-
Due from Other Funds	933,116	-	-	-	323,621
Due from Other Government Units	984,841	-	-	-	2,127,317
Inventory	-	-	-	-	554,044
Prepayments	5,584	-	-	-	3,264
Advances To Other Funds	-	-	-	-	344,982
Total Assets	\$ 21,420,909	\$ 24,479,217	\$ 13,231,025	\$ 13,810,050	\$ 14,460,056
LIABILITIES					
Liabilities:					
Accounts Payable	\$ 869,789	\$ -	\$ 10,686	\$ 480	\$ 698,990
Due to Other Funds	113,559	-	170,759	103,691	24,601
Due to Other Government Units	16,753	-	-	-	-
Deferred Revenues	5,354,534	-	-	-	965,919
Total Liabilities	6,354,635	-	181,445	104,171	1,689,510
FUND BALANCES					
Reserved For:					
Debt Service	-	-	-	-	-
Advances	-	-	-	-	344,982
Inventories	-	-	-	-	554,044
Unreserved - Designated for Petty Cash					
General Fund	14,400	-	-	-	-
Special Revenue Funds	-	-	-	-	300
Unreserved - Undesignated, Reported In:					
General Fund	15,051,874	-	-	-	-
Special Revenue Funds	-	24,479,217	13,049,580	13,705,879	11,871,220
Capital Projects Funds	-	-	-	-	-
Total Fund Balance	15,066,274	24,479,217	13,049,580	13,705,879	12,770,546
Total Liabilities & Fund Balances	\$ 21,420,909	\$ 24,479,217	\$ 13,231,025	\$ 13,810,050	\$ 14,460,056

See accompanying notes to the financial statements

Balance Sheet
Governmental Funds
December 31, 2010
Page 2 of 2

	Medic One	Public Health & Social Services	Other Governmental Funds	Total Governmental Funds
ASSETS				
Assets:				
Cash & Pooled Investments	\$ 19,762,668	\$ 9,922,640	\$ 21,486,659	\$ 124,163,036
Receivables:				
Taxes Receivable	448,927	36,354	72,728	3,157,614
Special Assessment Receivables	-	13,941	60,206	74,147
Accrued Interest & Penalties	33,676	18,213	93,307	3,941,070
Customer Account Receivables	-	2,618	481,713	3,222,271
Due from Other Funds	-	647,690	117,850	2,022,277
Due from Other Government Units	-	1,614,566	952,072	5,678,796
Inventory	-	-	-	554,044
Prepayments	-	194	169,711	178,753
Advances To Other Funds	-	-	-	344,982
Total Assets	\$ 20,245,271	\$ 12,256,216	\$ 23,434,246	\$ 143,336,990
LIABILITIES				
Liabilities:				
Accounts Payable	\$ 872,217	\$ 2,838,192	\$ 1,769,249	\$ 7,059,603
Due to Other Funds	792	84,598	1,108,670	1,606,670
Due to Other Government Units	-	293,554	239,864	550,171
Deferred Revenues	448,928	50,295	220,789	7,040,465
Total Liabilities	1,321,937	3,266,639	3,338,572	16,256,909
FUND BALANCES				
Reserved For:				
Debt Service	-	-	7,671	7,671
Advances	-	-	-	344,982
Inventories	-	-	-	554,044
Unreserved - Designated for Petty Cash				
General Fund	-	-	-	14,400
Special Revenue Funds	100	2,850	23,075	26,325
Unreserved - Undesignated, Reported In:				
General Fund	-	-	-	15,051,874
Special Revenue Funds	18,923,234	8,986,727	18,871,580	109,887,437
Capital Projects Funds	-	-	1,193,348	1,193,348
Total Fund Balance	18,923,334	8,989,577	20,095,674	127,080,081
Total Liabilities & Fund Balances	\$ 20,245,271	\$ 12,256,216	\$ 23,434,246	\$ 143,336,990

See accompanying notes to the financial statements

**Reconciliation Of The Balance Sheet Of Governmental Funds
To The Statement Of Net Assets
December 31, 2010**

	Governmental Funds
	<hr/>
Fund balance as shown in the Governmental Funds Balance Sheet	\$ 127,080,081
The cost of capital assets and joint ventures, which is expended and not recognized in governmental funds, is deferred to future periods in the statement of net assets	339,948,155
Debt, which is not reported in governmental funds, is reported in the statement of net assets	(98,509,916)
Assets, liabilities and resulting net assets of internal service funds, which are separately reported in proprietary fund statements, are included and combined with governmental balances in the statement of net assets	128,767,912
Long term special assessment receivables and unamortized debt discount on long term debt, which is not reported in governmental funds, is reported in the statement of net assets	202,782
Long term (non-available) receivables, which are deferred in governmental funds, are recognized and accrued as revenues in the statement of net assets	18,926,771
Compensated absences and other post employment benefits, which are not reported in governmental funds, are reported as an accrued liability in the statement of net assets	(15,151,240)
Interfund balances, which are reported in governmental and proprietary funds, are eliminated in the statement of net assets (except for a residual amount outstanding between governmental and enterprise activities)	(131,134)
	<hr/>
Net assets for governmental funds as shown in Statement of Net Assets	\$ 501,133,411
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See accompanying notes to the financial statements

Statement Of Revenues, Expenditures And Changes In Fund Balances
Governmental Funds
For The Year Ended December 31, 2010
Page 1 of 2

	General Fund	Debt Holding	Detention Facility Sales Tax Holding	Real Estate Excise Tax	Roads
Revenues:					
Taxes	\$ 51,279,799	\$ -	\$ 3,960,730	\$ 2,168,653	\$ 16,313,714
Licenses & Permits	1,814,262	-	-	-	490,655
Intergovernmental	10,058,342	-	-	-	11,992,586
Charges for Services	8,994,989	-	-	14,608	1,748,233
Fines & Forfeits	1,912,601	-	-	-	-
Miscellaneous Revenue	1,135,053	192,121	452,331	360,814	127,931
Total Revenues	75,195,046	192,121	4,413,061	2,544,075	30,673,119
Expenditures:					
Current:					
General Government	11,929,106	11,019	-	619	-
Culture & Recreation	435,433	-	-	1,625,000	779,993
Economic Environment	1,364,121	-	-	-	-
Health & Human Services	-	-	-	-	-
Public Safety	56,327,840	-	24,288	-	1,480,342
Transportation	102,744	-	-	-	19,693,957
Utilities & Environment	571,981	-	-	-	-
Capital Outlay	133,507	-	-	-	8,273,109
Debt Service:					
Principal	93,404	-	-	-	18,599
Interest & Fiscal Charges	217,435	689,903	-	-	7,370
Total Expenditures	71,175,571	700,922	24,288	1,625,619	30,253,370
Excess (Deficiency) of Revenues Over Expenditures	4,019,475	(508,801)	4,388,773	918,456	419,749
Other Financing Sources (Uses)					
Capital Lease Financing	62,281	-	-	-	56,250
Sale of Capital Assets	9,372	-	-	-	846,345
Debt Issuance	-	20,890,000	-	-	-
Premium on Debt Issuance	-	94,704	-	-	-
Bond Proceeds on Advance Refunding	-	6,950,000	-	-	-
Payment on Bond Refunding	-	(6,730,000)	-	-	-
Premium on Bond Refunding	-	185,461	-	-	-
Transfers In	3,982,922	-	-	-	3,359,677
Transfers Out	(1,572,878)	(9,443,971)	(5,869,327)	(4,700,735)	(1,500,000)
Total Other Financing Sources (Uses)	2,481,697	11,946,194	(5,869,327)	(4,700,735)	2,762,272
Net Changes In Fund Balances	6,501,172	11,437,393	(1,480,554)	(3,782,279)	3,182,021
Fund Balances as of January 1	8,565,102	13,041,824	14,530,134	17,488,158	9,588,525
Fund Balances as of December 31	\$ 15,066,274	\$ 24,479,217	\$ 13,049,580	\$ 13,705,879	\$ 12,770,546

See accompanying notes to the financial statements

Statement Of Revenues, Expenditures And Changes In Fund Balances
Governmental Funds
For The Year Ended December 31, 2010
Page 2 of 2

	Medic One	Public Health & Social Services	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 9,090,328	\$ 466,805	\$ 11,699,473	\$ 94,979,502
Licenses & Permits	-	563,984	-	2,868,901
Intergovernmental	214,986	28,092,743	15,965,458	66,324,115
Charges for Services	115	2,553,362	4,674,965	17,986,272
Fines & Forfeits	-	-	39,050	1,951,651
Miscellaneous Revenue	420,647	477,921	1,809,707	4,976,525
Total Revenues	9,726,076	32,154,815	34,188,653	189,086,966
Expenditures:				
Current:				
General Government	-	-	1,196,734	13,137,478
Culture & Recreation	-	-	933,985	3,774,411
Economic Environment	-	50,000	13,955,646	15,369,767
Health & Human Services	8,544,972	32,087,174	3,665,917	44,298,063
Public Safety	-	-	8,179,754	66,012,224
Transportation	-	-	771,995	20,568,696
Utilities & Environment	-	-	744,805	1,316,786
Capital Outlay	25,849	43,903	10,795,595	19,271,963
Debt Service:				
Principal	5,303	10,134	3,253,855	3,381,295
Interest & Fiscal Charges	649	8,437	3,472,710	4,396,504
Total Expenditures	8,576,773	32,199,648	46,970,996	191,527,187
Excess (Deficiency) of Revenues Over Expenditures	1,149,303	(44,833)	(12,782,343)	(2,440,221)
Other Financing Sources (Uses)				
Capital Lease Financing	-	43,903	5,528	167,962
Sale of Capital Assets	-	2,695	132,853	991,265
Debt Issuance	-	-	-	20,890,000
Premium on Debt Issuance	-	-	-	94,704
Bond Proceeds on Advance Refunding	-	-	-	6,950,000
Payment on Bond Refunding	-	-	-	(6,730,000)
Premium on Bond Refunding	-	-	-	185,461
Transfers In	4,051	2,000,317	16,720,752	26,067,719
Transfers Out	(4,051)	(37,125)	(3,687,131)	(26,815,218)
Total Other Financing Sources (Uses)	-	2,009,790	13,172,002	21,801,893
Net Changes In Fund Balances	1,149,303	1,964,957	389,659	19,361,672
Fund Balances as of January 1	17,774,031	7,024,620	19,706,015	107,718,409
Fund Balances as of December 31	\$ 18,923,334	\$ 8,989,577	\$ 20,095,674	\$ 127,080,081

See accompanying notes to the financial statements

**Reconciliation Of The Statement Of Revenues, Expenditures And
Changes in Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Year Ended December 31, 2010**

		Governmental Funds
Change in fund balance as shown in the Governmental Funds		
Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 19,361,672
Capital Assets:		
Capital outlays, which are reported as expenditures in governmental funds, are capitalized and deferred to future periods and therefore not reported in the statement of activities	19,271,963	
Depreciation (asset usage), which is not reported in governmental funds, is recognized and reported in the statement of activities	(8,900,385)	
Gain (Loss) on the sale and disposition of governmental capital assets, which is not reported in governmental funds, is reported in the statement of activities	<u>(1,053,788)</u>	9,317,790
Long-Term Debt:		
Bond and capital lease principal payments (which are reported as expenditures in governmental funds), are not reported as expenditures in the statement of activities (however, they are reported as reductions in the amount owed in the statement of net assets)	10,086,027	
Debt issues costs, and other similar costs on debt issues, which are reported as expenditures in governmental funds, are deferred in the statement of net assets and then expensed over the life of the bond issue in the statement of activities	379,538	
Long-term bond and capital lease financing proceeds (which are reported as "other financing sources" in governmental funds), are not recognized or reported in the statement of activities (however, they are reported as an increase in the amount owed in the statement of net assets for new debt).	<u>(28,288,127)</u>	(17,822,562)
Interfund Transactions:		
Profit or (loss) from internal service funds, which is reported separately in proprietary fund statements, is credited or charged to governmental expenses in the statement of activities	696,381	
Other interfund transactions, which are reported in governmental funds, are eliminated in the statement of activities, except for a residual amount outstanding between governmental and business activities	(1,446,771)	
Unbilled internal service costs from the County's cost allocation plan, which is not allocated to service users in governmental fund statements, is allocated to service users in the statement of activities, resulting in a residual amount outstanding between governmental and business activities	<u>964,026</u>	213,636
Other:		
Long term (non-available) revenues, which are deferred in governmental funds, are reported as revenues (or as a debit adjustment) in the statement of activities	1,643,027	
Compensated absences and other post employment benefits, which are not reported in governmental funds, are reported as an expense in the statement of activities	<u>(2,144,880)</u>	(501,853)
Change in net assets for governmental funds as shown in the		
Statement of Activities		<u><u>\$ 10,568,683</u></u>

See accompanying notes to the financial statements

General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

Page 1 of 6

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues By Funding Source				
General Revenues:				
Taxes	\$ 50,398,599	\$ 50,398,599	\$ 51,279,799	\$ 881,200
Licenses & Permits	1,652,406	1,652,406	1,814,262	161,856
Intergovernmental	7,966,432	9,082,067	10,058,342	976,275
Charges for Services	8,590,044	8,477,367	8,994,989	517,622
Fines & Forfeits	1,598,650	1,598,650	1,912,601	313,951
Miscellaneous Revenue	1,280,120	1,301,629	1,135,053	(166,576)
Total General Revenues	71,486,251	72,510,718	75,195,046	2,684,328
Other Financing Sources:				
Capital Lease Financing	-	-	62,281	62,281
Other Finance Sources - Capital Asset Sales	700	700	9,372	8,672
Transfers In	4,296,928	4,382,274	3,982,922	(399,352)
Total Other Financing Sources	4,297,628	4,382,974	4,054,575	(328,399)
Total Revenues	\$ 75,783,879	\$ 76,893,692	\$ 79,249,621	\$ 2,355,929

See accompanying notes to the financial statements

General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

Page 2 of 6

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Expenditures by Department				
Assessor's Office:				
General Government	\$ 3,239,430	\$ 3,239,430	\$ 3,237,834	\$ 1,596
Total Assessor's Office	3,239,430	3,239,430	3,237,834	1,596
Auditor's Office:				
General Government	4,916,556	4,937,861	4,556,356	381,505
Capital Outlay	-	7,476	60,900	(53,424)
Debt Service:				
Principal	6,329	6,329	4,596	1,733
Interest and Fiscal Charges	1,299	1,959	1,490	469
Total Auditor's Office	4,924,184	4,953,625	4,623,342	330,283
Assigned Counsel:				
Public Safety	2,735,284	2,856,261	2,813,241	43,020
Debt Service:				
Principal	2,000	2,000	4,172	(2,172)
Interest and Fiscal Charges	1,500	1,500	255	1,245
Total Assigned Counsel	2,738,784	2,859,761	2,817,668	42,093
Civil Service:				
Public Safety	109,613	109,613	19,670	89,943
Total Civil Service	109,613	109,613	19,670	89,943
Clerk's Office:				
Public Safety	2,984,103	2,984,103	2,961,234	22,869
Debt Service:				
Principal	9,996	9,996	20,281	(10,285)
Interest and Fiscal Charges	10,500	10,500	4,956	5,544
Total Clerk's Office	3,004,599	3,004,599	2,986,471	18,128

See accompanying notes to the financial statements

General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010
Page 3 of 6

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Commissioner's Office:				
General Government	1,413,637	1,413,637	1,371,331	42,306
Transportation	96,897	96,897	102,340	(5,443)
Debt Service:				
Principal	4,834	4,834	4,833	1
Interest and Fiscal Charges	903	903	903	-
Total Commissioner's Office	1,516,271	1,516,271	1,479,407	36,864
Coroner's Office:				
Public Safety	889,296	889,296	866,942	22,354
Economic Environment	3,000	4,800	6,450	(1,650)
Debt Service:				
Principal	3,603	3,603	3,603	-
Interest and Fiscal Charges	398	398	398	-
Total Coroner's Office	896,297	898,097	877,393	20,704
Corrections:				
Public Safety	14,203,162	14,254,855	13,782,798	472,057
Capital Outlay	-	-	30,925	(30,925)
Debt Service:				
Principal	5,700	5,700	5,610	90
Interest and Fiscal Charges	100	100	61	39
Transfers Out	-	24,100	58,238	(34,138)
Total Corrections	14,208,962	14,284,755	13,877,632	407,123
District Court				
Public Safety	2,895,384	2,916,169	2,741,515	174,654
Debt Service:				
Principal	1,993	1,993	1,993	-
Interest and Fiscal Charges	506	506	505	1
Total District Court	2,897,883	2,918,668	2,744,013	174,655

See accompanying notes to the financial statements

General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

Page 4 of 6

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Human Resources:				
General Government	1,344,530	1,392,834	1,178,581	214,253
Public Safety	10,152	10,152	8,801	1,351
Debt Service:				
Principal	7,195	9,195	4,429	4,766
Interest and Fiscal Charges	1,300	1,800	609	1,191
Total Human Resources	1,363,177	1,413,981	1,192,420	221,561
Juvenile Probation:				
Public Safety	6,742,095	6,742,095	6,435,727	306,368
Debt Service:				
Principal	-	-	6,740	(6,740)
Interest and Fiscal Charges	-	-	3,093	(3,093)
Total Juvenile Probation	6,742,095	6,742,095	6,445,560	296,535
Non-Departmental:				
General Government	1,016,803	1,004,495	443,070	561,425
Utilities & Environment	597,508	597,508	571,981	25,527
Transportation	994	994	404	590
Economic Environment	260,575	210,575	205,375	5,200
Culture and Recreation	70,000	70,000	-	70,000
Debt Service:				
Interest and Fiscal Charges	195,000	195,000	195,000	
Transfers Out	1,431,948	1,469,640	1,429,640	40,000
Total Non-Departmental	3,572,828	3,548,212	2,845,470	702,742
Planning:				
Economic Environment	867,221	1,241,194	1,152,296	88,898
Capital Outlay	5,500	5,500	-	5,500
Total Planning	872,721	1,246,694	1,152,296	94,398

See accompanying notes to the financial statements

General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010
Page 5 of 6

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Prosecuting Attorney:				
Public Safety	7,521,527	7,704,753	7,628,482	76,271
Capital Outlay	-	15,000	-	15,000
Debt Service:				
Principal	27,500	27,500	24,145	3,355
Interest and Fiscal Charges	8,200	8,200	6,449	1,751
Total Prosecuting Attorney	7,557,227	7,755,453	7,659,076	96,377
State Examiner:				
General Government	115,000	125,000	123,284	1,716
Total State Examiner	115,000	125,000	123,284	1,716
Sheriff:				
Public Safety	14,298,394	14,669,804	14,260,533	409,271
Capital Outlay	-	5,903	21,092	(15,189)
Transfers Out	-	3,000	85,000	(82,000)
Total Sheriff	14,298,394	14,678,707	14,366,625	312,082
Superior Court:				
Public Safety	4,725,424	4,827,970	4,808,897	19,073
Capital Outlay	-	-	20,590	(20,590) *
Debt Service:				
Principal	5,681	5,681	9,906	(4,225)
Interest and Fiscal Charges	360	360	3,245	(2,885)
Total Superior Court	4,731,465	4,834,011	4,842,638	(8,627)
Treasurer's Office				
General Government	1,055,577	1,055,577	1,018,650	36,927
Total Treasurer's Office	1,055,577	1,055,577	1,018,650	36,927

See accompanying notes to the financial statements

General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010
Page 6 of 6

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
WSU Extension				
Culture and Recreation	341,580	468,184	435,433	32,751
Debt Service:				
Principal	1,417	3,096	3,096	-
Interest and Fiscal Charges	1,615	475	471	4
Total WSU Extension	344,612	471,755	439,000	32,755
Total General Fund Expenditures	\$ 74,189,119	\$ 75,656,304	\$ 72,748,449	\$ 2,907,855
Net Changes in Fund Balances	1,594,760	1,237,388	6,501,172	5,263,784
Fund Balances as of January 1	5,408,780	7,046,106	8,565,102	1,518,996
Fund Balances as of December 31	\$ 7,003,540	\$ 8,283,494	\$ 15,066,274	\$ 6,782,780

* - Capital outlay lease purchase for Superior Court was approved by a separate authorizing resolution

See accompanying notes to the financial statements

Debt Holding
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Miscellaneous Revenue	\$ 30,000	\$ 30,000	\$ 192,121	\$ 162,121
Total Revenues	30,000	30,000	192,121	162,121
Expenditures:				
Current:				
General Government	11,019	11,019	11,019	-
Debt Service:				
Interest & Fiscal Charges	-	-	689,903	(689,903) *
Total Expenditures	11,019	11,019	700,922	689,903
Excess (Deficiency) of Revenues Over Expenditures	18,981	18,981	(508,801)	(527,782)
Other Financing Sources (Uses)				
Debt Issuance	10,038,925	10,038,925	20,890,000	10,851,075
Premium on Debt Issuance	-	-	94,704	94,704
Bond Proceeds on Advance Refunding	-	-	6,950,000	6,950,000
Payment on Bond Refunding	-	-	(6,730,000)	(6,730,000) *
Premium on Bond Refunding	-	-	185,461	185,461
Transfers Out	(10,038,925)	(10,038,925)	(9,443,971)	594,954
Total Other Financing Sources (Uses)	-	-	11,946,194	11,946,194
Net Changes In Fund Balances	18,981	18,981	11,437,393	11,418,412
Fund Balances as of January 1	-	13,041,824	13,041,824	-
Fund Balances as of December 31	\$ 18,981	\$ 13,060,805	\$ 24,479,217	\$ 11,418,412

* - Debt service payments were authorized by bond resolution

See accompanying notes to the financial statements

**Detention Facilities Sales Tax Holding
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010**

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Taxes	\$ 3,914,000	\$ 3,914,000	\$ 3,960,730	\$ 46,730
Miscellaneous Revenue	372,416	372,416	452,331	79,915
Total Revenues	4,286,416	4,286,416	4,413,061	126,645
Expenditures:				
Current:				
Public Safety	16,311	16,311	24,288	(7,977)
Total Expenditures	16,311	16,311	24,288	(7,977)
Excess (Deficiency) of Revenues Over Expenditures	4,270,105	4,270,105	4,388,773	118,668
Other Financing Sources (Uses)				
Transfers Out	(7,491,354)	(7,491,354)	(5,869,327)	1,622,027
Total Other Financing Sources (Uses)	(7,491,354)	(7,491,354)	(5,869,327)	1,622,027
Net Changes In Fund Balances	(3,221,249)	(3,221,249)	(1,480,554)	1,740,695
Fund Balances as of January 1	8,461,576	14,530,134	14,530,134	-
Fund Balances as of December 31	\$ 5,240,327	\$ 11,308,885	\$ 13,049,580	\$ 1,740,695

See accompanying notes to the financial statements

Medic One
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Taxes	\$ 9,083,249	\$ 9,083,249	\$ 9,090,328	\$ 7,079
Intergovernmental	86,000	86,000	214,986	128,986
Charges for Services	30	30	115	85
Miscellaneous Revenue	583,864	583,864	420,647	(163,217)
Total Revenues	9,753,143	9,753,143	9,726,076	(27,067)
Expenditures:				
Current:				
Health & Human Services	11,210,388	11,210,388	8,544,972	2,665,416
Capital Outlay	360,000	360,000	25,849	334,151
Debt Service:				
Principal	5,308	5,308	5,303	5
Interest & Fiscal Charges	643	643	649	(6)
Total Expenditures	11,576,339	11,576,339	8,576,773	2,999,566
Excess (Deficiency) of Revenues Over Expenditures	(1,823,196)	(1,823,196)	1,149,303	2,972,499
Other Financing Sources (Uses)				
Transfers In	6,500	6,500	4,051	(2,449)
Transfers Out	(6,500)	(6,500)	(4,051)	2,449
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes In Fund Balances	(1,823,196)	(1,823,196)	1,149,303	2,972,499
Fund Balances as of January 1	16,915,516	17,773,931	17,774,031	100
Fund Balances as of December 31	\$ 15,092,320	\$ 15,950,735	\$ 18,923,334	\$ 2,972,599

See accompanying notes to the financial statements

Public Health & Social Services
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Taxes	\$ 665,970	\$ 665,970	\$ 466,805	\$ (199,165)
Licenses & Permits	200,855	200,855	563,984	363,129
Intergovernmental	28,049,213	28,314,288	28,092,743	(221,545)
Charges for Services	3,426,811	3,426,811	2,553,362	(873,449)
Miscellaneous Revenue	207,177	209,177	477,921	268,744
Total Revenues	32,550,026	32,817,101	32,154,815	(662,286)
Expenditures:				
Current:				
Economic Environment	-	50,000	50,000	-
Health & Human Services	34,356,502	34,968,944	32,087,174	2,881,770
Capital Outlay	70,000	70,000	43,903	26,097
Debt Service:				
Principal	4,500	4,500	10,134	(5,634)
Interest & Fiscal Charges	2,850	2,850	8,437	(5,587)
Total Expenditures	34,433,852	35,096,294	32,199,648	2,896,646
Excess (Deficiency) of Revenues Over Expenditures	(1,883,826)	(2,279,193)	(44,833)	2,234,360
Other Financing Sources (Uses)				
Capital Lease Financing	-	-	43,903	43,903
Sale of Capital Assets	-	-	2,695	2,695
Transfers In	1,970,529	2,305,729	2,000,317	(305,412)
Transfers Out	(37,125)	(37,125)	(37,125)	-
Total Other Financing Sources (Uses)	1,933,404	2,268,604	2,009,790	(258,814)
Net Changes In Fund Balances	49,578	(10,589)	1,964,957	1,975,546
Fund Balances as of January 1	6,371,691	7,070,273	7,024,620	(45,653)
Fund Balances as of December 31	\$ 6,421,269	\$ 7,059,684	\$ 8,989,577	\$ 1,929,893

See accompanying notes to the financial statements

Real Estate Excise Tax
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Taxes	\$ 2,530,080	\$ 2,530,080	\$ 2,168,653	\$ (361,427)
Charges for Services	15,575	15,575	14,608	(967)
Miscellaneous Revenue	150,000	150,000	360,814	210,814
Total Revenues	2,695,655	2,695,655	2,544,075	(151,580)
Expenditures:				
Current:				
General Government	-	-	619	(619)
Culture & Recreation	-	1,700,000	1,625,000	75,000
Transportation	5,020	5,020	-	5,020
Total Expenditures	5,020	1,705,020	1,625,619	79,401
Excess (Deficiency) of Revenues Over Expenditures	2,690,635	990,635	918,456	(72,179)
Other Financing Sources (Uses)				
Transfers Out	(8,904,000)	(9,652,000)	(4,700,735)	4,951,265
Total Other Financing Sources (Uses)	(8,904,000)	(9,652,000)	(4,700,735)	4,951,265
Net Changes In Fund Balances	(6,213,365)	(8,661,365)	(3,782,279)	4,879,086
Fund Balances as of January 1	15,746,171	17,488,158	17,488,158	-
Fund Balances as of December 31	\$ 9,532,806	\$ 8,826,793	\$ 13,705,879	\$ 4,879,086

See accompanying notes to the financial statements

Roads and Transportation
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Taxes	\$ 16,518,689	\$ 16,518,689	\$ 16,313,714	\$ (204,975)
Licenses & Permits	367,800	367,800	490,655	122,855
Intergovernmental	18,751,848	18,984,023	11,992,586	(6,991,437)
Charges for Services	1,720,287	1,720,287	1,748,233	27,946
Miscellaneous Revenue	84,300	84,300	127,931	43,631
Total Revenues	37,442,924	37,675,099	30,673,119	(7,001,980)
Expenditures:				
Current:				
Culture & Recreation	679,883	699,983	779,993	(80,010)
Public Safety	1,784,857	1,784,857	1,480,342	304,515
Transportation	24,972,050	25,061,850	19,693,957	5,367,893
Capital Outlay	16,219,508	16,431,883	8,273,109	8,158,774
Debt Service:				
Principal	6,125	6,125	18,599	(12,474)
Interest & Fiscal Charges	1,682	1,682	7,370	(5,688)
Total Expenditures	43,664,105	43,986,380	30,253,370	13,733,010
Excess (Deficiency) of Revenues Over Expenditures	(6,221,181)	(6,311,281)	419,749	6,731,030
Other Financing Sources (Uses)				
Capital Lease Financing	-	-	56,250	56,250
Sale of Capital Assets	160,000	160,000	846,345	686,345
Transfers In	5,126,347	5,696,347	3,359,677	(2,336,670)
Transfers Out	(1,500,000)	(1,500,000)	(1,500,000)	-
Total Other Financing Sources (Uses)	3,786,347	4,356,347	2,762,272	(1,594,075)
Net Changes In Fund Balances	(2,434,834)	(1,954,934)	3,182,021	5,136,955
Fund Balances as of January 1	8,880,680	9,608,821	9,588,525	(20,296)
Fund Balances as of December 31	\$ 6,445,846	\$ 7,653,887	\$ 12,770,546	\$ 5,116,659

See accompanying notes to the financial statements

Statement Of Net Assets
Proprietary Funds
December 31, 2010
Page 1 of 2

	Enterprise Funds				Internal Service Funds
	Solid Waste	Grand Mound	Other Enterprise Funds	Total Enterprise Funds	
ASSETS					
Current Assets:					
Cash & Pooled Investments	\$ 6,808,071	\$ 1,953,340	\$ 3,847,121	\$ 12,608,532	\$ 28,550,575
<i>Receivables:</i>					
Special Assessment Receivables	-	234,882	232,345	467,227	-
Accrued Interest & Penalties	45,003	168,462	8,269	221,734	33,300
Customer Account Receivables	1,916,368	152,506	109,768	2,178,642	271,484
Due From Other Funds	2,361,885	179,645	70,215	2,611,745	111,626
Due From Other Government Units	357,189	17,549	221,939	596,677	22,676
Inventory	-	-	-	-	252,060
Prepayments	-	-	-	-	102,903
<i>Restricted Assets:</i>					
Cash and Pooled Investments	-	83,462	150,602	234,064	-
Total Current Assets	11,488,516	2,789,846	4,640,259	18,918,621	29,344,624
Noncurrent Assets:					
Deferred Charges	-	159,807	-	159,807	-
Community Loans Receivable	-	-	144,164	144,164	-
Special Assessment Receivables	-	2,050,400	673,577	2,723,977	-
<i>Capital Assets:</i>					
Non-Depreciable	4,659,110	2,872,534	2,592,679	10,124,323	5,303,909
Depreciable, Net	8,708,358	12,877,212	7,597,068	29,182,638	100,416,441
<i>Restricted Assets : Cash and Pooled Investments</i>	18,533,517	-	-	18,533,517	-
Total Noncurrent Assets	31,900,985	17,959,953	11,007,488	60,868,426	105,720,350
Total Assets	43,389,501	20,749,799	15,647,747	79,787,047	135,064,974

See accompanying notes to the financial statements

Statement Of Net Assets
Proprietary Funds
December 31, 2010
Page 2 of 2

	Enterprise Funds				Internal Service Funds
	Solid Waste	Grand Mound	Other Enterprise Funds	Total Enterprise Funds	
LIABILITIES					
Current Liabilities:					
Accounts Payable	1,210,376	24,960	266,820	1,502,156	598,446
Notes/Leases Payable	-	5,165	64,295	69,460	-
Due To Other Funds	2,610,897	166,489	355,820	3,133,206	5,772
Due To Other Government Units	-	5,344	445	5,789	15,460
Compensated Absences	11,930	2,409	18,737	33,076	33,363
Claims and Judgments Payable	-	-	-	-	667,562
Unearned Revenue	-	12,226	1,100	13,326	-
<i>Restricted Liabilities:</i>					
Lim.Tax G.O.Bond-Current Portion	-	749,319	-	749,319	69,483
Special Assessment Debt - Govern. Commitment	-	-	81,818	81,818	-
Total Current Liabilities	3,833,203	965,912	789,035	5,588,150	1,390,086
Noncurrent Liabilities:					
Limited G.O. Bonds Payable	-	7,873,208	-	7,873,208	224,138
Special Assessment Debt - Govern. Commitment	-	-	757,069	757,069	-
Compensated Absences	215,874	43,587	339,057	598,518	603,756
Other Post Employment Benefits Payable	287,737	35,699	412,552	735,988	720,848
Claims and Judgments Payable	-	-	-	-	3,358,234
Notes/Leases Payable	-	77,476	567,064	644,540	-
Advances From Other Funds	-	-	344,982	344,982	-
Accumulated Landfill Closure Costs	18,745,867	-	-	18,745,867	-
Total Noncurrent Liabilities	19,249,478	8,029,970	2,420,724	29,700,172	4,906,976
Total Liabilities	23,082,681	8,995,882	3,209,759	35,288,322	6,297,062
NET ASSETS					
Invested in Capital Assets, Net Of Related Debt	13,367,468	7,044,578	9,304,137	29,716,183	105,426,729
Restricted For:					
Postclosure	415,365	-	-	415,365	-
Debt Service	-	2,693,799	884,728	3,578,527	-
Unrestricted (Deficit)	6,523,987	2,015,540	2,249,123	10,788,650	23,341,183
Total Net Assets	\$ 20,306,820	\$ 11,753,917	\$ 12,437,988	\$ 44,498,725	\$ 128,767,912

See accompanying notes to the financial statements

**Reconciliation Of The Statement Of
Net Assets Of Proprietary Funds
To The Statement Of Net Assets
*December 31, 2010***

	Business Type Funds
	<hr/>
Enterprise net assets as shown in the Proprietary Funds Statement of Net Assets	\$ 44,498,725
Internal balances for additional amounts owed between governmental and business units have not been included in governmental fund statements.	<hr/>
	131,134
	<hr/>
Net assets for business-type funds as shown in Statement of Net Assets	<u><u>\$ 44,629,859</u></u>

See accompanying notes to the financial statements

Statement Of Revenues, Expenses And Changes In Fund Net Assets
Proprietary Funds
For The Year Ended December 31, 2010

	Enterprise Funds				Internal
	Solid Waste	Grand Mound	Other Enterprise Funds	Total Enterprise Funds	Service Funds
Operating Revenues:					
Charges for Services	\$ 19,925,078	\$ 1,406,431	\$ 7,517,057	\$ 28,848,566	\$ 15,573,191
Equipment Rental	-	-	-	-	6,675,835
Miscellaneous	11,545	11,316	5,028	27,889	26,707
Total Operating Revenues	19,936,623	1,417,747	7,522,085	28,876,455	22,275,733
Operating Expenses:					
Salaries and Benefits	2,703,976	384,766	4,296,993	7,385,735	7,491,050
Other Supplies and Expenses	259,762	55,862	162,881	478,505	2,413,377
Contractual Services	1,465,962	211,618	985,197	2,662,777	4,894,985
Longhaul Contract	10,332,231	-	-	10,332,231	-
Interfund Services and Charges	1,252,100	168,719	1,771,553	3,192,372	1,568,443
Depreciation/Amortization	850,415	444,414	783,213	2,078,042	4,536,563
Claims Payments	-	-	-	-	846,554
Total Operating Expenses	16,864,446	1,265,379	7,999,837	26,129,662	21,750,972
Operating Income (Loss)	3,072,177	152,368	(477,752)	2,746,793	524,761
Nonoperating Revenue (Expenses):					
Interest Revenue	531,941	177,957	101,138	811,036	378,047
Other Nonoperating Revenue (Expense)	(172,463)	(50,827)	514,243	290,953	(9,240)
Interest Expense & Fiscal Charges	-	(474,340)	(38,931)	(513,271)	(15,230)
Total Nonoperating Revenue (Expense)	359,478	(347,210)	576,450	588,718	353,577
Income Before Contributions and Transfers	3,431,655	(194,842)	98,698	3,335,511	878,338
Capital Contributions	-	38,530	-	38,530	43,639,720
Transfers In	2,358,179	1,569,350	802,557	4,730,086	1,334,401
Transfers Out	(2,408,308)	(693,835)	(677,603)	(3,779,746)	(1,537,242)
Change in Net Assets	3,381,526	719,203	223,652	4,324,381	44,315,217
Net Assets as of January 1	16,925,294	11,034,714	12,214,336	40,174,344	83,671,032
Prior Period Adjustments	-	-	-	-	781,663
Net Assets as of January 1 - Restated	16,925,294	11,034,714	12,214,336	40,174,344	84,452,695
Net Assets as of December 31	\$ 20,306,820	\$ 11,753,917	\$ 12,437,988	\$ 44,498,725	\$ 128,767,912

See accompanying notes to the financial statements

**Reconciliation Of The Statement Of Revenues, Expenses And
Changes in Fund Net Assets Of Proprietary Funds
To The Statement Of Activities
For The Year Ended December 31, 2010**

	Business-Type Funds
	<hr/>
Change in enterprise net assets as shown in the Statement of Revenues, Expenses and Changes in Fund Net Assets	\$ 4,324,381
Internal services, provided primarily by internal service funds, also occurs between other County funds. The net effect of the elimination of these services is reflected in the statement of activities:	
Other interfund transactions	1,446,771
Allocated direct and indirect costs from the County's cost plan	<u>(964,026)</u>
Change in net assets for business-type funds as shown in the Statement of Activities	<u>\$ 4,807,126</u>

See accompanying notes to the financial statements

Statement Of Cash Flows
Proprietary Funds
For The Year Ended December 31, 2010
Page 1 of 2

	Enterprise Funds				Internal Service Funds
	Solid Waste	Grand Mound	Other Enterprise Funds	Total Enterprise Funds	
Cash Flows from Operating Activities:					
Cash Received from Customers	\$ 17,789,837	\$ 1,271,836	\$ 7,469,552	\$ 26,531,225	\$ 22,450,281
Cash Paid for Goods & Services	(12,030,127)	(316,847)	(2,538,375)	(14,885,349)	(10,202,980)
Cash Paid to Employees	(2,188,435)	(303,071)	(3,979,252)	(6,470,758)	(7,267,739)
Net Cash Provided (Used) by Operating Activities	3,571,275	651,918	951,925	5,175,118	4,979,562
Cash Flows from Noncapital Financing Activities:					
Transfers In	2,358,179	1,569,350	802,557	4,730,086	1,334,401
Transfers Out	(2,408,308)	(693,835)	(677,603)	(3,779,746)	(1,537,242)
Grant Proceeds	480,223	-	549,475	1,029,698	-
Tax and Assessment Receipts	-	-	482,711	482,711	-
Receipts on Septic Loans From Community	-	-	44,806	44,806	-
Payments On Financed Septic Loans	-	-	(40,195)	(40,195)	-
Loan Proceeds From Financed Septic Loans	-	-	57,475	57,475	-
Insurance Recoveries	-	-	-	-	24,566
Tax Payments	(504,459)	(50,827)	(72,272)	(627,558)	(9,042)
Interest Payments	-	-	(37,618)	(37,618)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(74,365)	824,688	1,109,336	1,859,659	(187,317)
Cash Flows from Capital & Related Financing Activities:					
Capital Asset Sales	-	-	-	-	97,584
Capital Asset Purchases	(2,665,082)	(595,909)	(806,514)	(4,067,505)	(2,153,635)
Bond/Loan Payments	-	(749,657)	(458,350)	(1,208,007)	(70,929)
Grant Proceeds	6,584	-	-	6,584	-
Contributed Capital	-	38,530	-	38,530	-
Assessment Receipts	-	487,186	121,100	608,286	-
Interest Payments	-	(471,073)	(1,313)	(472,386)	(15,230)
Net Cash Provided (Used) by Capital & Related Financing Activities	(2,658,498)	(1,290,923)	(1,145,077)	(5,094,498)	(2,142,210)
Cash Flows from Investing Activities:					
Interest Receipts	603,997	14,089	112,871	730,957	423,206
Net Cash Provided (Used) by Investing Activities	603,997	14,089	112,871	730,957	423,206
Net Increase (Decrease) in Cash & Cash Equivalents	1,442,409	199,772	1,029,055	2,671,236	3,073,241
Cash & Cash Equivalents as of January 1	23,899,179	1,837,030	2,968,668	28,704,877	25,477,334
Cash & Cash Equivalents as of December 31	\$ 25,341,588	\$ 2,036,802	\$ 3,997,723	\$ 31,376,113	\$ 28,550,575

See accompanying notes to the financial statements

Statement Of Cash Flows
Proprietary Funds
For The Year Ended December 31, 2010
Page 2 of 2

	Enterprise Funds				
	Solid	Grand	Other	Total	Internal
	Waste	Mound	Enterprise	Enterprise	Service
			Funds	Funds	Funds
Reconciliation of Operating Income To Net Cash					
Provided (Used) by Operating Income:					
Operating Income	\$ 3,072,177	\$ 152,368	\$ (477,752)	\$ 2,746,793	\$ 524,761
Adjustments to Reconcile Operating Income to					
Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	850,415	444,414	783,213	2,078,042	4,536,563
(Increase) Decrease in:					
Customer Account Receivables	(527,696)	(11,229)	(33,079)	(572,004)	(58,509)
Due from Other Funds	(1,619,090)	(134,682)	(19,454)	(1,773,226)	248,458
Due from Other Government Units	-	-	-	-	(15,401)
Inventories	-	-	-	-	(19,099)
Prepaid Expense	-	-	-	-	27,625
Deferred Charges	-	-	-	-	-
Increase (Decrease) in:					
Accounts Payable	207,647	(35,141)	179,998	352,504	(62,259)
Due to Other Funds	1,546,292	149,149	200,813	1,896,254	(52,260)
Due to Other Government Units	-	5,344	445	5,789	15,383
Claims and Judgments	-	-	-	-	(389,011)
Compensated Absences Payable	515,541	81,695	317,741	914,977	223,311
Accumulated Landfill Closure	(474,011)	-	-	(474,011)	-
Total Adjustments	499,098	499,550	1,429,677	2,428,325	4,454,801
Net Cash Provided (Used) by Operating Activities	\$ 3,571,275	\$ 651,918	\$ 951,925	\$ 5,175,118	\$ 4,979,562

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

Gain on Purchase/Sale Of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ 93,217
Loss on Purchase/Sale of Capital Assets	\$ -	\$ -	\$ (373,022)	\$ (373,022)	\$ (117,981)
Prior Period Adjustment - Reclassification of G O Debt From Governmental to Proprietary	\$ -	\$ -	\$ -	\$ -	\$ 781,663
Contribution of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ 43,639,720

See accompanying notes to the financial statements

Statement Of Fiduciary Net Assets
Fiduciary Funds
December 31, 2010

ASSETS	Investment Trust Fund	Private Purpose Trust Fund	Agency Funds
Assets:			
Cash & Pooled Investments	\$ 240,542,814	\$ 2,316,855	\$ 14,236,453
Cash and Investments in Trust	-	-	129,097
Deposits with Fiscal Agent	-	-	60,000
Receivables:			
Accrued Interest Receivables	8,386	-	-
Customer Account Receivables	5,723	-	-
Investments at Fair Value:			
US Agency & Instrumentality Securities	(3,338,981)	-	-
Total Assets	237,217,942	2,316,855	14,425,550
LIABILITIES			
Liabilities:			
Warrant Payable	-	-	11,379,000
Accounts Payable	-	-	321,752
Payroll Payable	-	-	2,535,701
Due to Other Governments	-	-	189,097
Total Liabilities	-	-	14,425,550
NET ASSETS			
Investments Held in Trust for Pool Participants	237,217,942	-	-
Investments Held in Trust for Other Purposes	-	2,316,855	-
Total Net Assets	\$ 237,217,942	\$ 2,316,855	\$ -

See accompanying notes to the financial statements

Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For The Year Ended December 31, 2010

	<u>Investment Trust Fund</u>	<u>Private Purpose Trust Fund</u>
Additions:		
Contributions:		
Additions by Participants	\$ 928,546,839	\$ 27,603,328
Trust Revenues	195,276	-
Total Contributions	<u>928,742,115</u>	<u>27,603,328</u>
Investment Income:		
Net Increase In Fair Value of Investments	(2,572,920)	-
Interest, Dividends and Other	5,120,809	3,544
Total Investment Income	<u>2,547,889</u>	<u>3,544</u>
Total Additions	<u>931,290,004</u>	<u>27,606,872</u>
Deductions:		
Distributions to Participants	947,071,225	27,578,344
Trust Administrative Costs	195,276	-
Total Deductions	<u>947,266,501</u>	<u>27,578,344</u>
Change in Net Assets Held for Individuals, Organizations and Other Governments	(15,976,497)	28,528
Net Assets as of January 1 - Restated	<u>253,194,439</u>	<u>2,288,327</u>
Net Assets as of December 31	<u><u>\$ 237,217,942</u></u>	<u><u>\$ 2,316,855</u></u>

See accompanying notes to the financial statements

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NOTES TO THE FINANCIAL STATEMENTS

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Year ended December 31, 2010

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NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2010

NOTE I – 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 governmental 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

The County was incorporated in 1852 and operates under the laws of the state of Washington applicable to counties. As required by the generally accepted accounting principles the financial statements present Thurston County as the primary government. The financial statements do not include any component units for which the County is financially accountable. Thurston County is a statute county, which means the organization of the County is prescribed by state statute. The County has a commissioner form of government with a governing body consisting of three County Commissioners.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Our policy is to allocate indirect costs to a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements or a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. For example, property taxes are recognized if they are collected within 60 days after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, fines and forfeitures and interest associated within the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

- *General Fund* - is the County's primary operating fund. It is used to account for all activities of the general government not accounted for in another fund.
- *Road Fund* - accounts for the design, construction, and maintenance of County roads.
- *Detention Facility Sales Tax Holding Fund* - is a holding fund for local option sales taxes levied to construct adult and juvenile detention facilities.
- *Debt Holding* - A holding fund for general obligation debt proceeds pending transfer to construction funds to fund construction of public safety and other approved capital projects.
- *Medic One* - accounts for countywide delivery of advanced life support response and transport services.
- *Public Health and Social Services* - accounts for the following services: mental health, developmental disabilities, substance abuse prevention & treatment, children and family, environmental protection, and personal health.
- *Real Estate Excise Tax* - accounts for proceeds dedicated to capital projects from the one-half percent tax on real property sales in unincorporated Thurston County.

The County reports the following major proprietary funds:

- *Solid Waste* - accounts for county-wide solid waste activities including waste prevention, recycling and disposal activities at the County's waste and recovery center.
- *Grand Mound Water and Wastewater* - accounts for maintenance and operations of the Grand Mound water & wastewater systems.

Additionally, the county reports the following fund types:

- *Internal Service Funds* account for technology acquisition/improvement, building maintenance, equipment acquisition/maintenance, risk management and payroll/benefit administration provided to other departments or agencies of the County on a cost reimbursement basis.
- *Investment Trust Funds* account for external pooled and non-pooled investments held by the County Treasurer on behalf of external participants in the County's investment program.
- *Private Purpose Trust Funds* report amounts deposited with the County Clerk through Superior Court trust arrangements and agreements.

- *Agency Funds* are custodial in nature and do not present results of operations or have a measurement focus. These funds account for deposits and other assets that are temporarily held in suspense prior to transfer and distribution to other governmental units, private parties or the County.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule the effect of the interfund activity has been eliminated for the government-wide financial statements. Exceptions to this general rule include exchange or exchange-like transactions for internal services that are normally provided internally or to the public. This excludes internal services of internal service funds since the doubling effect of the cost of these services has already been removed from the financial statements.

Amounts reported as program revenues include 1) charges to customers, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. General revenues include all taxes, interest earnings, sale of capital assets (if material), and transfers.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Solid Waste, Grand Mound, and Other Enterprise Funds and the County's internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted and unrestricted resources proportionally based on their overall contribution to total fund resources and to the remaining year end fund balance.

D. Assets, Liabilities, and Equities

1. Cash Deposits and Investments (See Note IV – Deposits and Investments)

The County's cash and cash equivalents are considered to be cash on hand and demand deposits. The County pools internal and external cash and investments into one pool for investment purposes with the County Treasurer, except as otherwise requested, in order to facilitate the management of cash. For the purposes of the statement of cash flows, the County considers all amounts invested in its cash pool to be cash and cash equivalents. All other investments, if applicable, are reported as investments at cost.

It is the County's policy to invest all temporary cash surpluses. At December 31, 2010, all cash and cash equivalents were cash on hand and demand deposits with average maturities as noted in Note IV. This amount is classified on the balance sheet as cash and pooled investments in various funds. The interest on these investments is allocated to the various funds on an average daily balance basis. The amounts reported as cash and cash equivalents also include compensating balances maintained with certain banks in lieu of payments for services rendered. The average compensating balances maintained during the year was approximately \$6,992,000.

2. Receivables (See Note VII – Receivable Balances)

Taxes receivable consist of delinquent property taxes and related interest and penalties (See Property Taxes Note V). The County considers property taxes to be available if they are collected within 60 days after year end. However, the County does not accrue these amounts as revenue unless they are material to the amount collected or to the outstanding balance.

Accrued interest receivable consists of amounts earned on investments, notes, and contracts at the end of the year. The County considers interest on investments to be available if they will be collected within 60 days after year-end.

Special Assessment receivables consist of current and delinquent assessments and related penalties and interest against the property benefited. Long-term special assessments are outstanding unbilled special assessments and are recorded when levied. Special assessments and utility billings are collectible through liens on property. Therefore, no estimates of uncollectible amounts are established. In the governmental funds, special assessment receivables are offset by deferred revenues for county road improvement and lake management districts, public health assessments, and the countywide noxious weed program. In enterprise funds, they represent receivables for repayment of general obligation and special assessment debt issued to construct water and wastewater facilities and to fund storm water operations. See Note VIII for more information about the County's debt.

Customer account receivables are amounts owed by private individuals or organizations for County services. They primarily include receivables for court fines and forfeitures, incarceration fees and fees for public health services. Customer account receivables are considered to be available if they are expected to be collected within twelve months after year-end. Receivables include amounts owed for which billings have not been prepared and are recorded net of estimated uncollectible amounts.

3. Amounts Due to and from Other Funds and Governments, Interfund Loans and Advances Receivable

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund loans receivable/payable" or "advances to/from other funds." Advances to other funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. A separate schedule of interfund loans receivable and payable is furnished in Note IX - Interfund Receivables and Payables. All other outstanding balances between funds are reported as "due to/from other funds."

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Interfund balances between governmental funds and interfund balances between proprietary funds have been eliminated and are not included in the government-wide statement of net assets.

Due to and from other funds and other governments is reported as a cash flow change impacting operating activities in the statement of cash flows. However, cash flows from governmental receivables are treated differently for enterprise and internal service funds in the statement of cash flows. Due from other governments for enterprise funds is generally reported as a cash flow change impacting grant cash proceeds from non-capital financing activities. Due from other governments for internal service funds is generally reported as a cash flow change that impacts operating activities.

4. Inventories and Prepaid Items

Inventories are assets held for internal consumption or for resale. Any material inventory remaining at year-end is included in the balance sheet of the appropriate fund.

The purchase method, where the cost is expended when the item is purchased, is used in governmental funds, except for Roads and the Equipment Rental internal service fund, where the perpetual inventory method is used. The perpetual inventory method capitalizes the cost when inventory is purchased and then expends the cost when the item is consumed. Inventories recorded in the Roads Fund are stated at cost on a moving weighted average basis. Enterprise funds had no reportable material inventories at year end.

Prepayments are payments in advance of the receipt of goods and services in an exchange transaction and are recorded as an expenditure or expense only when consumed. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government wide and fund financial statements. These items primarily include prepaid rents for computer software.

5. Capital Assets and Depreciation (See Note VI – Capital Assets and Commitments)

Capital assets, which include land, buildings, improvements to land and buildings, vehicles, machinery, equipment, easements, construction in progress and infrastructure assets and all other tangible and intangible assets used in operations, are reported in the applicable governmental or business-type columns in the government-wide financial statements. Infrastructure assets are usually stationary and normally can be preserved a significantly greater number of years than most other capital assets. Examples of infrastructure include roads, bridges, drainage systems, sidewalks, trails and paths, and water and sewer systems. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more, including ancillary costs, with an estimated useful life in excess of one year.

Capital assets are valued at cost where historical records are available and at estimated historical cost where no records exist. Donated capital assets are valued at their estimated fair value at the date of donation.

In June 1999 Government Accounting Standards Board (GASB) issued Statement #34, which required the inclusion of infrastructure capital assets in local government's basic financial statements. In accordance with this Statement, the County has recorded the value of all infrastructure assets acquired after June 30, 1980 in its statement of net assets. In certain instances, engineering estimates, as well as annual reports of the County Road Administration Board and Washington State Department of Transportation were used to value the estimated historical costs of assets. In other instances, historical costs were derived by estimated historical costs on a discounted and depreciated current replacement value basis. Infrastructure acquired prior to July 1, 1980, except for roads right of way and easements, is not reported.

Improvements to capital assets that replace depreciated assets, or materially add to the value or extend the life of the asset, are capitalized. Other repairs or normal maintenance are expensed. Outlays for capital assets and improvements are capitalized as projects are constructed. The net book values of replaced and depreciated components are removed from the system when replaced or when fully depreciated. The cost of normal maintenance and repairs that does not significantly impact asset value or materially extend the assets' life is expensed in the year incurred.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Life
Machinery & Equipment	3 – 20 years
Improvements	10 – 40 years
Buildings	10 – 40 years
Infrastructure	20 – 40 years

Machinery and equipment purchased on capital leases are treated as capital assets, indicating a constructive or actual transfer of the benefits and risks of ownership to the County, and are valued at the lesser of the fair value of the leased property or the present value of the minimum lease payments required by contract.

6. Compensated Absences (See Note VIII – Long Term and Other Significant Debt)

Compensated absences are absences for which employees will be paid, such as vacation leave. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

7. Long-Term Debt (See Note VIII – Long Term and Other Significant Debt)

Revenue bonds and other long term liabilities (including general obligation bonds) that are directly related to and financed from enterprise funds are accounted for in the respective enterprise fund. All other County long-term debt is reported in the governmental column in the entity-wide statement of net assets. Bond premiums and discounts, and issuance costs are deferred and amortized over the life of the bonds using the straight-line interest method since it is not materially different than the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs in the current period. The face amount of debt is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, is reported as debt service expenditures. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

Amounts reserved for long-term debt are shown as a reservation of fund balance in the fund financial statements and a restriction of fund balance in the statement of net assets.

8. Deferred Charges, Deferred Revenues, and Unearned Revenue

Deferred charges in the government wide financial statements defer expenditures for debt issuance which are amortized over the life of the respective bond issues.

Deferred revenues in the fund financial statements include amounts collected before revenue recognition criteria are met and receivables for delinquent taxes that are not yet available under the modified accrual basis of accounting. Unearned revenues in the government-wide financial statements represent resources received but not yet earned.

9. Rebateable Arbitrage

Thurston County has not incurred any rebateable arbitrage as of December 31, 2010. Rebateable arbitrage, if incurred, will be treated as a reduction in revenue.

10. Fund Equity

Fund equity is recognized as fund balance in governmental funds, and as net assets in proprietary funds and entity wide statements. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Unless otherwise noted, fund balances (deficits) are unreserved and undesignated.

A portion of the County's net assets are subject to external legal restrictions on how they may be used and therefore are not available for general spending at the discretion of the County. These are considered restricted net assets. Fees and charges for services (except for the General Fund), as reported in the entity wide statements, are usually considered to be restricted since they have been charged or levied for a specific purpose or use. Operating/capital grants are also considered to be restricted if the use of the proceeds is restricted by the grantor. Solid waste cash and investments are restricted to fund a 30 year landfill post-closure care period (see Note XIII – Closure and Post Closure Care Costs). Solid waste net assets restricted for this purpose comprise the remainder of the net asset balance. An amount equal to these restricted assets, less any related liabilities, is reported as restricted assets on the government wide statement of net assets.

Investment in capital assets, net of related debt includes all capitalized assets less outstanding obligations for current and long term bonds and notes payable related to capital investments. These amounts are adjusted for unexpended bond proceeds, other borrowings, negative equities and non-capital financings as noted below.

Reconciliation of Investment In Capital Assets, Net of Related Debt

	Governmental Activities	Business-Type Activities
Capital Assets, Net of Depreciation	\$ 443,798,950	\$ 39,306,961
Less: Long and Short Term Notes & Bonds Payable	(98,803,537)	(10,175,414)
Plus: Debt Holding Fund Balance (Unspent Debt Proceeds)	24,479,217	-
Non-Capital Debt (Septic Loan Financing)	-	584,636
Investment In Capital Assets, Net of Related Debt	\$ 369,474,630	\$ 29,716,183

NOTE II – RECONCILIATION OF GOVERNMENT WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

Fund balance in the governmental funds balance sheet is reconciled to net assets in the statement of net assets. One element of that reconciliation, as detailed below, was for \$339,948,155 because the cost of capital assets, which is expended in governmental funds, is deferred to future periods in the statement of net assets:

Thurston County, Washington 2010

Governmental Net Book Value - End of Prior Year	\$ 374,249,201
Reclassification of Governmental Assets as Internal Service Assets	(43,584,216)
Gains (Losses) on Dispositions of Capital Assets	(1,088,408)
Governmental Capital Outlays	19,271,963
Governmental Depreciation Expense	<u>(8,900,385)</u>
Governmental Net Book Value - End of Current Year	<u><u>\$ 339,948,155</u></u>

Another element of the reconciliation, as detailed below, was for \$98,509,916 because long-term debt, which is not reported in governmental funds, is reported in the statement of net assets:

Governmental Debt - End of Prior Year	\$ 80,689,312
Bond Proceeds	27,840,000
Debt Principal Payments	(10,111,295)
Lease Financing Proceeds And Adjustments	187,588
Amortization of Premium and Refunding Deferral	<u>(95,689)</u>
Computed Governmental Debt - End of Current Year	<u><u>\$ 98,509,916</u></u>

A third element of the reconciliation, as detailed below, was for \$128,767,912 because assets and liabilities of internal service funds, which are separately reported in proprietary fund statements, are included and combined with governmental balances in the statement of net assets:

Net Assets - End of Prior Year	\$ 83,671,032
Reclassification of Governmental Assets as Internal Service Assets	43,584,216
Net Transfers In/Out	578,822
Net Profit	<u>933,842</u>
Net Assets - End of Current Year	<u><u>\$ 128,767,912</u></u>
Cash	\$ 28,550,575
Capital Assets	105,720,350
Other Assets	794,049
Claims and Judgments Payable	(4,025,796)
Other Liabilities	<u>(2,271,266)</u>
Net Assets - End of Current Year	<u><u>\$ 128,767,912</u></u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. These line item reconciliations are available and reported in detail within this statement.

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGETARY INFORMATION

1. Scope of Budget

Annual appropriated budgets are adopted for all County funds in accordance with the provisions of the Revised Code of Washington (RCW), as interpreted by Budgeting, Accounting, and Reporting System (BARS) of the State of Washington and on a basis consistent with generally accepted accounting principles. Appropriations are authorized at the fund level for all funds, except the General Fund, where expenditures may not exceed appropriations at the department level. The budgets constitute the legal authority for expenditures at these levels. All appropriations lapse at year-end.

During the budget process, each County official submits detailed estimates of anticipated revenue and expenditure requests for the subsequent budget year. The data is compiled and made available for public comment beginning the first Monday in October. A recommended budget is submitted to the Board of County Commissioners in the third week of November. Public hearings are held the first week of December and the final budget is adopted, by resolution, shortly thereafter.

2. Amending the Budget

The Board of County Commissioners must approve revisions that alter total expenditures of any County fund or General Fund department. These changes must be approved by resolution by a majority of Commissioners at a public hearing. General Fund departments or other County funds may transfer budget amounts between expenditure items without Board approval if these adjustments do not exceed the total department or fund budget.

The financial statements report authorized original and final budgets. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable for the fiscal year.

3. Excess of Expenditures Over Appropriations

\$20,590 in capital outlay costs for Superior Court in the General Fund were for lease purchases and were approved through a separate authorizing resolution. \$7,419,903 in outlays for principal and interest in Debt Holding were authorized by bond resolution. \$1,392 transferred out of 1998 G. O. Bonds debt service were authorized by the resolution terminating this fund.

The Investment Administration, Tax Refund and Treasurer's M & O Funds were excluded from the special revenue combining schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual because these funds are not statutorily required to have budget authority and County budget policies do not require budgets for these funds.

4. Deficit Fund Equity

The Jail capital projects fund had a \$369,539 deficit fund balance at December 31, 2010. The deficit is fully funded by unspent proceeds from the Debt Holding Fund. The Land Use & Permitting enterprise fund had a \$200,735 deficit in net assets at December 31, 2010. Additional fee increases enacted in the prior year will eliminate the carry forward effects of this deficit from 2010.

NOTE IV – DEPOSITS AND INVESTMENTS

The Thurston County Treasurer, acting in their legal capacity as Treasurer for the County and other taxing districts, receipts, disburses and invests all cash.

A. Deposits

All receipts received by the Treasurer are deposited into qualified bank depositaries as specified by the Washington Public Deposit Protection Commission (PDPC). All deposits, including money markets and certificates of deposits are entirely covered by federal depositary 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. 3. All deposits held at December 31, 2010 and throughout the year were insured or collateralized with securities held by the County Treasurer or by their agent in the County Treasurer's name. Total undistributed cash deposits at December 31, 2010 were \$6,184,572.

B. Investments

Investments are governed by State statute and County investment policy. All investment instruments are those allowed by statute, which include U.S. Treasury Notes, Federal Agencies, bankers' acceptances, short-term commercial paper, money market account and the State Treasurer's Local Government Investment Pool (LGIP). There is no statutory regulatory oversight of the LGIP other than annual audits through the Washington State Auditor's Office. The fair value of County shares in the LGIP is dollar for dollar equal to the value of pool shares.

The investment policy dictates that all investment instruments be transacted on the delivery vs. payment basis. Union Bank of California acts as safekeeping agent for the Thurston County Treasurer. During 2010 the County did not buy or own any securities earning interest at a rate which varied depending on an underlying rate or index.

As of December 31, 2010, the County's investment values and maturities for pool and individual fund investments are as follows:

Investment Type	Book Value	Weighted Average Maturity (Years)
Pool Investments:		
State Treasurer's LGIP	\$ 160,400,000	0.0
Money Market Account	20,000,000	0.0
U.S. agencies	252,415,000	4.2
Pool Investments	432,815,000	2.4
Total Investments	\$ 432,815,000	

Thurston County, Washington 2010

The interest rate, credit and concentration risks are described as follows:

Interest Rate Risk – The adopted investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. To limit this risk, state law does not allow general governments to invest in corporate equities. County policy further limits risk to investments in securities that have one of the three highest ratings of a national rating agency at the time of investment.

The ratings of debt securities as of December 31, 2010 are:

Debt Security	S&P Rating
Fannie Mae (Federal National Mortgage Association)	AAA
Freddie Mac (Federal Home Loan Mortgage Corporation)	AAA
Federal Home Loan Bank	AAA
Federal Farm Credit Bank	AAA
Washington State Investment Pool	Not Rated

Concentration Risk – Concentration risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The adopted investment policy requires that no more than 25% of the investments will be in a single security type, with the exception of U.S. treasury and agency securities and the State Local Government Investment Pool. The investments held are in compliance with this requirement.

A reconciliation of pool investments, investments, cash, cash deposits and pool accruals to the fund and entity wide statements is as follows:

Schedules of Deposits and Investments
Composition of Cash & Investments
December 31, 2010

	Total	Pooled Cash Investments	Non-Pooled Cash & Investments
State Treasurer's Local Govt. Investment Pool (LGIP)	\$ 160,400,000	\$ 160,400,000	\$ -
Money Market Account	20,000,000	20,000,000	-
U.S. Agency & Instrumentality Securities	252,415,000	252,415,000	-
Total Investment Pool Investments	432,815,000	432,815,000	-
Deposits With Financial Institutions	6,184,572	6,184,572	-
Net Increase (Decrease) in Fair Value of Investments	(3,338,981)	(3,338,981)	-
Pool Accruals	(34,120)	(34,120)	-
Total Investment Pool Cash & Investments	435,626,471	435,626,471	-
Fiscal and Petty Cash	106,745	-	106,745
Clerk's Trust Funds	2,316,855	-	2,316,855
Total Reported Cash & Investments	\$ 438,050,071	\$ 435,626,471	\$ 2,423,600

Reconciliation of Cash & Investments to Statements
December 31, 2010

	Total	Statements of	
		Fiduciary Net Assets	Net Assets
Cash & Pooled Investments - County Funds	\$ 184,042,979	\$ -	\$ 184,042,979
Cash & Pooled Investments - Investment Trust Fund	240,542,814	240,542,814	-
Cash & Pooled Investments - Agency Funds	14,365,550	14,365,550	-
Investments at Cost	-	-	-
Net Increase (Decrease) in Investment Fair Value	(3,338,981)	(3,338,981)	-
Pool Accruals	14,109	14,109	-
Total Investment Pool Cash & Investments	435,626,471	251,583,492	184,042,979
Fiscal and Petty Cash	106,745	60,000	46,745
Private Purpose Trust Funds	2,316,855	2,316,855	-
Total Reported Cash & Investments	\$ 438,050,071	\$ 253,960,347	\$ 184,089,724

A summary of restricted and unrestricted cash and investments is as follows:

Restricted and Unrestricted Cash & Investments
December 31, 2010

	Total	Restricted	Unrestricted
Cash & Pooled Investments	\$ 438,050,071	\$ 272,727,928	\$ 165,322,143
Investments	-	-	-
Total	\$ 438,050,071	\$ 272,727,928	\$ 165,322,143

C. Thurston County Investment Pool (TCIP)

The Thurston County Investment Pool (TCIP) operates on an amortized cost-book value basis. The County Treasurer, the County Auditor and the Chairman of the Board of County Commissioners, as the statutory County Finance Committee, perform oversight of the pool's performance. There are no legally binding guarantees for the TCIP. Authorized investments for the TCIP are the same as investments held outside of the pool. These are defined in statute and discussed in Note IV (B). The TCIP also has holdings in the State Treasurer's Local Government Investment Pool (LGIP). The LGIP operates in a manner consistent with SEC Rule 2a7. As a 2a7-like pool, investments in the LGIP are reported at amortized cost.

All funds deposited in the TCIP are available 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 balances. The Thurston County Treasurer, by law, is the Treasurer of most local governments and districts within the County, including schools, fire and library districts. These districts do not have a legal option to have their cash handled by other than the County Treasurer.

The TCIP experienced a net decrease in the fair value of the investments during 2010, as market interest rates decreased. At 12/31/2010, the market value of investments was \$3,338,981 lower than the amortized cost. These unrealized losses will not be recognized in the various funds as management intends to hold these investments to maturity. During 2010, TCIP sold four investments with a total realized gain of \$421,701.

Fair value of the TCIP is reviewed by the County Treasurer, on an ad hoc basis, and monthly by the County Finance Committee. Fair value is determined using information from our safekeeping agent, Union Bank of California and with "Bloomberg", an on-line financial services system.

Participation in the TCIP is voluntary. Districts do have the option to participate in the TCIP or they can have the Treasurer manage their cash and investments outside of the TCIP by requesting specific investment amounts and maturity dates.

A condensed statement of net assets and statement of changes in net assets for the external portion of the investment trust pool and the Clerk's private purpose trust fund at December 31, 2010 is reported in the following schedule:

**Condensed Statement of Net Assets
December 31, 2010**

	Investment Trust Fund	Private Purpose Trust Fund
Cash, Cash Equivalents, Investments and Pooled Investments	\$ 251,583,492	\$ 2,316,855
Total Assets	251,583,492	2,316,855
Pool Liabilities	(14,365,550)	-
Total Liabilities	(14,365,550)	-
Net Assets Held in Trust for Pool Participants	\$ 237,217,942	\$ 2,316,855

**Condensed Statement of Changes in Net Assets
December 31, 2010**

	Investment Trust Fund	Private Purpose Trust Fund
Changes in Net Assets Resulting from Operations	\$ 5,120,809	\$ 3,544
Earnings Distributions to Participants	(5,120,809)	(3,544)
Changes in Net Assets Resulting from Depositor Transactions	(15,976,497)	28,528
Net Assets Available	(15,976,497)	28,528
Net Assets Beginning of Year	253,194,439	2,288,327
Net Assets End of Year	\$ 237,217,942	\$ 2,316,855

NOTE V – 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.
April 30	First of two equal installment payments is due.
October 31	Second installment is due.

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 subject to three limitations:

1. Initiative 747 limits annual regular property tax increases to 1% or the Implicit Price Deflator, whichever is less. An increase above 1% is allowed only with voter approval. The 1% limit excludes increases due to the addition of new construction and state assessed utility increases.
2. The Washington State Constitution limits 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 its true and fair value. If 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.
3. 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 five dollars and ninety cents 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.

The County may voluntarily levy taxes below the legal limit. Special levies approved by the voters are not subject to the above limitations.

Thurston County, Washington 2010

The following identifies the tax rates levied in 2009 for collection in 2010:

	Levy In Dollars Per Thousand	Assessed Value	Total Levy
General Fund	\$ 1.1020	\$ 29,248,858,362	\$ 32,232,077
Medic One	\$ 0.3051	\$ 29,248,858,362	\$ 8,923,134
Roads	\$ 1.2871	\$ 14,873,203,919	\$ 19,143,385

NOTE VI – CAPITAL ASSETS AND COMMITMENTS

A. Capital Assets

Capital assets activity for the year ended December 31, 2010 was as follows:

	Beginning Balance 01/01/2010	Increases	Decreases	Ending Balance 12/31/2010
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GOVERNMENTAL TYPE ACTIVITIES

Capital Assets - Non-Depreciable:				
Land	\$ 254,399,539	\$ 15,234,173	\$ (15,022,177)	\$ 254,611,535
Construction in Progress	48,151,262	11,450,919	(43,840,307)	15,761,874
Capital Assets - Non-Depreciable	302,550,801	26,685,092	(58,862,484)	270,373,409
Capital Assets - Depreciable:				
Buildings	73,373,154	44,100,654	(1,218,283)	116,255,525
Improvements Other Than Buildings	6,522,407	111,702	(105,743)	6,528,366
Machinery & Equipment	45,708,503	3,226,928	(2,287,340)	46,648,091
Infrastructure	121,426,000	14,464,077	(9,189,894)	126,700,183
Original Cost	247,030,064	61,903,361	(12,801,260)	296,132,165
Less Accumulated Depreciation:				
Buildings	(21,616,447)	(2,085,387)	429,912	(23,271,922)
Improvements Other Than Buildings	(2,448,218)	(392,559)	13,390	(2,827,387)
Machinery & Equipment	(28,981,586)	(4,296,046)	1,845,673	(31,431,959)
Infrastructure	(61,037,563)	(6,454,635)	2,316,842	(65,175,356)
Accumulated Depreciation	(114,083,814)	(13,228,627)	4,605,817	(122,706,624)
Capital Assets - Depr, Net	132,946,250	48,674,734	(8,195,443)	173,425,541
Total Original Cost	549,580,865	88,588,453	(71,663,744)	566,505,574
Total Accumulated Depreciation	(114,083,814)	(13,228,627)	4,605,817	(122,706,624)
Governmental Capital Assets, Net	\$ 435,497,051	\$ 75,359,826	\$ (67,057,927)	\$ 443,798,950

Thurston County, Washington 2010

Depreciation Expense was charged to functions as follows:	
General Government	\$ 622,440
Public Safety	1,098,873
Utilities and Environment	3,507
Transportation	6,548,549
Economic Environment	6,931
Health and Human Services	27,330
Culture and Recreation	384,434
Subtotal	8,692,064
In addition, depreciation on capital assets held by the County's internal service funds is charged to the various functions based upon their usage of the assets.	4,536,563
Total Governmental Activities Depreciation Expense	\$ 13,228,627

Business Type Activities for the year ended December 31, 2010 was as follows:

	Beginning Balance 01/01/2010	Increases	Decreases	Ending Balance 12/31/2010
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BUSINESS TYPE ACTIVITIES

Capital Assets, not being depreciated:				
Land	\$ 1,796,011	\$ 11,202	\$ -	\$ 1,807,213
Construction In Progress	5,443,241	3,640,353	(766,484)	8,317,110
Total Capital Assets, not being depreciated	7,239,252	3,651,555	(766,484)	10,124,323
Capital Assets, being depreciated:				
Buildings	22,626,758	-	-	22,626,758
Improvements other than buildings	35,763,251	1,215,494	(489,642)	36,489,103
Machinery & Equipment	5,575,016	180,282	(38,794)	5,716,504
Total Capital Assets, being depreciated	63,965,025	1,395,776	(528,436)	64,832,365
Less Accumulated Depreciation For:				
Buildings	(6,199,793)	(662,906)	-	(6,862,699)
Improvements other than buildings	(24,241,506)	(1,109,688)	7,701	(25,343,493)
Machinery & Equipment	(3,067,538)	(411,227)	35,230	(3,443,535)
Total Accumulated Depreciation	(33,508,837)	(2,183,821)	42,931	(35,649,727)
Total Capital Assets being depreciated, net	30,456,188	(788,045)	(485,505)	29,182,638
Business Type Activities Capital Assets, net	\$ 37,695,440	\$ 2,863,510	\$ (1,251,989)	\$ 39,306,961

Depreciation expense was charged to functions as follows:	
Solid Waste	\$ 850,415
Water	202,940
Sewer	596,365
Stormwater	387,336
Land Use & Permitting	40,986
Total	\$ 2,078,042

Thurston County, Washington 2010

B. Construction Commitments

Thurston County has the following active construction commitments, including the Accountability and Restitution Center and Tilley Master Plan project, as of December 31, 2010:

	Spent-to-Date	Remaining Commitment
Project		
Accountability and Restitution Center	\$ 40,733,755	\$ 2,459,606
Tilley Master Plan	2,357,484	4,416,229
Total	\$ 43,091,239	\$ 6,875,835

These projects are financed with general obligation bonds which are then repaid with sales and real estate excise taxes.

NOTE VII – RECEIVABLE BALANCES

Receivables as of December 31, 2010 for the County's individual major funds, non-major funds and internal service funds are shown in the following table:

	Taxes	Special Assess-ment	Interest and Penalties	Customer Accounts	Due from other Governments	Community Loans	Total
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Governmental Activities:

General Fund	\$ 1,716,941	\$ -	\$ 3,715,608	\$ 2,737,940	\$ 984,841	\$ -	\$ 9,155,330
Debt Holding	-	-	26,651	-	-	-	26,651
Detention Facility Sales Tax Holding	-	-	23,891	-	-	-	23,891
Real Estate Excise Tax	-	-	26,396	-	-	-	26,396
Roads	882,664	-	3,328	-	2,127,317	-	3,013,309
Medic One	448,927	-	33,676	-	-	-	482,603
Public Health and Social Services	36,354	13,941	18,213	2,618	1,614,566	-	1,685,692
Other Governmental	72,728	60,206	93,307	481,713	952,072	-	1,660,026
Internal Service	-	-	33,300	271,484	22,676	-	327,460
Total Governmental Activities	\$ 3,157,614	\$ 74,147	\$ 3,974,370	\$ 3,493,755	\$ 5,701,472	\$ -	\$ 16,401,358

Business-Type Activities:

Solid Waste	\$ -	\$ -	\$ 45,003	\$ 1,916,368	\$ 357,189	\$ -	\$ 2,318,560
Grand Mound	-	2,285,282	168,462	152,506	17,549	-	2,623,799
Other Enterprise Funds	-	905,922	8,269	109,768	221,939	144,164	1,390,062
Total Business-Type Activities	\$ -	\$ 3,191,204	\$ 221,734	\$ 2,178,642	\$ 596,677	\$ 144,164	\$ 6,332,421

Thurston County, Washington 2010

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

Deferred/Unearned Revenue	
Delinquent property taxes receivable (General Fund)	\$ 1,716,941
Delinquent property taxes receivable (Roads Fund)	882,664
Delinquent property taxes receivable (Medic One)	448,927
Delinquent property taxes receivable (Public Health & Social Services)	36,354
Delinquent property taxes receivable (Other Governmental Funds)	72,728
Delinquent special assessment receivable (Public Health & Social Services)	13,941
Delinquent special assessment receivable (Other Governmental Funds)	60,206
Delinquent accrued interest and penalties receivable (General Fund)	3,637,593
Delinquent accrued interest and penalties receivable (Other Governmental Funds)	87,855
Deferred Revenue-Other (Roads Fund)	83,255
Deferred Revenue-Other (Medic One Fund)	1
Total deferred/unearned revenue for governmental funds	\$ 7,040,465

NOTE VIII – LONG-TERM AND OTHER SIGNIFICANT DEBT

A. Disclosures About Each Significant Debt Incurred

1. General Obligation Bonds

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. The proprietary portion of general obligation debt is reported in proprietary funds because repayments will eventually come from proprietary fund revenues. General obligation bonds are direct obligations and pledge the full faith and credit of the government. Payments on these bonds are funded from real estate excise tax fees and proprietary revenues.

1999 Grand Mound Limited 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 was serviced by the Grand Mound Debt Service Redemption Fund. Proceeds were used for constructing and equipping Grand Mound water and wastewater facilities. A portion of this debt is financed through a special assessment levied against properties within the Grand Mound ULID. The bonds bear an interest rate of 5.0% to 5.6%. \$7,500,000 was refunded with 2005 Advanced Refunding Bonds. The remaining balance of \$1,800,000 was refunded with 2010 Advanced Refunding Bonds. There was no outstanding balance as of December 31, 2010.

Thurston County, Washington 2010

2002 Limited General Obligation Bonds of \$10,635,000 were issued in annual principal installments of \$320,000 to \$790,000 beginning in 2002 and running through 2022. Proceeds were used to payoff the 2000 General Obligation Bonds and for improvements to various county facilities. The bonds bear an interest rate of 4.0% to 5.13%. \$6,730,000 was refunded with 2010 Advanced Refunding Bonds. The remaining outstanding balance as of December 31, 2010 was \$445,000.

2004 Limited General Obligation Bonds of \$11,000,000 were issued in 2004. The proceeds were used to acquire property and for improvements to various county facilities including: a) acquiring land to construct a jail facility, b) expanding the county/regional park system, c) acquiring a building adjacent to the courthouse to ease overcrowding and relieve existing space problems and d) replacing the County's 20-year old central phone system. The bonds bear an interest rate of 2.5% to 4.50% semi annually with annual principal installments from \$400,000 to \$800,000 a year. The term of the bonds is 20 years with the final payment due in 2024. The balance at December 31, 2010 was \$8,615,000.

2005 Limited General Obligation Bonds of \$26,135,000 were issued in 2005. The bonds were used as follows: \$15,700,000 was used for a partial advance refunding of \$16,175,000 of outstanding 1997 bonds (which were used to finance the juvenile detention facility, jail improvements and RID #2) and \$7,510,000 was used for an advance refunding of \$7,500,000 of outstanding 1999 bonds. The other portion of the issue amounting to \$2,925,000 was utilized to finance park acquisitions and other capital improvements. The bonds bear an interest rate of 3.0% to 5.0% semi annually with annual principal installments ranging from \$100,000 to \$3,000,000 a year. The term of the bonds is 20 years with the final payment due in 2025. The balance at December 31, 2010 was \$20,980,000 of which \$6,760,000 was for the Grand Mound Utility.

2007 Limited General Obligation Bonds of \$5,000,000 were issued in 2007. The bonds were used to partially fund a second county jail. The term of the bonds is 20 years with the final payment due in 2027. The bonds bear interest rates of 3.75% to 4.0% payable semi-annually with annual principal installments ranging from \$125,000 to \$375,000 a year. The balance at December 31, 2010 was \$4,530,000.

2009 Limited General Obligation Bonds of \$42,765,000 were issued in 2009. The bonds were used to fund construction of the Accountability Restitution Center, communication system upgrades, and other approved capital projects. The term of the bonds is 20 years with the final payment due in 2029. The bonds bear interest rates of 3.0% to 5.0% payable semi-annually with annual principal installments ranging from \$755,000 to \$3,130,000 a year. The balance at December 31, 2010 was \$42,010,000.

2010 Limited General Obligation Bonds of \$29,665,000 were issued in 2010. The bonds are being used as follows:

\$8,775,000 was used for an advance refunding of \$1,800,000 of outstanding 1999 bonds and for a partial advance refunding of \$6,730,000 of outstanding 2002 bonds. The bonds bear an interest rate of 2% to 4% payable semi-annually with annual principal installments ranging from \$555,000 to \$1,505,000. The term of the bonds is 12 years with final payment due in 2022. The advanced refunding portion of the 1999 bonds is serviced by the Grand Mound Debt Service Fund (Enterprise Fund). The balance at December 31, 2010 was \$8,775,000 of which \$1,825,000 was for the Grand Mound Utility.

\$18,850,000 of Taxable Build America Bonds were issued to finance construction of the Tilley Road project, communication system upgrades and other building improvements. The bonds bear an interest rate of .75% to 5.4% payable semi-annually with annual principal installments ranging from \$825,000 to \$1,285,000. The Build America Bonds also have an interest subsidy from the Internal Revenue Service to be received in semi-annual installments of 35% of the interest amount. The term of the bonds is 20 years with final payment due in 2030. The balance at December 31, 2010 was \$18,850,000.

Thurston County, Washington 2010

\$2,040,000 of Taxable Qualified Energy Conservation Bonds were issued to finance a portion of the Tilley Road project. The bonds bear an interest rate of 5.5% payable in semi-annual interest payments. Qualified Energy Conservation Bonds also have an interest subsidy from the Internal Revenue Service to be received in semi-annual installments ranging from \$41,746 to \$74,398. The term of the bonds is 18 years with a single principal payment due in 2029. The balance at December 31, 2010 was \$ 2,040,000.

The annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2011	\$ 4,400,000	\$ 4,101,523	\$ 745,000	\$ 363,981
2012	4,740,000	3,885,251	800,000	324,500
2013	5,005,000	3,726,141	920,000	284,800
2014	5,265,000	3,553,631	910,000	239,100
2015	5,505,000	3,367,519	915,000	193,900
2016 - 2020	24,705,000	14,283,252	4,295,000	493,350
2021 - 2025	23,300,000	9,121,586	-	-
2026 - 2030	24,740,000	3,847,493	-	-
Total	\$ 97,660,000	\$ 45,886,396	\$ 8,585,000	\$ 1,899,631

2. Loans and Contracts Payable

Grand Mound-Water had a Public Works Trust Fund loan for a water corrosion control project from the Washington State Department of Commerce that was not to exceed \$37,358 with an interest rate of 2% per annum. The County agreed to repay the loan from water and sewer utility revenues, general obligation tax assessments, and other available County monies. Yearly loan payments were due on July 1 and were equal to 1/4th of the principal balance plus interest on the unpaid balance of the loan starting in 2007. The term of the loan was for five years. The final payment was in 2010. The balance at December 31, 2010 was 0.

The Community Loan Repayment Funds (Enterprise Funds) entered into seven 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, 2010 is \$81,709. 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, 2010 is \$44,712. The third loan is not to exceed \$200,000 with an interest rate of 4.3%. Repayment began in 2003. The term of the loan is for twenty years. The balance at December 31, 2010 is \$100,554. A fourth loan began in 2000 and is not to exceed \$100,000 with an interest rate of 0%. Repayments began in 2003. The balance at December 31, 2010 is \$13,381. During 2002 a fifth loan began with borrowing not to exceed the value of \$150,000 and an interest rate of 1.5%. Repayment began after project completion on December 31, 2005. The balance as of December 31, 2010 is \$76,498. The sixth loan is not to exceed \$200,000 with an interest rate of 1.5%. Repayment began in 2009. The term of the loan is for twenty years and the balance at December 31, 2010 was \$160,063. The seventh loan is not to exceed \$250,000 with an interest rate of 2.6%. Repayment will begin when the draws are substantially complete. The term of the loan is for twenty years and the balance at December 31, 2010 was \$107,719.

Water and Waste Management entered into a state revolving fund (DWSRF) loan agreement with the State of Washington Department of Community Development to construct a corrosion control system for the Grand Mound water system in 2006. The term of the loan is for 20 years and the amount to be financed is \$132,518 with an interest rate of 1%. The balance at December 31, 2010 was \$82,641.

3. Special Assessment Bonds

The County has also issued special assessment debt for the construction and replacement of wastewater collection systems within the County. This debt will be repaid from amounts levied against the property owners benefited by this construction. The County must provide the resources to cover a deficiency due to any unpaid or delinquent special assessments until other resources, such as foreclosure proceeds, are received. The special assessment debt outstanding is as follows:

In 2004, the County entered into a state revolving fund (SRF) loan agreement with the State of Washington Department of Ecology to create a new Utility Local Improvement District for Tamoshan/Beverly Beach wastewater plant Improvements in 2002. The original principal amount was \$1,526,507. Repayments began in 2004 and the loan balance at December 31, 2010 was \$817,671. The interest rate of the loan is 0% with a 20-year repayment term. At December 31, 2010, the amount of delinquent principal was \$4,385.

In 1997, Olympic View Debt Redemption Fund (Enterprise Fund) has a 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 original principal amount was \$94,000. The loan is due in 2016 and has a balance at December 31, 2010 of \$21,216.

The annual debt service requirements to maturity for the loans, contracts payable and special assessment debt are as follows:

Year Ending December 31	Business-Type Activities	
	Principal	Interest
2011	\$ 128,400	\$ 13,952
2012	131,437	18,990
2013	141,246	17,257
2014	142,906	15,343
2015	144,635	13,360
2016 - 2020	627,980	46,769
2021 - 2025	154,632	10,730
2026 - 2030	34,928	866
Total	\$ 1,506,164	\$ 137,267

4. Leases

a. Operating Lease Liabilities

The County has lease commitments for leases of buildings and office space that are cancelable and non-cancelable with lease terms primarily from month to month with one that extends to 2013. Operating lease expenditures for the year ended December 31, 2010 were \$1,253,137. The future minimum lease payments for these leases are:

Year Ending December 31	Amount
2011	\$ 1,359,912
2012	962,229
2013	530,300
Total	\$ 2,852,441

b. Capital Lease Liabilities

The County has entered into the transactions that are recorded as capital lease purchases to account for copier leases. These long-term contracts incorporate some or all of the benefits and risks of ownership. The leased assets and related obligations are accounted for in the statement of net assets. The net capital lease amount shown below reflects the assets continuing to be financed through the capital lease. These lease agreements qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of the future minimum lease payments as of the inception date. The assets acquired through capital lease are as follows:

Asset	Governmental Activities	Business-Type Activities
Machinery & Equipment	\$ 646,169	\$ 106,205
Less: accumulated depreciation	(309,814)	(59,482)
Present Value of Minimum Lease Payments	336,355	46,723
Plus amount representing interest	66,543	4,356
Total Invested in Capital Leases	\$ 402,898	\$ 51,079

Thurston County, Washington 2010

The future minimum lease obligations and net present value of minimum lease payments for assets acquired through capital leases as of December 31, 2010 were as follows:

Year Ending December 31	Governmental Activities	Business-Type Activities
2011	\$ 169,836	\$ 25,622
2012	122,507	15,535
2013	70,265	9,922
2014	35,946	-
2015	4,344	-
Total Minimum Lease Payments	\$ 402,898	\$ 51,079
Less: Interest	66,543	4,356
Present Value of Minimum Lease Payments	\$ 336,355	\$ 46,723

c. Lease Receivables

The County currently leases some of its property to various tenants under long-term cancelable and non-cancelable contracts. The following is an analysis of the County's investment in property under long-term operating leases as of December 31, 2010:

Asset	Governmental Activities	Business-Type Activities
Land	\$ 752,493	\$ 18,001
Buildings	6,440,713	37,296
Less: Accumulated Depreciation	(1,425,323)	(11,715)
Total Invested in Long Term Leases	\$ 5,767,883	\$ 43,582

The County received \$204,162 of operating lease revenues from these contracts in 2010. Amounts that will be received in future years under these lease agreements are noted below:

Year Ending December 31	Amount
2011	\$ 133,101
2012	114,767
2013	102,111
2014	104,645
2015	107,244
2016 - 2030	15
Total Lease Receivable	\$ 561,883

The \$15 receivable from 2016 through 2030 is for a park and ride lease with Intercity Transit located at the Waste and Recovery Center at \$1 per year.

5. Long-term Compensated Absences

Thurston County has traditional and alternative leave plans. 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. County employees, who chose the alternative leave plan, earn 18-28 days of annual or 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. In the traditional plan, 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. Alternative plan employees who terminate are entitled to be paid for unused leave up to 280 hours.

The County reported a liability of \$6,815,099 at December 31, 2010 for that portion of unpaid accumulated vacation and personal leave payable in the Statement of Net Assets. This liability includes \$5,546,386 for governmental funds, \$637,119 for internal service funds and \$631,594 for enterprise funds. \$356,880 of this liability is expected to be incurred in 2011. During 2010, the county changed its method used to calculate the allocation of compensated absences between current and long term liabilities. The county believes this change was necessary to reflect a more accurate pattern of historical activity in this liability account. Leave costs are paid from governmental funds that fund the personnel costs for those employees. Vested sick leave is not considered material and is not accrued.

6. Other Post Employment Benefits

Thurston County administers two post employment benefit programs that provide primarily post employment medical benefits to retired Thurston County employees. These programs are for retired Law Enforcement Officers and Fire Fighters (LEOFF) under the LEOFF 1 retirement act and for all Thurston County employees through the state managed Public Employees Benefits Board (PEBB). A long term governmental liability of \$1,415,827 was recognized for LEOFF 1 benefits in the statement of net assets in 2010. A long term liability of \$9,645,863 was also recognized for PEBB benefits in the financial statements. This liability was allocated between governmental and proprietary funds based on current active full time employees. Consequently, \$8,909,875 was recognized in the statement of net assets for governmental and internal service funds and \$735,988 was recognized for enterprise funds. Note XII contains detailed information on these two post employment benefit programs including the computation of the current accrued cost and the associated long term liability.

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 Debt and Other Long-Term Liabilities
For The Year Ended December 31, 2010**

	Beginning Balance	New Issues And Adjustments	Retirements And Adjustments	Ending Balance	Due Within One Year
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Governmental Activities:

Bonds payable:					
General obligation bonds	\$ 79,894,023	\$ 27,840,000	\$ 10,074,021	\$ 97,660,002	\$ 4,469,483
Deferred amounts:					
On refunding	(537,407)	(360,168)	(33,588)	(863,987)	(38,062)
For issuance premiums	1,391,002	360,524	80,359	1,671,167	87,336
Total bonds payable	80,747,618	27,840,356	10,120,792	98,467,182	4,518,757
Capital leases payable	306,244	167,962	137,851	336,355	138,049
Claims and judgments payable	4,414,807	-	389,011	4,025,796	667,562
Compensated absences	7,128,720	3,834,162	4,779,377	6,183,505	323,804
Other post employment benefits (OPEB)	7,793,959	3,014,691	482,948	10,325,702	-
Total governmental activities	\$ 100,391,348	\$ 34,857,171	\$ 15,909,979	\$ 119,338,540	\$ 5,648,172

Business-type activities:

Bonds payable:					
General obligation bonds	\$ 9,310,000	\$ 1,825,000	\$ 2,550,000	\$ 8,585,000	\$ 745,000
Deferred amounts:					
On refunding	(354,786)	(10,481)	(35,478)	(329,789)	(36,352)
For issuance premiums	402,465	5,097	40,246	367,316	40,671
Total bonds payable	9,357,679	1,819,616	2,554,768	8,622,527	749,319
Notes/loans payable	1,585,207	57,470	136,513	1,506,164	128,398
Capital leases payable	78,985	-	32,262	46,723	22,880
Compensated absences	222,356	567,670	158,432	631,594	33,076
Other post employment benefits (OPEB)	230,249	545,632	39,893	735,988	-
Total business-type activities	\$ 11,474,476	\$ 2,990,388	\$ 2,921,868	\$ 11,542,996	\$ 933,673

Internal Service funds predominately serve governmental funds. Accordingly, their long-term liabilities are included in totals for governmental activities. At year end, \$637,119 of internal service fund compensated absences are included in the amounts above. Internal service funds also include \$293,621 of general obligation bonds payable and \$720,848 of other post employment benefits payable. Claims and judgments are generally liquidated by the Insurance Risk Management Internal Service Fund and compensated absences are liquidated by the funds incurring the liability. Enterprise segment information is not disclosed since revenue streams are not pledged to support proprietary long-term debt.

C. Assets Available for Debt Service

The County is meeting debt service requirements. The County has sufficient assets in a variety of different funds to meet current and future debt service payments. At December 31, 2010, the County had \$7,671 available in reserve in governmental debt service funds to service general obligation debt. The County's general obligation debt, as noted above, will be funded by cash balances and future revenue streams from the Real Estate Tax and Detention Facility Sales Tax Holding Funds which are reported as major funds in the fund financial statements. At December 31, 2010, the County had \$3,578,527 in net assets restricted for business type debt which primarily include current and long term special assessment receivables that have been assessed on benefitting utility districts.

D. Legal Debt Margin

State law limits Thurston County's non-voted debt capacity of 1 ½% and voted debt capacity of 2 ½% of the assessed valuation. The capacity amounts are as follows for 2010:

Purpose of Indebtedness	Total Capacity	Remaining Capacity
General Government (No vote required)	\$ 407,161,021	\$ 308,701,692
General Government (With 3/5-majority vote)	\$ 678,601,702	\$ 580,142,373

E. 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 three outstanding refunded issues.

Schedule Of Refunded And Defeased Bonds, Assets, And Liabilities
As of December 31, 2010

	01/01/10	Increases	Decreases	12/31/10
Refunded & Defeased Bonds Outstanding	\$ 7,500,000	\$ 8,530,000	\$ -	\$ 16,030,000

General Obligation Bonds of \$26,135,000 were issued in 2005 of which \$7,510,000 was used for an advance refunding of \$7,500,000 of outstanding 1999 enterprise bonds. The advance refunding of the 1999 bonds resulted in an economic gain of \$440,635 with a \$567,825 reduction in debt service payments over the next 14 years.

General Obligation Bonds of \$29,665,000 were issued in 2010 of which \$8,775,000 was used for an advance refunding of \$1,800,000 of outstanding 1999 enterprise bonds and \$6,730,000 of 2002 general obligation bonds. The advance refunding of the bonds resulted in an economic gain of \$998,350 with a \$1,126,494 reduction in debt service payments over the next 12 years.

NOTE IX – INTERFUND TRANSACTIONS

A. Interfund Receivables and Payables

Interfund transactions usually involve the exchange of goods and services between funds in a normal business relationship. These amounts, which are reported in the fund financial statements, were eliminated in the government-wide statements. The composition of interfund receivables and payables in the fund financial statements as of December 31, 2010 is shown in the following table.

Due From Other Funds									
Due to Other Funds	General Fund	Roads	Public Health	Non-Maj Gov	Internal Service	Solid Waste	Grand Mound	Non-Maj Enter	Total
General Fund	\$ -	\$ -	\$ 31,064	\$ 68,008	\$ 12,581	\$ 51	\$ -	\$ 1,855	\$ 113,559
Detention Facility	166,410	-	-	4,349	-	-	-	-	170,759
Real Estate Excise Tax	-	45,127	-	-	-	-	49,616	8,948	103,691
Roads	6,073	-	50	-	16,359	556	30	1,533	24,601
Medic One	-	-	-	-	792	-	-	-	792
Public Health	84,314	-	-	-	4	-	-	280	84,598
Non-Major Governmental	651,008	125	372,865	-	68,136	-	-	16,536	1,108,670
Internal Service	34	-	1	-	5,737	-	-	-	5,772
Solid Waste	18,898	6,803	209,058	-	2,535	2,361,278	-	12,325	2,610,897
Grand Mound	-	35,920	252	-	-	-	129,999	318	166,489
Non-Major Enterprise	6,379	235,646	34,400	45,493	5,482	-	-	28,420	355,820
Total Due to/Due from	\$ 933,116	\$ 323,621	\$ 647,690	\$ 117,850	\$ 111,626	\$ 2,361,885	\$ 179,645	\$ 70,215	\$ 4,745,648

B. Interfund Loans and Advances

Interfund loans and advances are fund transfers, usually interest bearing, that will be repaid in future years. Interfund loans are fund transfers for less than a year that are outstanding at year end and advances are fund transfers for more than one year. These amounts, which are reported in the fund financial statements, were eliminated in the government-wide statements. The following advances were outstanding as of December 31, 2010:

1. The Detention Facilities Sales Tax Holding Fund advanced \$6,000,000 at a 3% interest rate to the General Fund in March of 2009. The entire advance, including \$195,000 of accrued interest, was repaid in April of 2010.

Thurston County, Washington 2010

2. The Roads Fund advanced \$800,000 to the Development Services Fund in 2008. There is a five year repayment period starting in 2009 and ending in 2013. The advance bears an interest rate of 3% with monthly payments of \$15,587 throughout the repayment period. The remaining balance at December 31, 2010 was \$344,982.

C. Interfund Transfers

Interfund transfers are subsidies and contributions provided by one fund to another fund with no corresponding promise for repayment. These amounts, which are reported in the fund financial statements, were eliminated in the government-wide statements. Transfers out from the General Fund are usually made to subsidize activities in other funds such as Fair and Public Health that are not fully funded by taxes, grants or program and service fees. Transfers in to the General Fund are primarily from sales tax holding funds for public safety purposes. Transfers out of Detention Facilities Sales Tax and Debt Holding Funds are primarily to fund public safety capital projects in capital project funds and public safety operations in the General Fund. Transfers in to Public Health and Social Services comprise subsidies and support service payments from the General and Treatment Sales Tax Funds. Transfers in to and out of proprietary and non-major governmental funds are primarily for debt service and associated capital projects. Transfers also include transfers of residual fund balances to active ongoing funds from funds that were closed out and terminated during the year.

Interfund transfers occurring between major funds, non-major governmental funds, non-major enterprise funds and internal service funds of the County during the year ended December 31, 2010 are summarized below:

Transfer In										
Transfer Out	General Fund	Roads	Medic One	Public Health	Non-Major Govt	Internal Service	Solid Waste	Grand Mound	Non-Major Enterprise	Total
General Fund	\$ -	\$ -	\$ -	\$ 966,228	\$ 445,267	\$ 143,238	\$ -	\$ -	\$ 18,145	\$ 1,572,878
Debt Holding	-	-	-	-	9,443,971	-	-	-	-	9,443,971
Detention Facility Hldg	1,451,087	-	-	-	4,418,240	-	-	-	-	5,869,327
Real Estate Excise Tax	-	1,742,726	-	-	2,026,460	-	-	875,515	56,034	4,700,735
Roads	-	1,500,000	-	-	-	-	-	-	-	1,500,000
Medic One	-	-	4,051	-	-	-	-	-	-	4,051
Public Health	-	-	-	37,125	-	-	-	-	-	37,125
Non-Major Govt	1,788,835	116,951	-	982,871	366,312	432,162	-	-	-	3,687,131
Internal Service	743,000	-	-	14,093	20,502	759,001	-	-	646	1,537,242
Solid Waste	-	-	-	-	-	-	2,358,179	-	50,129	2,408,308
Ground Mound	-	-	-	-	-	-	-	693,835	-	693,835
Non-Major Enterprise	-	-	-	-	-	-	-	-	677,603	677,603
Total Transfers	\$ 3,982,922	\$ 3,359,677	\$ 4,051	\$ 2,000,317	\$ 16,720,752	\$ 1,334,401	\$ 2,358,179	\$ 1,569,350	\$ 802,557	\$ 32,132,206

NOTE X – PENSION PLANS

Substantially all county full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380. The following disclosures are made pursuant to GASB Statements 27, *Accounting for Pensions by State and Local Government Employers* and No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27*.

A. Public Employees' Retirement System (PERS) Plans 1, 2, and 3

Plan Description

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component.

Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges currently in a judicial retirement system); employees of legislative committees; community and technical colleges, college and university employees not participating in national higher education retirement programs; judges of district and municipal courts; and employees of local governments.

PERS participants who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercise an option to transfer their membership to Plan 3. PERS members joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

PERS Plan 1 and Plan 2 defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PERS retirement benefit provisions are established in Chapters 41.34 and 41.40 RCW and may be amended only by the State Legislature.

PERS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The monthly benefit is 2 percent of the average final compensation (AFC) per year of service. (AFC is the monthly average of the 24 consecutive highest-paid service credit months.) The retirement benefit may not exceed 60 percent of AFC. The monthly benefit is subject to a minimum for PERS Plan 1 retirees who have 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired 25 years. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits. If a survivor option is chosen, the benefit is further reduced. A cost-of living allowance (COLA) is granted at age 66 based upon years of service times the COLA amount, which is increased 3 percent annually. Plan 1 members may also elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity payable to the age of 60. The allowance amount is \$350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any workers' compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60. A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the allowance amount is 2 percent of the AFC for each year of service reduced by 2 percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. A cost-of-living allowance is granted at age 66 based upon years of service times the COLA amount (based on the consumer Price Index), capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 members can receive credit for military service while actively serving in the military, if such credit makes them eligible to retire. Members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. (AFC is the monthly average of the 60 consecutive highest-paid service months.)

PERS Plan 2 members who have at least 20 years of service credit and are 55 years of age or older are eligible for early retirement with a reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

PERS Plan 2 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by 3 percent for each year before age 65.
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2 retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

The surviving spouse or eligible child or children of a PERS Plan 2 member who dies after leaving eligible employment having earned ten years of service credit may request a refund of the member's accumulated contributions. Effective July 22, 2007, said refund (adjusted as needed for specified legal reductions) is increased from 100 percent to 200 percent of the accumulated contributions if the member's death occurs in the uniformed service to the United States while participating in *Operation Enduring Freedom* or *Persian Gulf*, *Operation Iraqi Freedom*.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component and member contributions finance a defined contribution component. The defined benefit portion provides a monthly benefit that is 1 percent of the AFC per year of service. (AFC is the monthly average of the 60 consecutive highest-paid service months.)

Effective June 7, 2006, PERS Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service, if twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan. Vested Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits:

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65.
- If they have 30 service credit years and are at least 55 years old, they have the choice of a benefit that is 6 reduced by 3 percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.

PERS Plan 3 defined benefit retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. There is no cap on years of service credit and Plan 3 provides the same cost-of-living allowance as Plan 2.

PERS Plan 3 defined contribution retirement benefits are solely dependent upon the results of investment activities.

The defined contribution portion can be distributed in accordance with an option selected by the member, either as a lump sum or pursuant to other options authorized by the Director of the Department of Retirement Systems.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is 2 percent of the AFC per year of service. For Plan 3, the monthly benefit amount is 1 percent of the AFC per year of service.

These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index) capped at 3 percent annually.

PERS Plan 2 and Plan 3 members may have up to ten years of interruptive military service credit; five years at no cost and five years that may be purchased by paying the required contributions. Effective July 24, 2005, a member who becomes totally incapacitated for continued employment while serving the uniformed services, or a surviving spouse or eligible children, may apply for interruptive military service credit. Additionally, PERS Plan 2 and Plan 3 members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS members may also purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's retirement benefit.

Beneficiaries of a PERS Plan 2 or Plan 3 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Department of Labor and Industries.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PERS member who dies in the line of service as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of said member's covered employment, if found eligible by the Department of Labor and Industries.

Judicial Benefit Multiplier

Beginning January 1, 2007 through December 31, 2007, judicial members of PERS were given the choice to participate in the Judicial Benefit Multiplier Program (JBM) enacted in 2006. Justices and judges in PERS Plan 1 and 2 were able to make a one-time irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit would be capped at 75 percent of AFC. Judges in PERS Plan 3 could elect a 1.6 percent of pay per year of service benefit, capped at 37.5 percent of average compensation.

Members who chose to participate in JBM would: accrue service credit at the higher multiplier beginning with the date of their election, be subject to the benefit cap of 75 percent of AFC, pay higher contributions, stop contributing to the Judicial Retirement Account (JRA), and be given the option to increase the multiplier on past judicial service. Members who did not choose to participate would: continue to accrue service credit at the regular multiplier; continue to participate in JRA, if applicable; never be a participant in the JBM Program; and continue to pay contributions at the regular PERS rate.

Newly elected or appointed justices and judges who chose to become PERS members on or after January 1, 2007, or who had not previously opted into PERS membership, were required to participate in the JBM Program. Members required into the JBM program would: return to prior PERS Plan if membership had previously been established; be mandated into Plan 2 and not have a Plan 3 transfer choice, if a new PERS member; accrue the higher multiplier for all judicial service; not contribute to JRA; and not have the option to increase the multiplier for past judicial service.

There are 1,189 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2009:

Retirees and Beneficiaries Receiving Benefits	74,857
Terminated Plan Members Entitled to but not yet Receiving Benefits	28,074
Active Plan Members Vested	105,339
Active Plan Members Non-vested	53,896
Total	262,166

Funding Policy

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and at 7.5 percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan, and member contributions finance the defined contribution portion. The Department of Retirement Systems sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the employee's age. As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program. The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.40 and 41.45 RCW.

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The required contribution rates expressed as a percentage of current year covered payroll, as of December 31, 2010, were as follows:

Members not participating in JBM:

	<i>PERS Plan 1</i>	<i>PERS Plan 2</i>	<i>PERS Plan 3</i>
Employer*	5.31%**	5.31%**	5.31%***
Employee	6.00%****	3.90%****	*****

* The employer rates include the employer administrative expense fee currently set at 0.16%.

** The employer rate for state elected officials is 7.89% for Plan 1 and 5.31% for Plan 2 and Plan 3.

*** Plan 3 defined benefit portion only.

**** The employee rate for state elected officials is 7.50% for Plan 1 and 3.90% for Plan 2.

***** Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.

Members participating in JBM:

	<i>PERS Plan 1</i>	<i>PERS Plan 2</i>	<i>PERS Plan 3</i>
Employer-State Agency*	7.81%	7.81%	7.81%**
Employer-Local Govt.*	5.31%	5.31%	5.31%**
Employee-State Agency	9.76%	7.25%	7.50%***
Employee-Local Govt.	12.26%	9.75%	7.50%***

* The employer rates include the employer administrative expense fee currently set at 0.16%.

** Plan 3 defined benefit portion only.

*** Minimum rate.

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

	<i>PERS Plan 1</i>	<i>PERS Plan 2</i>	<i>PERS Plan 3</i>
2010	\$ 179,089	\$ 2,019,168	\$ 229,265
2009	\$ 257,638	\$ 2,593,492	\$ 281,482
2008	\$ 398,108	\$ 3,482,899	\$ 361,252

B. Law Enforcement Officers and Fire Fighters (LEOFF) Plans 1 and 2

Plan Description

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF participants who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 are Plan 2 members. Membership in the system includes all full-time, fully compensated, local law enforcement officers, firefighters and, as of July 24, 2005, those emergency medical technicians who were given the option and chose LEOFF Plan 2 membership. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers, who were first included prospectively effective July 27, 2003, being an exception.

Effective July 1, 2003, the LEOFF Plan 2 Retirement Board was established by Initiative 790 to provide governance of LEOFF Plan 2. The Board's duties include adopting contribution rates and recommending policy changes to the Legislature for the LEOFF Plan 2 retirement plan.

LEOFF defined benefit retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays through state legislative appropriations. LEOFF retirement benefit provisions are established in Chapter 41.26 RCW and may be amended by the State Legislature.

LEOFF Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement with five years of service at the age of 50.

The benefit per year of service calculated as a percent of final average salary (FAS) is as follows:

Term of Service	Percent of Final Average Salary
20 or more years	2.0%
10 but less than 20 years	1.5%
5 but less than 10 years	1.0%

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last ten years of service. A cost-of-living allowance is granted (based on the Consumer Price Index).

LEOFF Plan 1 provides death and disability benefits. Death benefits for survivors of Plan 1 members on active duty consist of the following: (1) If eligible spouse, 50 percent of the FAS, plus 5 percent of FAS for each eligible surviving child, with a limitation on the combined allowances of 60 percent of the FAS; or (2) If no eligible spouse, eligible children receive 30 percent of FAS for the first child plus 10 percent for each additional child, subject to a 60 percent limitation of FAS, divided equally.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 1 member who dies as a result of injuries or illness sustained in the course of employment, if found eligible by the Department of Labor and Industries.

The LEOFF Plan 1 disability allowance is 50 percent of the FAS plus 5 percent for each child up to a maximum of 60 percent. Upon recovery from disability before the age of 50, a member is restored to service with full credit for service while disabled. Upon recovery after the age of 50, the benefit continues as the greater of the member's disability allowance or service retirement allowance.

LEOFF Plan 1 members may purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's allowance.

LEOFF Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at the age of 50 with 20 years of service, or at the age of 53 with five years of service, with an allowance of 2 percent of the FAS per year of service. (FAS is based on the highest consecutive 60 months.) Plan 2 members who retire prior to the age of 53 receive reduced benefits. Benefits are actuarially reduced for each year that the benefit commences prior to age 53 and to reflect the choice of a survivor option. If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53. A cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

LEOFF Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 allowance amount is 2 percent of the FAS for each year of service. Benefits are actuarially reduced for each year that the member's age is less than 53, unless the disability is duty-related, and to reflect the choice of a survivor option. If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53. A catastrophic disability benefit equal to 70 percent of their FAS, subject to offsets for workers' compensation and Social Security disability benefits received, is also available to those LEOFF Plan 2 members who are severely disabled in the line of duty and incapable of future substantial gainful employment in any capacity.

Effective June 2010, benefits to LEOFF Plan 2 members who are catastrophically disabled include payment of eligible health care insurance premiums.

Members of LEOFF Plan 2 who leave service because of a line of duty disability are allowed to withdraw 150 percent of accumulated member contributions. This withdrawal benefit is not subject to federal income tax. Alternatively, members of LEOFF Plan 2 who leave service because of a line of duty disability may be eligible to receive a retirement allowance of at least 10 percent of FAS and 2 percent per year of service beyond five years. The first 10 percent of the FAS is not subject to federal income tax.

LEOFF Plan 2 retirees may return to work in an eligible position covered by another retirement system, choose membership in that system and suspend their pension benefits, or not choose membership and continue receiving pension benefits without interruption.

LEOFF Plan 2 members who apply for retirement may purchase up to five years of additional service credit. The cost of this credit is the actuarial equivalent of the resulting increase in the member's benefit. LEOFF Plan 2 members can purchase service credit for military service that interrupts employment. Additionally, LEOFF Plan 2 members who become totally incapacitated for continued employment while servicing in the uniformed services may apply for interruptive military service credit. Should any such member die during this active duty, the member's surviving spouse or eligible child(ren) may purchase service credit on behalf of the deceased member.

LEOFF Plan 2 members may also purchase up to 24 consecutive months of service credit for each period of temporary duty disability.

Beneficiaries of a LEOFF Plan 2 member who is killed in the course of employment receive retirement benefits without actuarial reduction, if found eligible by the Director of the Department of Labor and Industries.

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Benefits to eligible surviving spouses and dependent children of LEOFF Plan 2 members killed in the course of employment include the payment of on-going health care insurance premiums paid to the Washington state Health Care Authority.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 2 member who dies as a result of injuries or illness sustained in the course of employment, if found eligible by the Department of Labor and Industries.

There are 372 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2009:

Retirees and Beneficiaries Receiving Benefits	9,454
Terminated Plan Members Entitled to but not yet Receiving Benefits	674
Active Plan Members Vested	13,363
Active Plan Members Non-vested	3,944
Total	27,435

Funding Policy

Starting on July 1, 2000, LEOFF Plan 1 employers and employees contribute zero percent as long as the plan remains fully funded. Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plan. LEOFF Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. All employers are required to contribute at the level required by state law. The Legislature, by means of a special funding arrangement, appropriated money from the state General Fund to supplement the current service liability and fund the prior service costs of LEOFF Plan 2 in accordance with the requirements of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. However, this special funding situation is not mandated by the state constitution and this funding requirement could be returned to the employers by a change of statute.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2010, were as follows:

	LEOFF Plan 1	LEOFF Plan 2
Employer*	0.16%	5.24% **
Employee	0.00%	8.46%
State	N/A	3.38%

*The employer rates include the employer administrative expense fee currently set at 0.16%.

** The employer rate for ports and universities is 8.62%.

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

	LEOFF Plan 1	LEOFF Plan 2
2010	\$ 294	\$ 314,046
2009	\$ 294	\$ 332,133
2008	\$ 335	\$ 399,102

C. Public Safety Employee's Retirement System (PSERS) Plan 2

Plan Description

PSERS is a cost-sharing multiple-employer retirement system comprised of a single defined benefit plan, PSERS Plan 2. PSERS was created by the 2004 Legislature and became effective July 1, 2006.

PSERS Plan 2 membership includes full-time employees of a covered employer on or before July 1, 2006, who met at least one of the PSERS eligibility criteria, and elected membership during the election period of July 1, 2006 to September 30, 2006; and those full-time employees, hired on or after July 1, 2006 by a covered employer, that meet at least one of the PSERS eligibility criteria.

A *covered employer* is one that participates in PSERS. Covered employers include: State of Washington agencies: Department of Corrections, Department of Natural Resources, Parks and Recreation Commission, Gambling Commission, Washington State Patrol, and Liquor Control Board; Washington state counties; and Washington state cities except for Seattle, Tacoma and Spokane.

To be eligible for PSERS, an employee must work on a full-time basis and one of the following:

- Completed a certified criminal justice training course with authority to arrest, conduct criminal investigations, enforce the criminal laws of Washington, and carry a firearm as part of the job.
- Primary responsibility to ensure the custody and security of incarcerated or probationary individuals.
- Limited authority to function as a Washington peace officer, as defined in RCW 10.93.020
- Primary responsibility to supervise eligible members who meet the above criteria.

PSERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PSERS retirement benefit provisions are established in Chapter 41.37 RCW and may be amended only by the State Legislature.

PSERS Plan 2 members are vested after the completion of five years of eligible service. PSERS Plan 2 members may retire at the age of 65 with five years of service, or at the age of 60 with at least ten years of PSERS service credit, with an allowance of two percent of the average final compensation (AFC) per year of service. The AFC is the monthly average of the member's 60 consecutive highest-paid service credit months, excluding any severance pay such as lump-sum payments for deferred sick leave, vacation or annual leave. Plan 2 members who retire prior to the age of 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a 3 percent per year reduction for each year between the age at retirement and age 60 applies. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

Thurston County, Washington 2010

PSERS Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. Eligibility is based on the member being totally incapacitated for continued employment with a PSERS employer and leaving that employment as a result of the disability. The disability allowance is 2 percent of the average final compensation (AFC) for each year of service. AFC is based on the member's 60 consecutive highest creditable months of service. Service credit is the total years and months of service credit at the time the member separates from employment. Benefits are actuarially reduced for each year that the member's age is less than 60 (with ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years). PSERS Plan 2 members can purchase service credit for military service that interrupts employment. Additionally, PSERS members who become totally incapacitated for continued employment while serving in the uniformed services, may apply for interruptive military service credit. Should any such member die during this active duty, the member's surviving spouse or eligible child(ren) may purchase service credit on behalf of the deceased member.

PSERS members may also purchase up to 24 consecutive months of service credit for each period of temporary duty disability.

Beneficiaries of a PSERS Plan 2 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, if found eligible by the Director of the Department of Labor and Industries.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PSERS member who dies as a result of injuries or illness sustained in the course of employment, if found eligible by the Department of Labor and Industries.

There are 73 participating employers in PSERS. Membership in PSERS consisted of the following as of the latest actuarial valuation date for the plan of June 30, 2009:

Retirees and Beneficiaries Receiving Benefits	2
Terminated Plan Members Entitled to but not yet Receiving Benefits	0
Active Plan Members Vested	0
Active Plan Members Non-vested	4,340
Total	4,342

Funding Policy

Each biennium, the state Pension Funding Council adopts PSERS Plan 2 employer and employee contribution rates. The employer and employee contribution rates for Plan 2 are developed by the Office of the State Actuary to fully fund Plan 2. All employers are required to contribute at the level established by the Legislature. The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.37 and 41.45 RCW.

Thurston County, Washington 2010

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2009, were as follows:

	<i>PSERS Plan 2</i>
Employer*	7.85%
Employee	6.55%

* The employer rate includes an employer administrative expense fee of 0.16%.

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

	PSERS Plan 2
2010	\$ 421,031
2009	\$ 437,727
2008	\$ 529,464

NOTE XI – RISK MANAGEMENT

Thurston County is exposed to various risks of loss related to torts; thefts, damage, and/or destruction of assets; errors and omissions; and natural disaster for which the County either belongs to a risk pool, carries liability insurance, or is self-insured.

A. Risk Pool and General Liability Insurance

Thurston County is one of twenty-seven members that participated in the Washington Counties Risk Pool (Pool) during 2010. Chapter 48.62 RCW and 82.60 WAC authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the extent that they may individually purchase insurance, self insure, or hire or contract for risk management services. It is overseen by the State Risk Manager and subject to fiscal audits performed annually by the State Auditor.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The Pool was formed on August 18, 1988 when several 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. The enabling Interlocal Agreement was amended once in 2000 to add the Membership Compact, a commitment to strengthen the Pool by helping its member counties implement and/or enhance local risk management efforts to reduce losses and support best management practices. The Membership Compact supports these goals through three major elements: membership involvement, risk control practices, and targeted risk management programs.

The Pool allows members to establish a plan of self-insurance, jointly purchase excess or reinsurance and provide related services. All Pool joint self-insurance liability coverage, including public officials' errors and omissions, and property insurance program are on an "occurrence" basis. The Pool provides the following forms of group-purchased insurance coverage for its members: "following form" excess liability, and jointly-purchased property insurance as a member option that includes structures, vehicles, mobile equipment, and EDP equipment. Special events/concessionaires are another optional group purchase insurance coverage.

Members make an annual contribution to fund the Pool. The Pool acquires liability reinsurance and "following form" excess insurance from unrelated underwriters that is subject to a per-occurrence self-insured retention of \$100,000, or the member-selected deductible, whichever is greater. Members are responsible for their elected deductible amounts ranging from \$10,000 to \$500,000 of each covered claim while the Pool is responsible for the remaining difference up to the pool's \$100,000 to the maximum limits of each policy. The reinsurance and excess insurance carriers cover losses exceeding the greater of the pool's retention or the member county's deductible to the maximum limits of each policy.

Except for the Pool's self insured retention (the greater of the member's deductible or \$100,000), the initial \$10 million of coverage is fully reinsured by superior-rated commercial carriers. The remaining insurance (up to \$15 million) is acquired as "following form" excess insurance from superior-rated commercial carriers. There are no aggregate limits to the payments made for any one member county or all member counties combined.

The pool is governed by a board of directors that is comprised of at least one designated representative from each participating member. An executive committee is elected at the annual meeting, and is responsible for conducting the business affairs of the pool. Members contract to remain in the pool for a minimum of five years, and must give notice one year before terminating participation. Thurston County rejoined the pool on October 1, 2000, after a one-year absence. The contract with the pool is renewed automatically each year until terminated. Each member is responsible for contributions to the pool for any unresolved, unreported, and in-process claims for the period(s) during which it was a signatory to the interlocal agreement, even after termination of the contractual relationship.

The pool is fully funded by its member participants as a cooperative program with joint liability among the participating members. Claims are filed by members with the pool. Any deficits or program assets which are insufficient to cover program liabilities are financed by proportional reassessments against that year's membership. The Pool's reassessment receivable at December 31, 2010 remains at zero.

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. Furthermore, the County's settlements have not exceeded the County's insurance coverage in each of the past three years. 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 general claims costs of \$637,724 during 2010. The County's suggested claim reserves, at a 70% confidence level, and therefore the County's potential liability for claims and costs not covered by the risk pool, were estimated by the pool's actuary on December 31, 2010 as \$4,025,790. The suggested reserve 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 are projections. As estimates, these values fluctuate and are subject to inherent variability and may or may not become payable over the course of several years.

Schedule of Claims and Judgments Payable		
	2010	2009
Beginning claims liability	\$ 4,414,807	\$ 3,700,869
Claims incurred during the year (including IBNRs)*	248,713	1,005,948
Claims payments	(637,724)	(292,010)
Ending claims liability	\$ 4,025,796	\$ 4,414,807

*Includes total provision for events of the current fiscal year and any changes in the provision for events for prior fiscal years.

B. Other

The County is not self insured for other types of risks and losses except as described above under “Risk Pool and General Liability Insurance”. The County reimburses Washington State Employment Security for unemployment compensation claims. These claims are funded through employee related fund transfers into the County’s Unemployment Compensation Fund. The County also pays Washington State Labor and Industries a stipulated amount per employee per payroll period for a state mandated industrial insurance program for worker compensation claims. As discussed in Note VIII.E., the County also has a contingent financial liability for the payment of refunded debt.

NOTE XII – OTHER POST-EMPLOYMENT BENEFITS

The County provides other post-employment benefits (OPEB) in addition to pension benefits described in Note X.

A. LEOFF

Lifetime full medical coverage is provided to uniformed law enforcement officers as members of the Law Enforcement Officers and Fire Fighters (LEOFF 1) retirement system. A liability for the accumulated unfunded actuarially required contribution is reported in the Statement of Net Assets. The actual medical costs are reported as expenditures in the year they are incurred.

1. Plan Description

The County provides lifetime medical care in accordance with the Washington LEOFF 1 Act (RCW 41.26) for retired full time, fully compensated, law enforcement officers who established membership in the LEOFF 1 retirement system on or before September 30, 1977. All or most of the County’s LEOFF 1 officers are eligible for benefits when they reach normal retirement age through a defined benefit healthcare plan administered by the County.

Thurston County reimburses retired LEOFF 1 officers for reasonable medical charges usually provided by one of the County’s employee medical insurance programs. Under the authorization of the LEOFF Disability Board, direct payment is made for other retiree medical expenses not covered by standard medical plan benefit provisions. Financial reporting for the LEOFF retiree healthcare plan is included in the County’s Comprehensive Annual Financial Report.

Thurston County, Washington 2010

In 2010, 18 retirees received benefits under this act. As of December 31, 2010, there were 2 active officers who may become eligible for those benefits when they reach normal retirement age.

2. Funding Policy

Funding for LEOFF retiree healthcare costs is provided entirely by the County as required by RCW. The County's funding policy is based upon pay-as-you-go financing requirements.

3. Annual OPEB Cost and Net OPEB Obligation

The County's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the fiscal year ending December 31, 2010, the amount actually contributed to the plan, and changes in the County's net OPEB obligation. The net OPEB obligation of \$1,415,828 is reported as a non-current liability on the Statement of Net Assets.

	Year Ending 12/31/2008	Year Ending 12/31/2009	Year Ending 12/31/2010
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Determination of Annual Required Contribution:

Normal Cost at Year End	\$ 34,096	\$ 23,454	\$ 23,239
Amortization of UAAL*	570,644	553,368	529,791
Annual Required Contribution	\$ 604,740	\$ 576,822	\$ 553,030

Determination of Net OPEB Obligation:

Annual Required Contribution	\$ 604,740	\$ 576,822	\$ 553,030
Interest on Prior Year Net OPEB Obligation	16,540	35,058	50,253
Adjustment to ARC	12,674	(72,542)	(103,983)
Annual OPEB Cost	633,954	539,338	499,300
Contributions Made	(222,432)	(201,671)	(200,206)
Increase in Net OPEB Obligation	\$ 411,522	\$ 337,667	\$ 299,094

Net OPEB Obligation - End Of Year:

Net OPEB Obligation - Beginning of Year	\$ 367,545	\$ 779,067	\$ 1,116,734
Increase in Net OPEB Obligation	411,522	337,667	299,094
Net OPEB Obligation-end of year (NOO)	\$ 779,067	\$ 1,116,734	\$ 1,415,828

*Unfunded Actuarial Accrued Liability (UAAL)

Thurston County, Washington 2010

The County's OPEB cost, the percentage of OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Contribution	Percentage of OPEB Cost Contributed	Net OPEB Obligation	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2008	\$ 633,953	\$ 222,432	35.1%	\$ 779,066	\$ 226,117	2710.30%
12/31/2009	\$ 539,338	\$ 201,671	37.4%	\$ 1,116,733	\$ 233,651	2543.50%
12/31/2010	\$ 499,300	\$ 200,206	40.1%	\$ 1,415,828	\$ 235,757	2413.39%

4. Funded Status and Funding Progress

As of December 31, 2010 the plan was 0% funded. The Actuarial Accrued Liability (AAL) for benefits was \$5,689,718 and the actuarial value of the assets was \$0 resulting in a UAAL of \$5,689,718.

The cost of retiree health care benefits is recognized in the General Fund as claims are paid. For 2010, these costs total \$52,951 with a cost per retiree of \$2,942. Thurston County uses the Long Term Care Special Revenue Fund to purchase additional long-term care insurance for LEOFF 1 retirees.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

5. Actuarial Methods and Assumptions

We used the alternative measurement method permitted under GASB Statement No. 45. A single retirement age of 56.24 was assumed for all active members for the purpose of determining the AAL and normal cost. Retirement, disablement, termination, and mortality rates were assumed to follow the LEOFF 1 rates used in the June 30, 2007 actuarial valuation report issued by the Office of the State Actuary (OSA). Healthcare costs and trends were determined by Milliman and used by OSA in the state-wide LEOFF 1 medical study performed in 2007. The results were based on grouped data with 4 active groupings and 4 inactive groupings. The healthcare cost trend assumption started at 9% in 2007 and decreases to an ultimate rate of 5% in 2015 and beyond. The actuarial cost method used to determine the AAL was Projected Unit Credit. The AAL and NOO are amortized on an open basis as a level dollar over 15 years. These assumptions are individually and collectively reasonable for the purposes of this valuation.

The UAAL is being amortized on a closed basis at the assumed discount rate. The remaining amortization period at December 31, 2010 was 27 years.

B. PEBB

Thurston County provides to its retirees employer provided subsidies for post-employment medical and life insurance benefits provided through the Public Employee Benefits Board (PEBB). A liability for the accumulated unfunded actuarially required contribution is reported in the entity-wide and proprietary statements of net assets. The actual medical costs are paid through annual fees and premiums to the PEBB.

1. Plan Description

The PEBB was created within the Washington State Health Care Authority to administer medical, dental, and life insurance plans for public employees and retirees and their dependents. The subsidies provided by PEBB to the County include the following:

- Explicit Medical Subsidy for Post-65 retirees
- Explicit Life Insurance Subsidy for all retirees
- Implicit Medical Subsidy for Pre-65 retirees

The explicit subsidies are monthly amounts per retiree. The implicit medical subsidy is the difference between the total cost of pre-65 medical benefits and the pre-65 contributions paid by retirees.

2. Eligibility

County members are eligible for retiree medical benefits after becoming eligible for service retirement pension benefits (either reduced or full pension benefits) under Plan 2 of the PERS.

- Age 65 with 5 years of service
- Age 55 with 20 years of service

Former members who are entitled to a deferred vested pension benefit are not eligible to receive medical benefits after pension benefit commencement.

3. Medical and Life Benefits

Upon retirement, members are permitted to receive medical benefits. Retirees currently pay the following monthly rates for pre-65 medical coverage:

Plan	Employee Only	Employee & Spouse	Employee & Children	Full Family
Aetna Public Employees Plan	\$ 531.44	\$ 1,056.44	\$ 925.19	\$ 1,450.19
Group Health Classic	\$ 470.73	\$ 935.02	\$ 818.95	\$ 1,283.24
Group Health Value	\$ 421.44	\$ 836.44	\$ 732.69	\$ 1,147.69
Kaiser Permanente Classic	\$ 471.51	\$ 936.58	\$ 820.31	\$ 1,285.38
Kaiser Permanente Value	\$ 441.08	\$ 875.72	\$ 767.06	\$ 1,201.70
Uniform Medical Plan	\$ 440.20	\$ 873.96	\$ 765.52	\$ 1,199.28

Thurston County, Washington 2010

For 2010, after age 65 retired members and their spouses received a subsidy of 50% of their monthly medical premiums up to \$182.89 per Medicare covered member.

For 2010, retirees also received an explicit subsidy of \$4.77/month toward Life Insurance premiums.

4. Funding Policy

The funding policy is based upon pay-as-you-go financing requirements.

5. Annual OPEB Cost and Net OPEB Obligation

The County's annual other post employment benefit (OPEB) cost is calculated based upon the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period of 27 years as of December 31, 2010. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB.

In 2009, the actuary used by the County made a correction for 2008 that decreased the Net OPEB Obligation-end of year by \$143,888. This correction was reported in the table below in the 2009 column as a Prior Period Actuarial Correction to ARC.

	Year Ending 12/31/2008	Year Ending 12/31/2009	Year Ending 12/31/2010
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Determination of Annual Required Contribution:

Normal Cost at Year End	\$ 1,541,152	\$ 1,833,764	\$ 1,833,764
Amortization of UAAL*	780,202	1,188,521	1,188,521
Annual Required Contribution	\$ 2,321,354	\$ 3,022,285	\$ 3,022,285

Determination of Net OPEB Obligation:

Annual Required Contribution	\$ 2,321,354	\$ 3,022,285	\$ 3,022,285
Interest on Prior Year Net OPEB Obligation	93,887	188,254	310,836
Adjustment to ARC	71,944	(159,282)	(272,098)
Annual OPEB Cost	2,487,185	3,051,257	3,061,024
Contributions Made	(246,254)	(327,205)	(322,635)
Increase in Net OPEB Obligation	\$ 2,240,931	\$ 2,724,052	\$ 2,738,389

Net OPEB Obligation - End Of Year:

Net OPEB Obligation - Beginning of Year	\$ 2,086,379	\$ 4,327,310	\$ 6,907,474
Prior Period Actuarial Correction to 2008 ARC	-	(143,888)	-
Adjusted Net OPEB Obligation - Beginning of Year	2,086,379	4,183,422	6,907,474
Increase in Net OPEB Obligation	2,240,931	2,724,052	2,738,389
Net OPEB Obligation-end of year	\$ 4,327,310	\$ 6,907,474	\$ 9,645,863

*Unfunded Actuarial Accrued Liability (UAAL)

Thurston County, Washington 2010

The County's annual OPEB cost, the percentage of OPEB cost contributed to the plan, and the net OPEB obligation for 2010 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Contribution	Percentage of OPEB Cost Contributed	Net OPEB Obligation	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2008	\$ 2,343,297	\$ 246,254	10.51%	\$ 4,183,422	\$ 76,013,118	30.79%
12/31/2009	\$ 3,051,257	\$ 327,205	10.72%	\$ 6,907,474	\$ 78,114,300	39.96%
12/31/2010	\$ 3,061,024	\$ 322,635	10.54%	\$ 9,645,863	\$ 76,838,632	40.62%

* Note 12/31/2008 calculations are reported after Actuarial correction

6. Funded Status and Funding Progress

As of December 31, 2010, the most recent actuarial valuation date, the plan was 0% funded. The accrued liability for benefits was \$31.2 million, and the actuarial value of assets was \$0, resulting in a UAAL of \$31.2 million.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

7. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

In the December 31, 2009 actuarial valuation (most recent one done), the Projected Unit Credit actuarial cost method was used. The actuarial assumptions used included a 4.50% discount rate, which is based upon the long-term investment yield on the investments that are expected to be used to finance the payment of benefits. The healthcare plan actuarial valuation included healthcare cost inflation trend rates of 8.3% in 2010, 7.5% in 2011, 6.7% in 2012, and 6.3% in 2013. Additionally, the valuation included trend rates of 5.9% in 2020 and 5.6% in 2030.

The UAAL is amortized as a level percentage of expected payroll over a 30 year period beginning December 31, 2007. It is being amortized on a closed basis at the assumed discount rate. The remaining amortization period at December 31, 2010 was 27 years.

NOTE XIII – JOINT VENTURES/JOINTLY GOVERNED ORGANIZATIONS

Thurston County participates in inter-local agreements with four other Thurston County governmental units or agencies. The County participates inter-locally with Animal Control Services, the Inter-local Drug Control Unit, Olympic Region Clean Air Agency (ORCAA), and the Thurston Regional Planning Council (TRPC).

Animal Control Services is a joint venture governed by a six-member board of which Thurston County is a member. Each member's contribution is based on a formula factoring population and basic service components. Thurston County's cost is based on their computed share of services in compliance with the interlocal agreement with Animal Control Services. The County contributed \$509,159 as its share of operations in 2010 which 54.45% of the total contributions from participating agencies. The County's equity interest at December 31, 2010 is therefore \$1,869,555. The financial health of this joint venture remains strong mainly due to a steady stream of revenue received from the Cities of Olympia, Lacey, and Tumwater, and Thurston County. Net Assets for Animal Control at the end of 2010 totaled \$3,433,527. 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.

Animal Control	
Total Assets	\$ 3,687,319
Liabilities	(253,792)
Net Assets	\$ 3,433,527
Net Assets - 1/1	
Revenues	\$ 1,483,657
Expenses	1,485,221
Net Income	\$ (1,564)
Beginning Net Assets - Restated	\$ 3,435,091
Net Income (Loss)	(1,564)
Ending Net Assets - 12/31	\$ 3,433,527

The Inter-local 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 Inter-local Drug Control Unit in 2010. The Inter-local Drug Control Unit is funded by grants and seizures of drug funds. Financial information on the Inter-local Drug Control Unit can be obtained from its administrative office at the City of Lacey, Post Office Box 3400, Lacey, Washington 98509-3400.

Olympic Region Clean Air Agency is a jointly-governed organization governed by a nine member board of which Thurston County is a member. Thurston County contributed \$62,822 as its share of operations in 2010. The assessment was based on population and violation fees collected. Thurston County did not have an equity interest in ORCAA in 2010. Complete financial statements for ORCAA can be obtained from its administrative office at 2940 B Limited Lane NW, Olympia, Washington 98502.

Thurston Regional Planning Council is a jointly-governed organization governed by a fifteen-member council of which Thurston County is a member. Thurston County contributed \$205,275 as its share of operations in 2010 for intergovernmental professional services. The assessment was based on population and contractual commitments. Thurston County did not have an equity interest in TRPC in 2010. Complete financial statements for TRPC can be obtained from its administrative office at 2424 Heritage Court SE Suite A, Olympia, Washington 98502.

The Chehalis River Flood Control Authority is a jointly-governed organization governed by an eleven-member body of which Thurston County is a member. This Authority was formed for the purpose of study, analysis, and implementation of flood control projects to protect the Chehalis River Basin. Thurston County has neither contributed to operations, nor has an equity interest in this Authority. More information regarding this Authority can be obtained from the Lewis County Community Development Department, at 2025 NE Kresky Ave., Chehalis, Washington 98532.

Thurston County and the City of Lacey agreed to purchase, develop and jointly share a portion of the costs of the Regional Athletic Complex (RAC) in 1998. The County subsequently paid \$1,625,000 to the City of Lacey using real estate excise tax proceeds per an agreement transferring the County's share of ownership to the City of Lacey on June 29, 2010. Additionally, per this agreement, the County paid \$200,000 to the City of Lacey in conservation futures funds on March 29, 2011 for land acquisition in the Woodland Creek Corridor. Complete financial statements for the RAC can be obtained from its administrative office at the City of Lacey, Post Office Box 3400, Lacey, Washington 98509-3400.

NOTE XIV – CLOSURE AND POST CLOSURE CARE COSTS

State and federal laws and regulations require Thurston County to perform landfill maintenance and monitoring activities for thirty years after closure. An expense provision and related liability for these activities was recognized in the Solid Waste Enterprise Fund before the landfill was closed. This expense provision was based on estimated future post closure care costs after closure.

Cell No. 1, the last landfill cell used for waste disposal at the Hawke's Prairie landfill site, 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. Post closure costs were funded with operating fees through December 31, 2002. The post closure care period was subsequently initiated on January 1, 2003. The estimated remaining liability for post closure care costs is \$18,745,867 on December 31, 2010.

Thurston County, as required by state and federal laws and regulations, made annual contributions to finance post closure care. The County is in compliance with these requirements, and at December 31, 2010, cash and pooled investments of \$18,101,651 are held for these purposes. An additional \$431,866 is contractually restricted for equipment replacement resulting in \$18,533,517 in restricted cash and pooled investments on the balance sheet.

The post closure care cost was based on the amount that would have been paid if all equipment, facilities and services required to monitor and maintain the landfill site were acquired as of December 31, 2000. However, the actual cost of post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. 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 post closure 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 XV – OTHER DISCLOSURES

A. Prior Period Adjustments

The activity and operations of the Enterprise Administration and Engineering internal service funds were ceased at the end of 2009 and the funds themselves were eliminated in January of 2011. These two funds accounted for the administrative, payroll and engineering costs for the Water and Waste Management Department in prior reporting periods. The employees that were funded out of these two funds were transferred to other funds with the absorption of the Water and Waste Management Department into the Public Works Department beginning in 2010. The liabilities that were previously accrued for compensated absences and other post employment benefits were shifted to these other funds within Public Works. Thus, the previously recorded year end liability of \$781,663 to these two terminated funds was eliminated with a prior period adjustment.

B. Fund Changes

The following funds were abolished in the prior year and are not reported in the County's 2010 financial statements:

- Roads Development Review
- Regional Athletic Complex

The following funds were abolished and closed out, or partially closed out, in the 2010 financial statements:

- G.O. Bond -1998 Debt Service Fund
- Enterprise Administration internal service fund
- Enterprise Engineering internal service fund

C. Contingencies

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

D. Subsequent Events

Beginning in January 2011, two long-time county departments broke off from the county to form their own non-profit agencies. Through the 2010 reporting year, these two department's activities were accounted for by the county in separate special revenue funds and all 12 months of activity have been reported in this report. One department, titled Communications in this report, has changed its name to TCOMM911 as of January 2011. They are a countywide Enhanced 9-1-1 Answering Point and Dispatch Center for all Public Safety Police, Fire and Medic One departments serving all of the cities, towns and unincorporated areas within Thurston County. The other department, titled Workforce Development in this report, is now titled Pacific Mountain Workforce Consortium. Their main responsibility is to carry out the activities authorized by the Workforce Investment Act of 1998.

**Required Supplementary Information
Retiree Medical Benefits
Schedule of Funding Progress**

LEOFF 1 Retiree Medical Benefits

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liabilities	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2008	\$ -	\$ 6,128,459	\$ 6,128,459	0%	\$ 226,117	2710.30%
12/31/2009	\$ -	\$ 5,942,924	\$ 5,942,924	0%	\$ 233,651	2543.50%
12/31/2010	\$ -	\$ 5,689,718	\$ 5,689,718	0%	\$ 235,757	2413.39%

PEBB Retiree Medical Benefits

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liabilities	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2008	\$ -	\$ 23,406,060	\$ 23,406,060	0%	\$ 76,013,118	30.79%
12/31/2009	\$ -	\$ 31,215,533	\$ 31,215,533	0%	\$ 78,114,300	39.96%
12/31/2010	\$ -	\$ 31,215,533	\$ 31,215,533	0%	\$ 76,838,632	40.62%

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total
ASSETS				
Assets:				
Cash & Pooled Investments	\$ 19,582,832	\$ 7,648	\$ 1,896,179	\$ 21,486,659
Receivables:				
Taxes Receivable	72,728	-	-	72,728
Special Assessment Receivables	60,206	-	-	60,206
Accrued Interest & Penalties	88,888	23	4,396	93,307
Customer Account Receivables	481,713	-	-	481,713
Due from Other Funds	113,501	-	4,349	117,850
Due from Other Government Units	952,072	-	-	952,072
Prepayments	169,711	-	-	169,711
Total Assets	\$ 21,521,651	\$ 7,671	\$ 1,904,924	\$ 23,434,246
LIABILITIES				
Liabilities:				
Accounts Payable	\$ 1,136,875	\$ -	\$ 632,374	\$ 1,769,249
Due to Other Funds	1,029,491	-	79,179	1,108,670
Due to Other Government Units	239,841	-	23	239,864
Deferred Revenues	220,789	-	-	220,789
Total Liabilities	2,626,996	-	711,576	3,338,572
FUND BALANCES				
Reserved For:				
Debt Service	-	7,671	-	7,671
Unreserved - Designated, Reported In:				
Petty Cash	23,075	-	-	23,075
Unreserved Undesignated	18,871,580	-	1,193,348	20,064,928
Total Fund Balance	18,894,655	7,671	1,193,348	20,095,674
Total Liabilities & Fund Balances	\$ 21,521,651	\$ 7,671	\$ 1,904,924	\$ 23,434,246

**Combining Statement Of Revenues, Expenditures
And Changes In Fund Balances
Nonmajor Governmental Funds
For The Year Ended December 31, 2010**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total
Revenues:				
Taxes	\$ 11,699,473	\$ -	\$ -	\$ 11,699,473
Intergovernmental	15,965,458	-	-	15,965,458
Charges for Services	4,674,965	-	-	4,674,965
Fines & Forfeits	39,050	-	-	39,050
Miscellaneous Revenue	1,735,316	307	74,084	1,809,707
Total Revenues	34,114,262	307	74,084	34,188,653
Expenditures:				
Current:				
General Government	994,357	-	202,377	1,196,734
Culture & Recreation	933,985	-	-	933,985
Economic Environment	13,955,646	-	-	13,955,646
Health & Human Services	3,665,917	-	-	3,665,917
Public Safety	8,179,754	-	-	8,179,754
Transportation	771,995	-	-	771,995
Utilities & Environment	744,805	-	-	744,805
Capital Outlay	1,163,086	-	9,632,509	10,795,595
Debt Service:				
Principal	5,976	3,247,879	-	3,253,855
Interest & Fiscal Charges	1,149	3,471,561	-	3,472,710
Total Expenditures	30,416,670	6,719,440	9,834,886	46,970,996
Excess (Deficiency) of Revenues Over Expenditures	3,697,592	(6,719,133)	(9,760,802)	(12,782,343)
Other Financing Sources (Uses)				
Capital Lease Financing	5,528	-	-	5,528
Sale of Capital Assets	25,779	-	107,074	132,853
Transfers In	1,435,079	6,723,799	8,561,874	16,720,752
Transfers Out	(3,421,638)	(1,392)	(264,101)	(3,687,131)
Total Other Financing Sources (Uses)	(1,955,252)	6,722,407	8,404,847	13,172,002
Net Changes In Fund Balances	1,742,340	3,274	(1,355,955)	389,659
Fund Balances as of January 1	17,152,315	4,397	2,549,303	19,706,015
Fund Balances as of December 31	\$ 18,894,655	\$ 7,671	\$ 1,193,348	\$ 20,095,674

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are established pursuant to state statutes or local ordinances to segregate resources designated for specific purposes.

Anti-Profiteering – A fund that uses proceeds from anti-profiteering cases to investigate and prosecute similar cases.

Auditor - Election Reserve – A fund that uses election service surcharges to acquire and replace election equipment.

Auditor - Maintenance and Operations – A fund that uses service charges (including election service surcharges, duplicating fees and document preservation fees) and grants for the replacement of recording equipment and for historic document preservation.

Clerk's Collection – A fund that uses intergovernmental service revenues to collect past due court ordered financial obligations.

Communications – A fund that uses primarily sales and excise taxes to finance an intergovernmental agency that provides countywide emergency communication services within Thurston County.

Community Renewal & Housing – A fund that uses business, occupation and excise taxes, grants, recording surcharges and interfund payments to provide the following services: administrative and budget support to the BOCC, preparation of the County's capital facilities plan, managing debt and tax holding funds, administering grant funded environmental and community services, administering Cable TV franchise agreements and providing information services to other departments.

Conservation Futures – A fund that uses property taxes to acquire, maintain and preserve park lands and open spaces.

Emergency Management – A fund established to use intergovernmental service and miscellaneous revenues from local jurisdictions to fund joint emergency management activities.

Fair – A fund that uses event service charges, general fund subsidies and grants to fund the annual fair and other activities at the County's fairgrounds.

Family Court Services – A fund that uses grants (federal and state), service charges (family court, civil filing and transcription) and general fund transfers to provide court ordered services to indigent parties for medication counseling, psychological evaluation, guardians ad litem and custody investigations.

Geodata Center – A fund established to use roads property tax assessments to administer and operate a spatial data support service facility for roads, other County departments and other agencies and businesses.

Investment Administration – A fund that uses Treasurer's investment service fees on outside agencies to administer Thurston County's Investment Pool.

Lake Lawrence L. M. D. – A fund established to levy assessments to manage water quality and for aquatic weed removal at Lake Lawrence.

Law Library – A fund that uses filing fees to fund a legal law library for Thurston County's Superior Courts.

LEOFF 1 Long Term Care – A fund that uses proceeds from the General Fund to fund a reserve to pay unfunded premiums for law enforcement long-term care insurance.

Long Lake L. M. D. – A fund established to levy assessments to manage water quality and for aquatic weed removal at Long Lake.

Noxious Weed Control – A fund established to levy and use tax assessments and inter-governmental revenues to control noxious weeds.

Prisoner Concession – A fund established to use prisoner concession and booking fees to fund prisoner commissary sales and inmate rehabilitative activities.

Recreation Services – A fund that uses primarily transfers from the General Fund and secondarily park usage fees to acquire, develop and maintain County parks, preserves, open spaces, historic sites, and trails.

REET Technology – A fund established to use real estate excise taxes and treasurer collection fees to develop and implement technology to process real estate excise tax affidavits.

Road Improvement District No. 2 – A fund that uses special assessments for principal and interest payments that were used to finance a landslide stabilization project on Sunrise Beach Road.

RSN - IRMA - Thurston – A reserve fund funded by Cowlitz, Grays Harbor and Thurston Counties that will fund inpatient and outpatient care if there is a cash shortage to fund these services in the future.

Sheriff's Special Programs – A fund that uses vessel registration fees to fund boating enforcement and other programs.

Stadium Convention and Arts Center – A fund that uses hotel/motel tax proceeds to promote tourism and economic development.

Tax Refunds – An abolished fund established to return taxes improperly collected as mandated by court order.

Treasurer's Maintenance and Operations – A revolving fund that uses Treasurer's assessment collection fees to defray costs of foreclosing and selling property due to delinquent property taxes.

Treatment Sales Tax – A fund that uses sales tax (1/10 of 1%) proceeds to fund mental health treatment.

Trial Court Improvement – A fund established to use judicial salary contributions from the state to fund improvements to superior and district courts.

Veterans – A fund that uses property taxes to fund emergency assistance to eligible veterans in Thurston County.

Victim Advocate Program – A fund that uses court penalties and assessments from the County's crime victim/witness program and grant proceeds to fund services to victims of crimes.

Workforce Development – A fund that administers federal workforce investment act grants to provide employment training, placement and development services for Thurston County and four other adjacent counties.

WRIA Water and Waste – A fund that uses grant proceeds to identify comprehensive water resource management strategies for the Deschutes River Watershed.

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010
Page 1 of 7

ASSETS	Anti- Profiteering	Auditor - Election Reserve	Auditor - M & O	Clerk's Collection
Assets:				
Cash & Pooled Investments	\$ 21,607	\$ 388,516	\$ 326,281	\$ 601,634
<i>Receivables:</i>				
Taxes Receivable	-	-	-	-
Special Assessment Receivables	-	-	-	-
Accrued Interest & Penalties	38	723	-	1,017
Customer Account Receivables	-	-	-	187,399
Due from Other Funds	-	-	-	-
Due from Other Government Units	-	-	-	-
Prepayments	-	-	-	-
Total Assets	\$ 21,645	\$ 389,239	\$ 326,281	\$ 790,050
LIABILITIES				
Liabilities:				
Accounts Payable	\$ -	\$ 16,490	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Government Units	-	-	-	-
Deferred Revenues	-	-	-	-
Total Liabilities	-	16,490	-	-
FUND BALANCES				
Unreserved - Designated, Reported In:				
Fines & Forfeitures				
Petty Cash	-	-	-	-
Unreserved Undesignated	21,645	372,749	326,281	790,050
Total Fund Balance	21,645	372,749	326,281	790,050
Total Liabilities & Fund Balances	\$ 21,645	\$ 389,239	\$ 326,281	\$ 790,050

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010
Page 2 of 7

ASSETS	Communications	Community Renewal & Housing	Conservation Futures	Emergency Management
Assets:				
Cash & Pooled Investments	\$ 2,118,003	\$ 1,986,403	\$ 4,272,467	\$ 6,860
<i>Receivables:</i>				
Taxes Receivable	-	-	56,781	-
Special Assessment Receivables	-	8	-	-
Accrued Interest & Penalties	4,371	3,534	7,031	14
Customer Account Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Government Units	-	130,155	-	-
Prepayments	169,711	-	-	-
Total Assets	\$ 2,292,085	\$ 2,120,100	\$ 4,336,279	\$ 6,874
LIABILITIES				
Liabilities:				
Accounts Payable	\$ -	\$ 140,741	\$ 200,000	\$ -
Due to Other Funds	-	-	-	-
Due to Other Government Units	5,507	-	-	-
Deferred Revenues	10,696	11,669	56,781	-
Total Liabilities	16,203	152,410	256,781	-
FUND BALANCES				
Unreserved - Designated, Reported In:				
Fines & Forfeitures				
Petty Cash	-	-	-	-
Unreserved Undesignated	2,275,882	1,967,690	4,079,498	6,874
Total Fund Balance	2,275,882	1,967,690	4,079,498	6,874
Total Liabilities & Fund Balances	\$ 2,292,085	\$ 2,120,100	\$ 4,336,279	\$ 6,874

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010
Page 3 of 7

ASSETS	Fair	Family Court Services	GeoData Center	Investment Admin.	Lake Lawrence - L. M. D.
Assets:					
Cash & Pooled Investments	\$ 96,970	\$ 365,485	\$ 232,885	\$ 174,570	\$ 43,999
<i>Receivables:</i>					
Taxes Receivable	-	-	-	-	-
Special Assessment Receivables	-	-	-	-	4,074
Accrued Interest & Penalties	241	647	423	53,662	63
Customer Account Receivables	500	9,948	-	-	-
Due from Other Funds	-	-	48,549	-	-
Due from Other Government Units	-	-	-	-	-
Prepayments	-	-	-	-	-
Total Assets	\$ 97,711	\$ 376,080	\$ 281,857	\$ 228,232	\$ 48,136
LIABILITIES					
Liabilities:					
Accounts Payable	\$ 4,673	\$ 162	\$ 6,129	\$ 2,938	\$ -
Due to Other Funds	209	-	-	-	9
Due to Other Government Units	-	-	-	-	-
Deferred Revenues	3,600	-	-	-	4,074
Total Liabilities	8,482	162	6,129	2,938	4,083
FUND BALANCES					
Unreserved - Designated, Reported In:					
Fines & Forfeitures					
Petty Cash	250	-	100	-	-
Unreserved Undesignated	88,979	375,918	275,628	225,294	44,053
Total Fund Balance	89,229	375,918	275,728	225,294	44,053
Total Liabilities & Fund Balances	\$ 97,711	\$ 376,080	\$ 281,857	\$ 228,232	\$ 48,136

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010
Page 4 of 7

	LEOFF 1				
	Law	Long	Long	Noxious	Prisoner
	Library	Term	Lake -	Weed	Concession
		Care	L. M. D.		
ASSETS					
Assets:					
Cash & Pooled Investments	\$ 13,601	\$ 75,231	\$ 112,230	\$ 161,172	\$ 113,792
<i>Receivables:</i>					
Taxes Receivable	-	-	-	-	-
Special Assessment Receivables	-	-	4,640	31,837	-
Accrued Interest & Penalties	-	172	170	268	-
Customer Account Receivables	-	-	-	-	28,876
Due from Other Funds	-	-	-	-	-
Due from Other Government Units	-	-	-	-	-
Prepayments	-	-	-	-	-
Total Assets	\$ 13,601	\$ 75,403	\$ 117,040	\$ 193,277	\$ 142,668
LIABILITIES					
Liabilities:					
Accounts Payable	\$ 6,185	\$ 5,597	\$ 40	\$ 6,260	\$ 12,091
Due to Other Funds	-	-	2,503	12	-
Due to Other Government Units	-	-	-	-	-
Deferred Revenues	-	-	4,640	31,837	-
Total Liabilities	6,185	5,597	7,183	38,109	12,091
FUND BALANCES					
Unreserved - Designated, Reported In:					
Fines & Forfeitures					
Petty Cash	-	-	-	-	-
Unreserved Undesignated	7,416	69,806	109,857	155,168	130,577
Total Fund Balance	7,416	69,806	109,857	155,168	130,577
Total Liabilities & Fund Balances	\$ 13,601	\$ 75,403	\$ 117,040	\$ 193,277	\$ 142,668

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010
Page 5 of 7

	Recreation Services	REET Technology	Road Improvement District No. 2	RSN - IRMA - Thurston	Sheriff's Special Programs
ASSETS					
Assets:					
Cash & Pooled Investments	\$ 118,101	\$ 170,675	\$ 17,690	\$ 1,501,082	\$ 90,385
<i>Receivables:</i>					
Taxes Receivable	-	-	-	-	-
Special Assessment Receivables	-	-	19,647	-	-
Accrued Interest & Penalties	253	296	7,679	2,592	178
Customer Account Receivables	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Government Units	7,868	-	-	-	-
Prepayments	-	-	-	-	-
Total Assets	\$ 126,222	\$ 170,971	\$ 45,016	\$ 1,503,674	\$ 90,563
LIABILITIES					
Liabilities:					
Accounts Payable	\$ 8,788	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-
Due to Other Government Units	-	-	-	-	-
Deferred Revenues	200	-	27,283	-	-
Total Liabilities	8,988	-	27,283	-	-
FUND BALANCES					
Unreserved - Designated, Reported In:					
Fines & Forfeitures					
Petty Cash	225	-	-	-	-
Unreserved Undesignated	117,009	170,971	17,733	1,503,674	90,563
Total Fund Balance	117,234	170,971	17,733	1,503,674	90,563
Total Liabilities & Fund Balances	\$ 126,222	\$ 170,971	\$ 45,016	\$ 1,503,674	\$ 90,563

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010
Page 6 of 7

	Stadium Convention & Arts Center	Tax Refunds	Treasurer's M & O	Treatment Sales Tax	Trial Court Improvement
ASSETS					
Assets:					
Cash & Pooled Investments	\$ 56,778	\$ 9,976	\$ 53,961	\$ 3,180,597	\$ 233,552
<i>Receivables:</i>					
Taxes Receivable	-	83	-	-	-
Special Assessment Receivables	-	-	-	-	-
Accrued Interest & Penalties	88	17	94	-	380
Customer Account Receivables	-	-	54,061	-	-
Due from Other Funds	-	-	-	64,952	-
Due from Other Government Units	-	-	-	-	-
Prepayments	-	-	-	-	-
Total Assets	\$ 56,866	\$ 10,076	\$ 108,116	\$ 3,245,549	\$ 233,932
LIABILITIES					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ 321	\$ -	\$ -
Due to Other Funds	-	-	3,417	1,018,035	-
Due to Other Government Units	-	-	-	-	-
Deferred Revenues	-	83	54,062	-	-
Total Liabilities	-	83	57,800	1,018,035	-
FUND BALANCES					
Unreserved - Designated, Reported In:					
Fines & Forfeitures	-	-	-	-	-
Petty Cash	-	-	-	-	-
Unreserved Undesignated	56,866	9,993	50,316	2,227,514	233,932
Total Fund Balance	56,866	9,993	50,316	2,227,514	233,932
Total Liabilities & Fund Balances	\$ 56,866	\$ 10,076	\$ 108,116	\$ 3,245,549	\$ 233,932

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010
Page 7 of 7

ASSETS	Veterans	Victim Advocate Program	Workforce Development	WRIA Water & Waste	Total
Assets:					
Cash & Pooled Investments	\$ 494,120	\$ 107,283	\$ 2,417,452	\$ 19,474	\$ 19,582,832
<i>Receivables:</i>					
Taxes Receivable	15,864	-	-	-	72,728
Special Assessment Receivables	-	-	-	-	60,206
Accrued Interest & Penalties	838	209	3,850	40	88,888
Customer Account Receivables	-	197,178	3,751	-	481,713
Due from Other Funds	-	-	-	-	113,501
Due from Other Government Units	-	29,967	771,483	12,599	952,072
Prepayments	-	-	-	-	169,711
Total Assets	\$ 510,822	\$ 334,637	\$ 3,196,536	\$ 32,113	\$ 21,521,651
LIABILITIES					
Liabilities:					
Accounts Payable	\$ 22,804	\$ -	\$ 703,656	\$ -	\$ 1,136,875
Due to Other Funds	-	-	5,306	-	1,029,491
Due to Other Government Units	-	-	234,334	-	239,841
Deferred Revenues	15,864	-	-	-	220,789
Total Liabilities	38,668	-	943,296	-	2,626,996
FUND BALANCES					
Unreserved - Designated, Reported In:					
Fines & Forfeitures					
Petty Cash	7,500	-	15,000	-	23,075
Unreserved Undesignated	464,654	334,637	2,238,240	32,113	18,871,580
Total Fund Balance	472,154	334,637	2,253,240	32,113	18,894,655
Total Liabilities & Fund Balances	\$ 510,822	\$ 334,637	\$ 3,196,536	\$ 32,113	\$ 21,521,651

**Combining Statement Of Revenues, Expenditures
and Changes In Fund Balances
Nonmajor Special Revenue Funds
For The Year Ended December 31, 2010**

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	Anti- Profiteering	Auditor - Election Reserve	Auditor - M & O	Clerk's Collection
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	78,801	106,985	327,903
Charges for Services	-	77,528	180,593	-
Fines & Forfeits	18	-	-	14,517
Miscellaneous Revenue	450	8,243	11,433	11,706
Total Revenues	468	164,572	299,011	354,126
Expenditures:				
Current:				
General Government	-	196,104	399,745	-
Culture & Recreation	-	-	-	-
Economic Environment	-	-	-	-
Health & Human Services	-	-	-	-
Public Safety	133	-	-	249,962
Transportation	-	-	-	-
Utilities & Environment	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest & Fiscal Charges	-	-	-	-
Total Expenditures	133	196,104	399,745	249,962
Excess (Deficiency) of Revenues Over Expenditures	335	(31,532)	(100,734)	104,164
Other Financing Sources (Uses)				
Capital Lease Financing	-	-	-	-
Sale of Capital Assets	-	-	-	-
Transfers In	-	-	1,627	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	1,627	-
Net Changes In Fund Balances	335	(31,532)	(99,107)	104,164
Fund Balances as of January 1	21,310	404,281	425,388	685,886
Fund Balances as of December 31	\$ 21,645	\$ 372,749	\$ 326,281	\$ 790,050

**Combining Statement Of Revenues, Expenditures
and Changes In Fund Balances
Nonmajor Special Revenue Funds
For The Year Ended December 31, 2010
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	Communications	Community Renewal & Housing	Conservation Futures	Emergency Management
Revenues:				
Taxes	\$ 5,784,706	\$ 18	\$ 1,149,717	\$ -
Intergovernmental	68,613	1,205,489	21,299	2,125
Charges for Services	288,094	1,441,619	-	-
Fines & Forfeits	-	-	-	-
Miscellaneous Revenue	123,731	40,137	75,699	167
Total Revenues	6,265,144	2,687,263	1,246,715	2,292
Expenditures:				
Current:				
General Government	-	34,707	-	-
Culture & Recreation	-	-	210,007	-
Economic Environment	-	2,792,626	-	-
Health & Human Services	-	-	-	-
Public Safety	6,536,005	-	-	3,023
Transportation	-	-	-	-
Utilities & Environment	-	-	-	-
Capital Outlay	1,103,936	-	-	-
Debt Service:				
Principal	5,976	-	-	-
Interest & Fiscal Charges	1,149	-	-	-
Total Expenditures	7,647,066	2,827,333	210,007	3,023
Excess (Deficiency) of Revenues Over Expenditures	(1,381,922)	(140,070)	1,036,708	(731)
Other Financing Sources (Uses)				
Capital Lease Financing	5,528	-	-	-
Sale of Capital Assets	25,779	-	-	-
Transfers In	932,385	48,769	-	-
Transfers Out	(239,711)	(19,877)	(176,501)	-
Total Other Financing Sources (Uses)	723,981	28,892	(176,501)	-
Net Changes In Fund Balances	(657,941)	(111,178)	860,207	(731)
Fund Balances as of January 1	2,933,823	2,078,868	3,219,291	7,605
Fund Balances as of December 31	\$ 2,275,882	\$ 1,967,690	\$ 4,079,498	\$ 6,874

**Combining Statement Of Revenues, Expenditures
and Changes In Fund Balances
Nonmajor Special Revenue Funds
For The Year Ended December 31, 2010
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	Fair	Family Court Services	GeoData Center	Investment Admin.	Lake Lawrence - L. M. D.
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	41,825	-	-	-	-
Charges for Services	127,381	280,246	1,164,920	-	-
Fines & Forfeits	-	-	-	-	-
Miscellaneous Revenue	294,798	16,067	4,543	70,268	97,256
Total Revenues	464,004	296,313	1,169,463	70,268	97,256
Expenditures:					
Current:					
General Government	-	-	-	158,371	-
Culture & Recreation	505,583	-	-	-	-
Economic Environment	-	-	-	-	-
Health & Human Services	-	-	-	-	-
Public Safety	-	307,551	-	-	-
Transportation	-	-	771,995	-	-
Utilities & Environment	-	-	-	-	93,053
Capital Outlay	-	-	21,704	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest & Fiscal Charges	-	-	-	-	-
Total Expenditures	505,583	307,551	793,699	158,371	93,053
Excess (Deficiency) of Revenues Over Expenditures	(41,579)	(11,238)	375,764	(88,103)	4,203
Other Financing Sources (Uses)					
Capital Lease Financing	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
Transfers In	55,800	-	-	-	-
Transfers Out	-	-	(194,290)	-	-
Total Other Financing Sources (Uses)	55,800	-	(194,290)	-	-
Net Changes In Fund Balances	14,221	(11,238)	181,474	(88,103)	4,203
Fund Balances as of January 1	75,008	387,156	94,254	313,397	39,850
Fund Balances as of December 31	\$ 89,229	\$ 375,918	\$ 275,728	\$ 225,294	\$ 44,053

**Combining Statement Of Revenues, Expenditures
and Changes In Fund Balances
Nonmajor Special Revenue Funds
For The Year Ended December 31, 2010**

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	LEOFF 1				
	Law Library	Long Term Care	Long Lake - L. M. D.	Noxious Weed	Prisoner Concession
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	25,834	-
Charges for Services	112,542	-	-	75,948	182,328
Fines & Forfeits	-	-	-	-	-
Miscellaneous Revenue	-	2,825	181,934	403,415	159,869
Total Revenues	112,542	2,825	181,934	505,197	342,197
Expenditures:					
Current:					
General Government	-	-	-	-	-
Culture & Recreation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Health & Human Services	-	-	-	-	-
Public Safety	106,392	168,981	-	-	352,516
Transportation	-	-	-	-	-
Utilities & Environment	-	-	179,233	466,964	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest & Fiscal Charges	-	-	-	-	-
Total Expenditures	106,392	168,981	179,233	466,964	352,516
Excess (Deficiency) of Revenues Over Expenditures	6,150	(166,156)	2,701	38,233	(10,319)
Other Financing Sources (Uses)					
Capital Lease Financing	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
Transfers In	-	216,218	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	216,218	-	-	-
Net Changes In Fund Balances	6,150	50,062	2,701	38,233	(10,319)
Fund Balances as of January 1	1,266	19,744	107,156	116,935	140,896
Fund Balances as of December 31	\$ 7,416	\$ 69,806	\$ 109,857	\$ 155,168	\$ 130,577

**Combining Statement Of Revenues, Expenditures
and Changes In Fund Balances
Nonmajor Special Revenue Funds
For The Year Ended December 31, 2010**

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	Recreation Services	REET Technology	Road Improvement District No. 2	RSN - IRMA - Thurston	Sheriff's Special Programs
Revenues:					
Taxes	\$ -	\$ -	\$ 19,647	\$ -	\$ -
Intergovernmental	23,930	17,845	-	-	86,686
Charges for Services	420,778	-	-	-	-
Fines & Forfeits	-	-	-	-	-
Miscellaneous Revenue	9,499	3,845	9,006	31,168	2,805
Total Revenues	454,207	21,690	28,653	31,168	89,491
Expenditures:					
Current:					
General Government	-	43,125	-	-	-
Culture & Recreation	218,334	-	-	-	-
Economic Environment	210,817	-	-	-	-
Health & Human Services	-	-	-	-	-
Public Safety	-	-	-	-	84,172
Transportation	-	-	-	-	-
Utilities & Environment	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest & Fiscal Charges	-	-	-	-	-
Total Expenditures	429,151	43,125	-	-	84,172
Excess (Deficiency) of Revenues Over Expenditures	25,056	(21,435)	28,653	31,168	5,319
Other Financing Sources (Uses)					
Capital Lease Financing	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
Transfers In	60,824	-	-	-	-
Transfers Out	-	-	(28,734)	-	-
Total Other Financing Sources (Uses)	60,824	-	(28,734)	-	-
Net Changes In Fund Balances	85,880	(21,435)	(81)	31,168	5,319
Fund Balances as of January 1	31,354	192,406	17,814	1,472,506	85,244
Fund Balances as of December 31	\$ 117,234	\$ 170,971	\$ 17,733	\$ 1,503,674	\$ 90,563

**Combining Statement Of Revenues, Expenditures
and Changes In Fund Balances
Nonmajor Special Revenue Funds
For The Year Ended December 31, 2010**

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	Stadium Convention & Arts Center	Tax Refunds	Treasurer's M & O	Treatment Sales Tax	Trial Court Improvement
Revenues:					
Taxes	\$ 23,224	\$ 502	\$ -	\$ 3,920,546	\$ -
Intergovernmental	-	-	-	-	90,024
Charges for Services	-	-	129,826	-	-
Fines & Forfeits	-	-	-	-	-
Miscellaneous Revenue	846	203	1,632	-	4,119
Total Revenues	24,070	705	131,458	3,920,546	94,143
Expenditures:					
Current:					
General Government	-	-	161,540	765	-
Culture & Recreation	61	-	-	-	-
Economic Environment	-	-	-	-	-
Health & Human Services	-	-	-	-	-
Public Safety	-	-	-	-	5,007
Transportation	-	-	-	-	-
Utilities & Environment	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest & Fiscal Charges	-	-	-	-	-
Total Expenditures	61	-	161,540	765	5,007
Excess (Deficiency) of Revenues Over Expenditures	24,009	705	(30,082)	3,919,781	89,136
Other Financing Sources (Uses)					
Capital Lease Financing	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	(35,298)	-	-	(2,605,396)	-
Total Other Financing Sources (Uses)	(35,298)	-	-	(2,605,396)	-
Net Changes In Fund Balances	(11,289)	705	(30,082)	1,314,385	89,136
Fund Balances as of January 1	68,155	9,288	80,398	913,129	144,796
Fund Balances as of December 31	\$ 56,866	\$ 9,993	\$ 50,316	\$ 2,227,514	\$ 233,932

**Combining Statement Of Revenues, Expenditures
and Changes In Fund Balances
Nonmajor Special Revenue Funds
For The Year Ended December 31, 2010**

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	Veterans	Victim Advocate Program	Workforce Development	WRIA Water & Waste	Total
Revenues:					
Taxes	\$ 334,308	\$ -	\$ 466,805	\$ -	\$ 11,699,473
Intergovernmental	6,210	165,139	13,684,151	12,599	15,965,458
Charges for Services	-	193,162	-	-	4,674,965
Fines & Forfeits	-	24,515	-	-	39,050
Miscellaneous Revenue	9,973	8,229	150,941	509	1,735,316
Total Revenues	350,491	391,045	14,301,897	13,108	34,114,262
Expenditures:					
Current:					
General Government	-	-	-	-	994,357
Culture & Recreation	-	-	-	-	933,985
Economic Environment	355,560	-	10,596,643	-	13,955,646
Health & Human Services	-	-	3,665,917	-	3,665,917
Public Safety	-	365,292	720	-	8,179,754
Transportation	-	-	-	-	771,995
Utilities & Environment	-	-	-	5,555	744,805
Capital Outlay	-	-	37,446	-	1,163,086
Debt Service:					
Principal	-	-	-	-	5,976
Interest & Fiscal Charges	-	-	-	-	1,149
Total Expenditures	355,560	365,292	14,300,726	5,555	30,416,670
Excess (Deficiency) of Revenues Over Expenditures	(5,069)	25,753	1,171	7,553	3,697,592
Other Financing Sources (Uses)					
Capital Lease Financing	-	-	-	-	5,528
Sale of Capital Assets	-	-	-	-	25,779
Transfers In	-	-	119,456	-	1,435,079
Transfers Out	(9,864)	-	(111,967)	-	(3,421,638)
Total Other Financing Sources (Uses)	(9,864)	-	7,489	-	(1,955,252)
Net Changes In Fund Balances	(14,933)	25,753	8,660	7,553	1,742,340
Fund Balances as of January 1	487,087	308,884	2,244,580	24,560	17,152,315
Fund Balances as of December 31	\$ 472,154	\$ 334,637	\$ 2,253,240	\$ 32,113	\$ 18,894,655

Anti-Profiteering
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Fines & Forfeits	\$ 20,000	\$ 20,000	\$ 18	\$ (19,982)
Miscellaneous Revenue	500	500	450	(50)
Total Revenues	20,500	20,500	468	(20,032)
Expenditures:				
Current:				
Public Safety	20,133	20,133	133	20,000
Total Expenditures	20,133	20,133	133	20,000
Excess (Deficiency) of Revenues Over Expenditures	367	367	335	(32)
Net Changes In Fund Balances	367	367	335	(32)
Fund Balances as of January 1	21,000	21,310	21,310	-
Fund Balances as of December 31	\$ 21,367	\$ 21,677	\$ 21,645	\$ (32)

Auditor - Election Reserve
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Intergovernmental	\$ -	\$ 78,801	\$ 78,801	\$ -
Charges for Services	71,218	71,218	77,528	6,310
Miscellaneous Revenue	-	-	8,243	8,243
Total Revenues	71,218	150,019	164,572	14,553
Expenditures:				
Current:				
General Government	187,775	227,363	196,104	31,259
Capital Outlay	40,000	412	-	412
Total Expenditures	227,775	227,775	196,104	31,671
Excess (Deficiency) of Revenues Over Expenditures	(156,557)	(77,756)	(31,532)	46,224
Net Changes In Fund Balances	(156,557)	(77,756)	(31,532)	46,224
Fund Balances as of January 1	426,985	404,281	404,281	-
Fund Balances as of December 31	\$ 270,428	\$ 326,525	\$ 372,749	\$ 46,224

Auditor - M & O
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Intergovernmental	\$ 110,000	\$ 110,000	\$ 106,985	\$ (3,015)
Charges for Services	232,742	231,115	180,593	(50,522)
Miscellaneous Revenue	11,760	11,760	11,433	(327)
Total Revenues	354,502	352,875	299,011	(53,864)
Expenditures:				
Current:				
General Government	551,209	551,209	399,745	151,464
Capital Outlay	6,000	6,000	-	6,000
Total Expenditures	557,209	557,209	399,745	157,464
Excess (Deficiency) of Revenues Over Expenditures	(202,707)	(204,334)	(100,734)	103,600
Other Financing Sources (Uses)				
Transfers In	-	1,627	1,627	-
Total Other Financing Sources (Uses)	-	1,627	1,627	-
Net Changes In Fund Balances	(202,707)	(202,707)	(99,107)	103,600
Fund Balances as of January 1	307,044	425,388	425,388	-
Fund Balances as of December 31	\$ 104,337	\$ 222,681	\$ 326,281	\$ 103,600

Clerk's Collection
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Intergovernmental	\$ 210,000	\$ 210,000	\$ 327,903	\$ 117,903
Fines & Forfeits	-	-	14,517	14,517
Miscellaneous Revenue	13,000	13,000	11,706	(1,294)
Total Revenues	223,000	223,000	354,126	131,126
Expenditures:				
Current:				
Public Safety	411,945	411,945	249,962	161,983
Total Expenditures	411,945	411,945	249,962	161,983
Excess (Deficiency) of Revenues Over Expenditures	(188,945)	(188,945)	104,164	293,109
Net Changes In Fund Balances	(188,945)	(188,945)	104,164	293,109
Fund Balances as of January 1	419,435	513,004	685,886	172,882
Fund Balances as of December 31	\$ 230,490	\$ 324,059	\$ 790,050	\$ 465,991

Communications
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Taxes	\$ 5,559,795	\$ 5,559,795	\$ 5,784,706	\$ 224,911
Intergovernmental	46,188	66,850	68,613	1,763
Charges for Services	326,966	326,966	288,094	(38,872)
Miscellaneous Revenue	135,905	135,905	123,731	(12,174)
Total Revenues	6,068,854	6,089,516	6,265,144	175,628
Expenditures:				
Current:				
Public Safety	6,580,311	6,849,354	6,536,005	313,349
Capital Outlay	1,562,540	1,692,373	1,103,936	588,437
Debt Service:				
Principal	5,260	5,970	5,976	(6)
Interest & Fiscal Charges	863	1,379	1,149	230
Total Expenditures	8,148,974	8,549,076	7,647,066	902,010
Excess (Deficiency) of Revenues Over Expenditures	(2,080,120)	(2,459,560)	(1,381,922)	1,077,638
Other Financing Sources (Uses)				
Capital Lease Financing	-	-	5,528	5,528
Sale of Capital Assets	-	-	25,779	25,779
Transfers In	1,500,000	1,500,000	932,385	(567,615)
Transfers Out	(239,715)	(239,715)	(239,711)	4
Total Other Financing Sources (Uses)	1,260,285	1,260,285	723,981	(536,304)
Net Changes In Fund Balances	(819,835)	(1,199,275)	(657,941)	541,334
Fund Balances as of January 1	2,849,831	2,933,823	2,933,823	-
Fund Balances as of December 31	\$ 2,029,996	\$ 1,734,548	\$ 2,275,882	\$ 541,334

Community Renewal & Housing
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Taxes	\$ -	\$ -	\$ 18	\$ 18
Intergovernmental	2,071,857	2,071,857	1,205,489	(866,368)
Charges for Services	1,668,330	1,668,330	1,441,619	(226,711)
Miscellaneous Revenue	109,000	109,000	40,137	(68,863)
Total Revenues	3,849,187	3,849,187	2,687,263	(1,161,924)
Expenditures:				
Current:				
General Government	34,556	34,556	34,707	(151)
Economic Environment	3,687,491	3,687,491	2,792,626	894,865
Total Expenditures	3,722,047	3,722,047	2,827,333	894,714
Excess (Deficiency) of Revenues Over Expenditures	127,140	127,140	(140,070)	(267,210)
Other Financing Sources (Uses)				
Transfers In	48,769	48,769	48,769	-
Transfers Out	(19,877)	(19,877)	(19,877)	-
Total Other Financing Sources (Uses)	28,892	28,892	28,892	-
Net Changes In Fund Balances	156,032	156,032	(111,178)	(267,210)
Fund Balances as of January 1	1,631,356	2,078,868	2,078,868	-
Fund Balances as of December 31	\$ 1,787,388	\$ 2,234,900	\$ 1,967,690	\$ (267,210)

Conservation Futures
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Taxes	\$ 1,405,156	\$ 1,405,156	\$ 1,149,717	\$ (255,439)
Intergovernmental	4,700	4,700	21,299	16,599
Miscellaneous Revenue	78,185	78,185	75,699	(2,486)
Total Revenues	1,488,041	1,488,041	1,246,715	(241,326)
Expenditures:				
Current:				
Culture & Recreation	19,052	19,052	210,007	(190,955)
Capital Outlay	800,000	1,596,000	-	1,596,000
Total Expenditures	819,052	1,615,052	210,007	1,405,045
Excess (Deficiency) of Revenues Over Expenditures	668,989	(127,011)	1,036,708	1,163,719
Other Financing Sources (Uses)				
Transfers Out	(225,855)	(225,855)	(176,501)	49,354
Total Other Financing Sources (Uses)	(225,855)	(225,855)	(176,501)	49,354
Net Changes In Fund Balances	443,134	(352,866)	860,207	1,213,073
Fund Balances as of January 1	2,227,100	3,219,291	3,219,291	-
Fund Balances as of December 31	\$ 2,670,234	\$ 2,866,425	\$ 4,079,498	\$ 1,213,073

Emergency Management
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Intergovernmental	\$ 2,000	\$ 2,000	\$ 2,125	\$ 125
Miscellaneous Revenue	75	75	167	92
Total Revenues	2,075	2,075	2,292	217
Expenditures:				
Current:				
Public Safety	3,116	3,116	3,023	93
Total Expenditures	3,116	3,116	3,023	93
Excess (Deficiency) of Revenues Over Expenditures	(1,041)	(1,041)	(731)	310
Net Changes In Fund Balances	(1,041)	(1,041)	(731)	310
Fund Balances as of January 1	10,276	7,605	7,605	-
Fund Balances as of December 31	\$ 9,235	\$ 6,564	\$ 6,874	\$ 310

Fair
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Intergovernmental	\$ 41,000	\$ 41,000	\$ 41,825	\$ 825
Charges for Services	151,000	151,000	127,381	(23,619)
Miscellaneous Revenue	317,400	317,400	294,798	(22,602)
Total Revenues	509,400	509,400	464,004	(45,396)
Expenditures:				
Current:				
Culture & Recreation	542,223	542,223	505,583	36,640
Total Expenditures	542,223	542,223	505,583	36,640
Excess (Deficiency) of Revenues Over Expenditures	(32,823)	(32,823)	(41,579)	(8,756)
Other Financing Sources (Uses)				
Transfers In	55,800	55,800	55,800	-
Total Other Financing Sources (Uses)	55,800	55,800	55,800	-
Net Changes In Fund Balances	22,977	22,977	14,221	(8,756)
Fund Balances as of January 1	60,344	74,858	75,008	150
Fund Balances as of December 31	\$ 83,321	\$ 97,835	\$ 89,229	\$ (8,606)

Family Court Services
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Charges for Services	\$ 235,350	\$ 235,350	\$ 280,246	\$ 44,896
Miscellaneous Revenue	6,000	6,000	16,067	10,067
Total Revenues	241,350	241,350	296,313	54,963
Expenditures:				
Current:				
Public Safety	379,558	379,558	307,551	72,007
Capital Outlay	8,000	8,000	-	8,000
Debt Service:				
Principal	7,200	7,200	-	7,200
Interest & Fiscal Charges	2,000	2,000	-	2,000
Total Expenditures	396,758	396,758	307,551	89,207
Excess (Deficiency) of Revenues Over Expenditures	(155,408)	(155,408)	(11,238)	144,170
Net Changes In Fund Balances	(155,408)	(155,408)	(11,238)	144,170
Fund Balances as of January 1	337,881	387,156	387,156	-
Fund Balances as of December 31	\$ 182,473	\$ 231,748	\$ 375,918	\$ 144,170

GeoData Center
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Intergovernmental	\$ 84,065	\$ 84,065	\$ -	\$ (84,065)
Charges for Services	1,103,646	1,103,646	1,164,920	61,274
Miscellaneous Revenue	-	-	4,543	4,543
Total Revenues	1,187,711	1,187,711	1,169,463	(18,248)
Expenditures:				
Current:				
Transportation	1,059,983	1,037,983	771,995	265,988
Capital Outlay	-	22,000	21,704	296
Total Expenditures	1,059,983	1,059,983	793,699	266,284
Excess (Deficiency) of Revenues Over Expenditures	127,728	127,728	375,764	248,036
Other Financing Sources (Uses)				
Transfers Out	(127,623)	(127,623)	(194,290)	(66,667)
Total Other Financing Sources (Uses)	(127,623)	(127,623)	(194,290)	(66,667)
Net Changes In Fund Balances	105	105	181,474	181,369
Fund Balances as of January 1	102,343	94,154	94,254	100
Fund Balances as of December 31	\$ 102,448	\$ 94,259	\$ 275,728	\$ 181,469

Lake Lawrence - L.M.D.
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Miscellaneous Revenue	\$ 96,100	\$ 96,100	\$ 97,256	\$ 1,156
Total Revenues	96,100	96,100	97,256	1,156
Expenditures:				
Current:				
Utilities & Environment	134,227	134,227	93,053	41,174
Total Expenditures	134,227	134,227	93,053	41,174
Excess (Deficiency) of Revenues Over Expenditures	(38,127)	(38,127)	4,203	42,330
Net Changes In Fund Balances	(38,127)	(38,127)	4,203	42,330
Fund Balances as of January 1	41,330	39,850	39,850	-
Fund Balances as of December 31	\$ 3,203	\$ 1,723	\$ 44,053	\$ 42,330

Law Library
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Charges for Services	\$ 107,000	\$ 107,000	\$ 112,542	\$ 5,542
Total Revenues	107,000	107,000	112,542	5,542
Expenditures:				
Current:				
Public Safety	117,000	108,266	106,392	1,874
Total Expenditures	117,000	108,266	106,392	1,874
Excess (Deficiency) of Revenues Over Expenditures	(10,000)	(1,266)	6,150	7,416
Net Changes In Fund Balances	(10,000)	(1,266)	6,150	7,416
Fund Balances as of January 1	10,000	1,266	1,266	-
Fund Balances as of December 31	\$ -	\$ -	\$ 7,416	\$ 7,416

LEOFF I Long Term Care
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Miscellaneous Revenue	\$ 700	\$ 700	\$ 2,825	\$ 2,125
Total Revenues	700	700	2,825	2,125
Expenditures:				
Current:				
Public Safety	216,218	216,218	168,981	47,237
Total Expenditures	216,218	216,218	168,981	47,237
Excess (Deficiency) of Revenues Over Expenditures	(215,518)	(215,518)	(166,156)	49,362
Other Financing Sources (Uses)				
Transfers In	216,218	216,218	216,218	-
Total Other Financing Sources (Uses)	216,218	216,218	216,218	-
Net Changes In Fund Balances	700	700	50,062	49,362
Fund Balances as of January 1	-	19,744	19,744	-
Fund Balances as of December 31	\$ 700	\$ 20,444	\$ 69,806	\$ 49,362

Long Lake - L.M.D.
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Miscellaneous Revenue	\$ 185,150	\$ 185,150	\$ 181,934	\$ (3,216)
Total Revenues	185,150	185,150	181,934	(3,216)
Expenditures:				
Current:				
Utilities & Environment	308,564	292,306	179,233	113,073
Total Expenditures	308,564	292,306	179,233	113,073
Excess (Deficiency) of Revenues Over Expenditures	(123,414)	(107,156)	2,701	109,857
Net Changes In Fund Balances	(123,414)	(107,156)	2,701	109,857
Fund Balances as of January 1	123,414	107,156	107,156	-
Fund Balances as of December 31	\$ -	\$ -	\$ 109,857	\$ 109,857

Noxious Weed
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Intergovernmental	\$ 41,166	\$ 41,166	\$ 25,834	\$ (15,332)
Charges for Services	65,228	65,228	75,948	10,720
Miscellaneous Revenue	395,708	395,708	403,415	7,707
Total Revenues	502,102	502,102	505,197	3,095
Expenditures:				
Current:				
Utilities & Environment	508,246	508,246	466,964	41,282
Capital Outlay	6,000	6,000	-	6,000
Total Expenditures	514,246	514,246	466,964	47,282
Excess (Deficiency) of Revenues Over Expenditures	(12,144)	(12,144)	38,233	50,377
Net Changes In Fund Balances	(12,144)	(12,144)	38,233	50,377
Fund Balances as of January 1	95,337	116,935	116,935	-
Fund Balances as of December 31	\$ 83,193	\$ 104,791	\$ 155,168	\$ 50,377

Prisoner Concession
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Charges for Services	\$ 190,000	\$ 190,000	\$ 182,328	\$ (7,672)
Miscellaneous Revenue	181,000	181,000	159,869	(21,131)
Total Revenues	371,000	371,000	342,197	(28,803)
Expenditures:				
Current:				
Public Safety	369,920	369,920	352,516	17,404
Total Expenditures	369,920	369,920	352,516	17,404
Excess (Deficiency) of Revenues Over Expenditures	1,080	1,080	(10,319)	(11,399)
Net Changes In Fund Balances	1,080	1,080	(10,319)	(11,399)
Fund Balances as of January 1	176,304	140,896	140,896	-
Fund Balances as of December 31	\$ 177,384	\$ 141,976	\$ 130,577	\$ (11,399)

Recreation Services
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Intergovernmental	\$ 23,797	\$ 23,797	\$ 23,930	\$ 133
Charges for Services	417,101	417,101	420,778	3,677
Miscellaneous Revenue	6,350	6,350	9,499	3,149
Total Revenues	447,248	447,248	454,207	6,959
Expenditures:				
Current:				
Culture & Recreation	266,152	266,152	218,334	47,818
Economic Environment	266,631	266,631	210,817	55,814
Total Expenditures	532,783	532,783	429,151	103,632
Excess (Deficiency) of Revenues Over Expenditures	(85,535)	(85,535)	25,056	110,591
Other Financing Sources (Uses)				
Transfers In	60,824	60,824	60,824	-
Total Other Financing Sources (Uses)	60,824	60,824	60,824	-
Net Changes In Fund Balances	(24,711)	(24,711)	85,880	110,591
Fund Balances as of January 1	29,413	31,129	31,354	225
Fund Balances as of December 31	\$ 4,702	\$ 6,418	\$ 117,234	\$ 110,816

REET Technology
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Intergovernmental	\$ 25,000	\$ 25,000	\$ 17,845	\$ (7,155)
Miscellaneous Revenue	4,500	4,500	3,845	(655)
Total Revenues	29,500	29,500	21,690	(7,810)
Expenditures:				
Current:				
General Government	100,000	100,000	43,125	56,875
Total Expenditures	100,000	100,000	43,125	56,875
Excess (Deficiency) of Revenues Over Expenditures	(70,500)	(70,500)	(21,435)	49,065
Net Changes In Fund Balances	(70,500)	(70,500)	(21,435)	49,065
Fund Balances as of January 1	188,000	192,406	192,406	-
Fund Balances as of December 31	\$ 117,500	\$ 121,906	\$ 170,971	\$ 49,065

Road Improvement District No. 2
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Taxes	\$ 19,000	\$ 19,000	\$ 19,647	\$ 647
Miscellaneous Revenue	9,100	9,100	9,006	(94)
Total Revenues	28,100	28,100	28,653	553
Excess (Deficiency) of Revenues Over Expenditures	28,100	28,100	28,653	553
Other Financing Sources (Uses)				
Transfers Out	(29,000)	(29,000)	(28,734)	266
Total Other Financing Sources (Uses)	(29,000)	(29,000)	(28,734)	266
Net Changes In Fund Balances	(900)	(900)	(81)	819
Fund Balances as of January 1	31,000	17,814	17,814	-
Fund Balances as of December 31	\$ 30,100	\$ 16,914	\$ 17,733	\$ 819

R.S.N. - I.R.M.A. - Thurston
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Miscellaneous Revenue	\$ 35,000	\$ 35,000	\$ 31,168	\$ (3,832)
Total Revenues	35,000	35,000	31,168	(3,832)
Expenditures:				
Current:				
Health & Human Services	950,000	950,000	-	950,000
Total Expenditures	950,000	950,000	-	950,000
Excess (Deficiency) of Revenues Over Expenditures	(915,000)	(915,000)	31,168	946,168
Net Changes In Fund Balances	(915,000)	(915,000)	31,168	946,168
Fund Balances as of January 1	1,469,666	1,472,506	1,472,506	-
Fund Balances as of December 31	\$ 554,666	\$ 557,506	\$ 1,503,674	\$ 946,168

Sheriff's Special Programs
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Intergovernmental	\$ 72,000	\$ 72,000	\$ 86,686	\$ 14,686
Miscellaneous Revenue	3,200	3,200	2,805	(395)
Total Revenues	75,200	75,200	89,491	14,291
Expenditures:				
Current:				
Public Safety	91,149	108,563	84,172	24,391
Total Expenditures	91,149	108,563	84,172	24,391
Excess (Deficiency) of Revenues Over Expenditures	(15,949)	(33,363)	5,319	38,682
Net Changes In Fund Balances	(15,949)	(33,363)	5,319	38,682
Fund Balances as of January 1	79,853	85,244	85,244	-
Fund Balances as of December 31	\$ 63,904	\$ 51,881	\$ 90,563	\$ 38,682

Stadium Convention & Arts Center
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Taxes	\$ 22,000	\$ 22,000	\$ 23,224	\$ 1,224
Miscellaneous Revenue	2,000	2,000	846	(1,154)
Total Revenues	24,000	24,000	24,070	70
Expenditures:				
Current:				
Culture & Recreation	61	61	61	-
Total Expenditures	61	61	61	-
Excess (Deficiency) of Revenues Over Expenditures	23,939	23,939	24,009	70
Other Financing Sources (Uses)				
Transfers Out	(35,298)	(35,298)	(35,298)	-
Total Other Financing Sources (Uses)	(35,298)	(35,298)	(35,298)	-
Net Changes In Fund Balances	(11,359)	(11,359)	(11,289)	70
Fund Balances as of January 1	58,694	68,155	68,155	-
Fund Balances as of December 31	\$ 47,335	\$ 56,796	\$ 56,866	\$ 70

Treatment Sales Tax
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Taxes	\$ 3,400,000	\$ 3,914,000	\$ 3,920,546	\$ 6,546
Miscellaneous Revenue	9,000	-	-	-
Total Revenues	3,409,000	3,914,000	3,920,546	6,546
Expenditures:				
Current:				
General Government	765	765	765	-
Total Expenditures	765	765	765	-
Excess (Deficiency) of Revenues Over Expenditures	3,408,235	3,913,235	3,919,781	6,546
Other Financing Sources (Uses)				
Transfers Out	(3,010,219)	(3,355,765)	(2,605,396)	750,369
Total Other Financing Sources (Uses)	(3,010,219)	(3,355,765)	(2,605,396)	750,369
Net Changes In Fund Balances	398,016	557,470	1,314,385	756,915
Fund Balances as of January 1	441,610	913,129	913,129	-
Fund Balances as of December 31	\$ 839,626	\$ 1,470,599	\$ 2,227,514	\$ 756,915

**Trial Court Improvement
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010**

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Intergovernmental	\$ 74,000	\$ 74,000	\$ 90,024	\$ 16,024
Miscellaneous Revenue	3,500	3,500	4,119	619
Total Revenues	77,500	77,500	94,143	16,643
Expenditures:				
Current:				
Public Safety	100,288	100,288	5,007	95,281
Total Expenditures	100,288	100,288	5,007	95,281
Excess (Deficiency) of Revenues Over Expenditures	(22,788)	(22,788)	89,136	111,924
Net Changes In Fund Balances	(22,788)	(22,788)	89,136	111,924
Fund Balances as of January 1	81,500	144,796	144,796	-
Fund Balances as of December 31	\$ 58,712	\$ 122,008	\$ 233,932	\$ 111,924

Veterans
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Taxes	\$ 343,923	\$ 343,923	\$ 334,308	\$ (9,615)
Intergovernmental	800	800	6,210	5,410
Miscellaneous Revenue	16,075	16,075	9,973	(6,102)
Total Revenues	360,798	360,798	350,491	(10,307)
Expenditures:				
Current:				
Economic Environment	374,923	374,923	355,560	19,363
Total Expenditures	374,923	374,923	355,560	19,363
Excess (Deficiency) of Revenues Over Expenditures	(14,125)	(14,125)	(5,069)	9,056
Other Financing Sources (Uses)				
Transfers Out	(9,864)	(9,864)	(9,864)	-
Total Other Financing Sources (Uses)	(9,864)	(9,864)	(9,864)	-
Net Changes In Fund Balances	(23,989)	(23,989)	(14,933)	9,056
Fund Balances as of January 1	382,281	479,587	487,087	7,500
Fund Balances as of December 31	\$ 358,292	\$ 455,598	\$ 472,154	\$ 16,556

Victim Advocate Program
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Intergovernmental	\$ 148,635	\$ 168,174	\$ 165,139	\$ (3,035)
Charges for Services	190,000	190,000	193,162	3,162
Fines & Forfeits	10,000	10,000	24,515	14,515
Miscellaneous Revenue	3,000	9,000	8,229	(771)
Total Revenues	351,635	377,174	391,045	13,871
Expenditures:				
Current:				
Public Safety	441,752	467,291	365,292	101,999
Total Expenditures	441,752	467,291	365,292	101,999
Excess (Deficiency) of Revenues Over Expenditures	(90,117)	(90,117)	25,753	115,870
Net Changes In Fund Balances	(90,117)	(90,117)	25,753	115,870
Fund Balances as of January 1	120,000	126,981	308,884	181,903
Fund Balances as of December 31	\$ 29,883	\$ 36,864	\$ 334,637	\$ 297,773

Workforce Development
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Taxes	\$ 442,720	\$ 442,720	\$ 466,805	\$ 24,085
Intergovernmental	14,970,295	14,970,295	13,684,151	(1,286,144)
Miscellaneous Revenue	298,136	298,136	150,941	(147,195)
Total Revenues	15,711,151	15,711,151	14,301,897	(1,409,254)
Expenditures:				
Current:				
Economic Environment	11,803,965	11,803,965	10,596,643	1,207,322
Health & Human Services	4,089,664	4,089,664	3,665,917	423,747
Public Safety	-	-	720	(720)
Capital Outlay	-	-	37,446	(37,446)
Debt Service:				
Principal	800	800	-	800
Interest & Fiscal Charges	800	800	-	800
Total Expenditures	15,895,229	15,895,229	14,300,726	1,594,503
Excess (Deficiency) of Revenues Over Expenditures	(184,078)	(184,078)	1,171	185,249
Other Financing Sources (Uses)				
Transfers In	119,456	119,456	119,456	-
Transfers Out	(65,964)	(65,964)	(111,967)	(46,003)
Total Other Financing Sources (Uses)	53,492	53,492	7,489	(46,003)
Net Changes In Fund Balances	(130,586)	(130,586)	8,660	139,246
Fund Balances as of January 1	1,763,291	2,183,576	2,244,580	61,004
Fund Balances as of December 31	\$ 1,632,705	\$ 2,052,990	\$ 2,253,240	\$ 200,250

W.R.I.A. Water & Waste
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 12,599	\$ 12,599
Miscellaneous Revenue	900	900	509	(391)
Total Revenues	900	900	13,108	12,208
Expenditures:				
Current:				
Utilities & Environment	10,972	10,972	5,555	5,417
Total Expenditures	10,972	10,972	5,555	5,417
Excess (Deficiency) of Revenues Over Expenditures	(10,072)	(10,072)	7,553	17,625
Net Changes In Fund Balances	(10,072)	(10,072)	7,553	17,625
Fund Balances as of January 1	24,215	24,560	24,560	-
Fund Balances as of December 31	\$ 14,143	\$ 14,488	\$ 32,113	\$ 17,625

NONMAJOR DEBT SERVICE FUNDS

Debt service funds are established to account for the accumulation of resources for the payment of current principal and interest on general obligation debt. All general obligation debt issues are funded by local option sales taxes and/or real estate excise taxes.

G. O. Bonds - 1998 – A fund that accounts for current annual principal and interest payments on general obligation bonds issued in 1998 for the acquisition of farm land development rights and to construct an emergency dispatch center.

G. O. Bonds - 2002 – A fund that accounts for current annual principal and interest payments on general obligation bonds issued in 2002 for the construction of jail facilities, coroner building and the HVAC system for the courthouse complex.

G. O. Bonds - 2004 – A fund that accounts for current annual principal and interest payments on general obligation bonds issued in 2004 for the acquisition and construction of additional office space, land acquisition for the justice center and for parks, repairs to the juvenile detention facility and for the acquisition of a phone system for the courthouse complex.

G. O. Bonds - 2005 – A fund that accounts for current annual principal and interest payments on general obligation bonds issued in 2005 for a partial advance refunding of outstanding 1997 bonds, an advance refunding of outstanding 1999 bonds and for park acquisition and other capital improvements.

G. O. Bonds - 2007 – A fund that accounts for current annual principal and interest payments on general obligation bonds issued in 2007 to fund a second county jail and to remodel a fish processing warehouse into office space.

G. O. Bonds - 2009 – A fund that accounts for current annual principal and interest payments on general obligation bonds issued in 2009 to fund the Accountability Restitution Center, communication system upgrades, and other approved capital projects.

Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2010

	G. O. Bonds 1998	G. O. Bonds 2002	G. O. Bonds 2004	G. O. Bonds 2005	G. O. Bonds 2007	G. O. Bonds 2009	Total
ASSETS							
Assets:							
Cash & Pooled Investments	\$ -	\$ 771	\$ 639	\$5,510	\$ 465	\$ 263	\$7,648
<i>Receivables:</i>							
Accrued Interest & Penalties	-	2	3	16	-	2	23
Total Assets	\$ -	\$ 773	\$ 642	\$5,526	\$ 465	\$ 265	\$7,671
FUND BALANCES							
Reserved for Debt Service	\$ -	\$ 773	\$ 642	\$5,526	\$ 465	\$ 265	\$7,671
Total Fund Balance	-	773	642	5,526	465	265	7,671
Total Liabilities & Fund Balances	\$ -	\$ 773	\$ 642	\$5,526	\$ 465	\$ 265	\$7,671

**Combining Statement Of Revenues,
Expenditures And Changes In Fund Balances
Nonmajor Debt Service Funds
For The Year Ended December 31, 2010**

	G. O. Bonds 1998	G. O. Bonds 2002	G. O. Bonds 2004	G. O. Bonds 2005	G. O. Bonds 2007	G. O. Bonds 2009	Total
Revenues:							
Miscellaneous Revenue	\$ -	\$ 68	\$ 56	\$ 113	\$ -	\$ 70	\$ 307
Total Revenues	-	68	56	113	-	70	307
Expenditures:							
Debt Service:							
Principal	-	399,373	378,506	1,540,000	175,000	755,000	3,247,879
Interest & Fiscal Charges	-	341,541	360,309	777,187	184,525	1,807,999	3,471,561
Total Expenditures	-	740,914	738,815	2,317,187	359,525	2,562,999	6,719,440
Excess (Deficiency) of Revenues Over Expenditures	-	(740,846)	(738,759)	(2,317,074)	(359,525)	(2,562,929)	(6,719,133)
Other Financing Sources (Uses)							
Transfers In	-	740,967	738,674	2,321,655	359,359	2,563,144	6,723,799
Transfers Out	(1,392)	-	-	-	-	-	(1,392)
Total Other Financing Sources (Uses)	(1,392)	740,967	738,674	2,321,655	359,359	2,563,144	6,722,407
Net Changes In Fund Balances	(1,392)	121	(85)	4,581	(166)	215	3,274
Fund Balances as of January 1	1,392	652	727	945	631	50	4,397
Fund Balances as of December 31	\$ -	\$ 773	\$ 642	\$ 5,526	\$ 465	\$ 265	\$ 7,671

G. O. Bonds 1998
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Other Financing Sources (Uses)				
Transfers Out	\$ -	\$ -	\$ (1,392)	\$ (1,392) *
Total Other Financing Sources (Uses)	-	-	(1,392)	(1,392)
Net Changes In Fund Balances	-	-	(1,392)	(1,392)
Fund Balances as of January 1	-	-	1,392	1,392
Fund Balances as of December 31	\$ -	\$ -	\$ -	\$ -

* - Transfer out was authorized by resolution that terminated this fund

G. O. Bonds 2002
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Miscellaneous Revenue	\$ 125	\$ 125	\$ 68	\$ (57)
Total Revenues	125	125	68	(57)
Expenditures:				
Debt Service:				
Principal	399,400	399,400	399,373	27
Interest & Fiscal Charges	341,800	341,800	341,541	259
Total Expenditures	741,200	741,200	740,914	286
Excess (Deficiency) of Revenues Over Expenditures	(741,075)	(741,075)	(740,846)	229
Other Financing Sources (Uses)				
Transfers In	741,127	741,127	740,967	(160)
Total Other Financing Sources (Uses)	741,127	741,127	740,967	(160)
Net Changes In Fund Balances	52	52	121	69
Fund Balances as of January 1	4,181	652	652	-
Fund Balances as of December 31	\$ 4,233	\$ 704	\$ 773	\$ 69

G. O. Bonds 2004
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Miscellaneous Revenue	\$ 125	\$ 125	\$ 56	\$ (69)
Total Revenues	125	125	56	(69)
Expenditures:				
Debt Service:				
Principal	378,600	378,600	378,506	94
Interest & Fiscal Charges	360,700	360,700	360,309	391
Total Expenditures	739,300	739,300	738,815	485
Excess (Deficiency) of Revenues Over Expenditures	(739,175)	(739,175)	(738,759)	416
Other Financing Sources (Uses)				
Transfers In	739,025	739,025	738,674	(351)
Total Other Financing Sources (Uses)	739,025	739,025	738,674	(351)
Net Changes In Fund Balances	(150)	(150)	(85)	65
Fund Balances as of January 1	8,414	727	727	-
Fund Balances as of December 31	\$ 8,264	\$ 577	\$ 642	\$ 65

G. O. Bonds 2005
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Miscellaneous Revenue	\$ 125	\$ 28,725	\$ 113	\$ (28,612)
Total Revenues	125	28,725	113	(28,612)
Expenditures:				
Debt Service:				
Principal	1,520,400	1,540,000	1,540,000	-
Interest & Fiscal Charges	768,500	777,500	777,187	313
Total Expenditures	2,288,900	2,317,500	2,317,187	313
Excess (Deficiency) of Revenues Over Expenditures	(2,288,775)	(2,288,775)	(2,317,074)	(28,299)
Other Financing Sources (Uses)				
Transfers In	2,317,756	2,317,756	2,321,655	3,899
Total Other Financing Sources (Uses)	2,317,756	2,317,756	2,321,655	3,899
Net Changes In Fund Balances	28,981	28,981	4,581	(24,400)
Fund Balances as of January 1	7,303	945	945	-
Fund Balances as of December 31	\$ 36,284	\$ 29,926	\$ 5,526	\$ (24,400)

G. O. Bonds 2007
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Miscellaneous Revenue	\$ 100	\$ 100	\$ -	\$ (100)
Total Revenues	100	100	-	(100)
Expenditures:				
Debt Service:				
Principal	175,000	175,000	175,000	-
Interest & Fiscal Charges	184,900	184,900	184,525	375
Total Expenditures	359,900	359,900	359,525	375
Excess (Deficiency) of Revenues Over Expenditures	(359,800)	(359,800)	(359,525)	275
Other Financing Sources (Uses)				
Transfers In	359,718	359,718	359,359	(359)
Total Other Financing Sources (Uses)	359,718	359,718	359,359	(359)
Net Changes In Fund Balances	(82)	(82)	(166)	(84)
Fund Balances as of January 1	5,700	631	631	-
Fund Balances as of December 31	\$ 5,618	\$ 549	\$ 465	\$ (84)

G.O. Bonds - 2009
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Miscellaneous Revenue	\$ 306	\$ 306	\$ 70	\$ (236)
Total Revenues	306	306	70	(236)
Expenditures:				
Debt Service:				
Principal	755,000	755,000	755,000	-
Interest & Fiscal Charges	1,808,500	1,808,500	1,807,999	501
Total Expenditures	2,563,500	2,563,500	2,562,999	501
Excess (Deficiency) of Revenues Over Expenditures	(2,563,194)	(2,563,194)	(2,562,929)	265
Other Financing Sources (Uses)				
Transfers In	2,563,194	2,563,194	2,563,144	(50)
Total Other Financing Sources (Uses)	2,563,194	2,563,194	2,563,144	(50)
Net Changes In Fund Balances	-	-	215	215
Fund Balances as of January 1	-	50	50	-
Fund Balances as of December 31	\$ -	\$ 50	\$ 265	\$ 215

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NONMAJOR CAPITAL PROJECT FUNDS

Capital project funds are established to account for the accumulation of resources used to develop and construct additions and improvements to capital facilities and associated systems and equipment.

County Buildings Fund – A fund that uses bond proceeds, local option sales taxes and/or real estate excise taxes to acquire, construct and repair a broad range of capital projects for Thurston County.

Jail Capital Projects - Accounts for the planning and design of a community corrections and assessment center and for the construction of a minimum bed jail facility.

Tilley Master Plan – A fund that uses property and gas taxes transferred from the Roads Fund to construct road maintenance facilities and buildings at the Tilley road maintenance site.

Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2010

ASSETS	County Buildings Fund	Jail Capital Projects	Tilley Master Plan	Total
Assets:				
Cash & Pooled Investments	\$ 364,922	\$ -	\$ 1,531,257	\$ 1,896,179
<i>Receivables:</i>				
Accrued Interest & Penalties	988	-	3,408	4,396
Due from Other Funds	4,349	-	-	4,349
Total Assets	\$ 370,259	\$ -	\$ 1,534,665	\$ 1,904,924
LIABILITIES				
Liabilities:				
Accounts Payable	\$ 38,782	\$ 337,330	\$ 256,262	\$ 632,374
Due to Other Funds	13,661	32,209	33,309	79,179
Due to Other Government Units	-	-	23	23
Total Liabilities	52,443	369,539	289,594	711,576
FUND BALANCES				
Unreserved - Undesignated	317,816	(369,539)	1,245,071	1,193,348
Total Fund Balance	317,816	(369,539)	1,245,071	1,193,348
Total Liabilities & Fund Balances	\$ 370,259	\$ -	\$ 1,534,665	\$ 1,904,924

**Combining Statement Of Revenues,
Expenditures And Changes In Fund Balances
Nonmajor Capital Projects Funds
For The Year Ended December 31, 2010**

	County Buildings Fund	Jail Capital Projects	Tilley Master Plan	Total
Revenues:				
Miscellaneous Revenue	\$ 13,500	\$ -	\$ 60,584	\$ 74,084
Total Revenues	13,500	-	60,584	74,084
Expenditures:				
Current:				
General Government	202,377	-	-	202,377
Capital Outlay	88,315	7,466,080	2,078,114	9,632,509
Total Expenditures	290,692	7,466,080	2,078,114	9,834,886
Excess (Deficiency) of Revenues Over Expenditures	(277,192)	(7,466,080)	(2,017,530)	(9,760,802)
Other Financing Sources (Uses)				
Sale of Capital Assets	99,119	7,955	-	107,074
Transfers In	50,288	8,511,586	-	8,561,874
Transfers Out	(264,101)	-	-	(264,101)
Total Other Financing Sources (Uses)	(114,694)	8,519,541	-	8,404,847
Net Changes In Fund Balances	(391,886)	1,053,461	(2,017,530)	(1,355,955)
Fund Balances as of January 1	709,702	(1,423,000)	3,262,601	2,549,303
Fund Balances as of December 31	\$ 317,816	\$ (369,539)	\$ 1,245,071	\$ 1,193,348

County Buildings Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Miscellaneous Revenue	\$ 10,500	\$ 10,500	\$ 13,500	\$ 3,000
Total Revenues	10,500	10,500	13,500	3,000
Expenditures:				
Current:				
General Government	285,004	310,203	202,377	107,826
Capital Outlay	508,473	430,276	88,315	341,961
Total Expenditures	793,477	740,479	290,692	449,787
Excess (Deficiency) of Revenues Over Expenditures	(782,977)	(729,979)	(277,192)	452,787
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	99,119	99,119
Transfers In	475,000	450,000	50,288	(399,712)
Transfers Out	(75,000)	(332,526)	(264,101)	68,425
Total Other Financing Sources (Uses)	400,000	117,474	(114,694)	(232,168)
Net Changes In Fund Balances	(382,977)	(612,505)	(391,886)	220,619
Fund Balances as of January 1	858,841	709,702	709,702	-
Fund Balances as of December 31	\$ 475,864	\$ 97,197	\$ 317,816	\$ 220,619

Jail Capital Projects
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Expenditures:				
Capital Outlay	\$ 9,737,828	\$ 11,024,517	\$ 7,466,080	\$ 3,558,437
Total Expenditures	<u>9,737,828</u>	<u>11,024,517</u>	<u>7,466,080</u>	<u>3,558,437</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(9,737,828)</u>	<u>(11,024,517)</u>	<u>(7,466,080)</u>	<u>3,558,437</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	7,955	7,955
Transfers In	<u>9,737,828</u>	<u>11,024,517</u>	<u>8,511,586</u>	<u>(2,512,931)</u>
Total Other Financing Sources (Uses)	<u>9,737,828</u>	<u>11,024,517</u>	<u>8,519,541</u>	<u>(2,504,976)</u>
Net Changes In Fund Balances	-	-	1,053,461	1,053,461
Fund Balances as of January 1	<u>-</u>	<u>-</u>	<u>(1,423,000)</u>	<u>(1,423,000)</u>
Fund Balances as of December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (369,539)</u>	<u>\$ (369,539)</u>

Tilley Master Plan
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For The Year Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance with Final Budget Positive or (Negative)
Revenues:				
Miscellaneous Revenue	\$ -	\$ -	\$ 60,584	\$ 60,584
Total Revenues	-	-	60,584	60,584
Expenditures:				
Current:				
Capital Outlay	3,250,000	3,262,601	2,078,114	1,184,487
Total Expenditures	3,250,000	3,262,601	2,078,114	1,184,487
Excess (Deficiency) of Revenues Over Expenditures	(3,250,000)	(3,262,601)	(2,017,530)	1,245,071
Net Changes In Fund Balances	(3,250,000)	(3,262,601)	(2,017,530)	1,245,071
Fund Balances as of January 1	3,250,000	3,262,601	3,262,601	-
Fund Balances as of December 31	\$ -	\$ -	\$ 1,245,071	\$ 1,245,071

NONMAJOR ENTERPRISE FUNDS

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

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

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

Land Use & Permitting – A fund that uses development license fees and service charges to provide planning, permitting and development inspection services within the unincorporated sections of Thurston County.

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

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

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

Combining Statement Of Net Assets
Nonmajor Enterprise Funds
December 31, 2010
Page 1 of 2

	Boston Harbor Utility	Community Loan Programs	Land Use & Permitting	Olympic View Utility
ASSETS				
Current Assets:				
Cash & Pooled Investments	\$ 519,051	\$ 430,076	\$ 693,904	\$ 72,314
<i>Receivables:</i>				
Special Assessment Receivables	562	-	-	982
Accrued Interest & Penalties	1,065	770	1,538	539
Customer Account Receivables	35,800	16,387	31,088	-
Due From Other Funds	16,686	-	28,165	-
Due From Other Government Units	-	-	1,238	-
<i>Restricted Assets:</i>				
Cash and Pooled Investments	-	-	-	7,012
Long-Term Assets:				
Community Loans Receivable	-	144,164	-	-
Special Assessment Receivables	-	-	-	5,779
Capital Assets:				
Non-Depreciable	99,582	-	-	3,202
Depreciable, Net	1,519,723	-	36,908	88,000
Total Assets	2,192,469	591,397	792,841	177,828
LIABILITIES				
Current Liabilities:				
Accounts Payable	20,160	15	17,462	338
Notes/Leases Payable	-	41,415	19,478	-
Due To Other Funds	18,297	-	176,474	150
Due To Other Government Units	445	-	-	-
Compensated Absences	1,026	-	9,753	45
Unearned Revenue	1,100	-	-	-
<i>Restricted Liabilities:</i>				
Special Assessment Debt With Govern. Commitment	-	-	-	3,536
Long-Term Liabilities:				
Special Assessment Debt With Govern. Commitment	-	-	-	17,680
Compensated Absences	18,562	-	176,486	815
Other Post Employment Benefits Payable	17,462	-	227,953	1,376
Notes/Leases Payable	-	543,221	20,988	-
Advances From Other Funds	-	-	344,982	-
Total Liabilities	77,052	584,651	993,576	23,940
NET ASSETS				
Invested in Capital Assets, Net Of Related Debt	1,619,305	-	(3,558)	69,986
Restricted For:				
Debt Service	-	-	-	13,773
Unrestricted (Deficit)	496,112	6,746	(197,177)	70,129
Total Net Assets	\$ 2,115,417	\$ 6,746	\$ (200,735)	\$ 153,888

Combining Statement Of Net Assets
Nonmajor Enterprise Funds
December 31, 2010
Page 2 of 2

ASSETS	Storm & Surface Water Utility	Tamoshan Utility	Total
Current Assets:			
Cash & Pooled Investments	\$ 1,971,516	\$ 160,260	\$ 3,847,121
<i>Receivables:</i>			
Special Assessment Receivables	171,234	59,567	232,345
Accrued Interest & Penalties	3,352	1,005	8,269
Customer Account Receivables	-	26,493	109,768
Due From Other Funds	5,499	19,865	70,215
Due From Other Government Units	220,701	-	221,939
<i>Restricted Assets:</i>			
Cash and Pooled Investments	-	143,590	150,602
Long-Term Assets:			
Community Loans Receivable	-	-	144,164
Special Assessment Receivables	-	667,798	673,577
Capital Assets:			
Non-Depreciable	1,785,120	704,775	2,592,679
Depreciable, Net	4,661,601	1,290,836	7,597,068
Total Assets	8,819,023	3,074,189	15,647,747
LIABILITIES			
Current Liabilities:			
Accounts Payable	222,097	6,748	266,820
Notes/Leases Payable	3,402	-	64,295
Due To Other Funds	149,031	11,868	355,820
Due To Other Government Units	-	-	445
Compensated Absences	7,617	296	18,737
Unearned Revenue	-	-	1,100
<i>Restricted Liabilities:</i>			
Special Assessment Debt With Govern. Commitment	-	78,282	81,818
Long-Term Liabilities:			
Special Assessment Debt With Govern. Commitment	-	739,389	757,069
Compensated Absences	137,840	5,354	339,057
Other Post Employment Benefits Payable	155,697	10,064	412,552
Notes/Leases Payable	2,855	-	567,064
Advances From Other Funds	-	-	344,982
Total Liabilities	678,539	852,001	3,209,759
NET ASSETS			
Invested in Capital Assets, Net Of Related Debt	6,440,464	1,177,940	9,304,137
Restricted For:			
Debt Service	-	870,955	884,728
Unrestricted (Deficit)	1,700,020	173,293	2,249,123
Total Net Assets	\$ 8,140,484	\$ 2,222,188	\$ 12,437,988

**Combining Statement Of Revenues,
Expenses and Changes In Fund Net Assets
Nonmajor Enterprise Funds
For The Year Ended December 31, 2010
Page 1 of 2**

	Boston Harbor Utility	Community Loan Programs	Land Use & Permitting	Olympic View Utility
Operating Revenues:				
Charges for Services	\$ 323,770	\$ -	\$ 3,490,365	\$ 24,652
Miscellaneous	1,785	-	1,524	-
Total Operating Revenues	325,555	-	3,491,889	24,652
Operating Expenses:				
Salaries and Benefits	190,195	-	2,248,635	12,279
Other Supplies and Expenses	28,999	-	33,266	3,566
Contractual Services	85,157	61,311	172,538	1,630
Interfund Services and Charges	45,387	914	797,079	4,205
Depreciation/Amortization	299,469	-	40,986	11,000
Total Operating Expenses	649,207	62,225	3,292,504	32,680
Operating Income (Loss)	(323,652)	(62,225)	199,385	(8,028)
Nonoperating Revenue (Expenses):				
Interest Revenue	11,927	16,117	16,626	1,947
Other Nonoperating Revenue (Expense)	(9,283)	-	4,268	(691)
Interest Expense & Fiscal Charges	-	(14,917)	(22,701)	(1,251)
Total Nonoperating Revenue (Expense)	2,644	1,200	(1,807)	5
Income Before Contributions and Transfers:	(321,008)	(61,025)	197,578	(8,023)
Transfers In	16,686	-	68,145	-
Transfers Out	(16,686)	-	-	-
Change in Net Assets	(321,008)	(61,025)	265,723	(8,023)
Net Assets as of January 1	2,436,425	67,771	(466,458)	161,911
Net Assets as of December 31	\$ 2,115,417	\$ 6,746	\$ (200,735)	\$ 153,888

**Combining Statement Of Revenues,
Expenses and Changes In Fund Net Assets
Nonmajor Enterprise Funds
For The Year Ended December 31, 2010
Page 2 of 2**

	Storm & Surface Water Utility	Tamoshan Utility	Total
Operating Revenues:			
Charges for Services	\$ 3,456,754	\$ 221,516	\$ 7,517,057
Miscellaneous	-	1,719	5,028
Total Operating Revenues	3,456,754	223,235	7,522,085
Operating Expenses:			
Salaries and Benefits	1,747,171	98,713	4,296,993
Other Supplies and Expenses	83,136	13,914	162,881
Contractual Services	628,194	36,367	985,197
Interfund Services and Charges	892,804	31,164	1,771,553
Depreciation/Amortization	387,336	44,422	783,213
Total Operating Expenses	3,738,641	224,580	7,999,837
Operating Income (Loss)	(281,887)	(1,345)	(477,752)
Nonoperating Revenue (Expenses):			
Interest Revenue	48,399	6,122	101,138
Other Nonoperating Revenue (Expense)	526,840	(6,891)	514,243
Interest Expense & Fiscal Charges	(62)	-	(38,931)
Total Nonoperating Revenue (Expense)	575,177	(769)	576,450
Income Before Contributions and Transfers:	293,290	(2,114)	98,698
Transfers In	650,775	66,951	802,557
Transfers Out	(650,000)	(10,917)	(677,603)
Change in Net Assets	294,065	53,920	223,652
Net Assets as of January 1	7,846,419	2,168,268	12,214,336
Net Assets as of December 31	\$ 8,140,484	\$ 2,222,188	\$ 12,437,988

Combining Statement Of Cash Flows
Nonmajor Enterprise Funds
For The Year Ended December 31, 2010
Page 1 of 4

	Boston Harbor Utility	Community Loan Programs	Land Use & Permitting	Olympic View Utility
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 305,214	\$ -	\$ 3,453,649	\$ 25,238
Cash Paid for Goods & Services	(149,204)	(63,025)	(832,310)	(11,474)
Cash Paid to Employees	(153,145)	-	(2,284,003)	(10,043)
Net Cash Provided (Used) by Operating Activities	2,865	(63,025)	337,336	3,721
Cash Flows from Noncapital Financing Activities:				
Transfers In	16,686	-	68,145	-
Transfers Out	(16,686)	-	-	-
Grant Proceeds	-	-	72,796	-
Tax and Assessment Receipts	-	-	-	-
Receipts on Septic Loans From Community	-	44,806	-	-
Payments On Financed Septic Loans	-	(40,195)	-	-
Loan Proceeds From Financed Septic Loans	-	57,475	-	-
Tax Payments	(9,283)	-	-	(691)
Interest Payments	-	(14,917)	(22,701)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(9,283)	47,169	118,240	(691)
Cash Flows from Capital & Related Financing Activities:				
Capital Asset Purchases	(41,878)	-	-	-
Bond/Loan Payments	-	-	(367,276)	(3,536)
Assessment Receipts	17,430	-	-	4,778
Interest Payments	-	-	-	(1,251)
Net Cash Provided (Used) by Capital & & Related Financing Activities	(24,448)	-	(367,276)	(9)
Cash Flows from Investing Activities:				
Interest Receipts	12,638	17,186	22,628	1,769
Net Cash Provided (Used) by Investing Activities	12,638	17,186	22,628	1,769
Net Increase (Decrease) in Cash & Cash Equivalents	(18,228)	1,330	110,928	4,790
Cash & Cash Equivalents as of January 1	537,279	428,746	582,976	74,536
Cash & Cash Equivalents as of December 31	\$ 519,051	\$ 430,076	\$ 693,904	\$ 79,326

Combining Statement Of Cash Flows
Nonmajor Enterprise Funds
For The Year Ended December 31, 2010
Page 2 of 4

	Storm & Surface Water Utility	Tamoshan Utility	Total
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 3,477,333	\$ 208,118	\$ 7,469,552
Cash Paid for Goods & Services	(1,409,928)	(72,434)	(2,538,375)
Cash Paid to Employees	(1,449,062)	(82,999)	(3,979,252)
Net Cash Provided (Used) by Operating Activities	618,343	52,685	951,925
Cash Flows from Noncapital Financing Activities:			
Transfers In	650,775	66,951	802,557
Transfers Out	(650,000)	(10,917)	(677,603)
Grant Proceeds	476,679	-	549,475
Tax and Assessment Receipts	482,711	-	482,711
Receipts on Septic Loans From Community	-	-	44,806
Payments On Financed Septic Loans	-	-	(40,195)
Loan Proceeds From Financed Septic Loans	-	-	57,475
Tax Payments	(55,407)	(6,891)	(72,272)
Interest Payments	-	-	(37,618)
Net Cash Provided (Used) by Noncapital Financing Activities	904,758	49,143	1,109,336
Cash Flows from Capital & Related Financing Activities:			
Capital Asset Purchases	(712,427)	(52,209)	(806,514)
Bond/Loan Payments	(9,256)	(78,282)	(458,350)
Assessment Receipts	-	98,892	121,100
Interest Payments	(62)	-	(1,313)
Net Cash Provided (Used) by Capital & & Related Financing Activities	(721,745)	(31,599)	(1,145,077)
Cash Flows from Investing Activities:			
Interest Receipts	52,231	6,419	112,871
Net Cash Provided (Used) by Investing Activities	52,231	6,419	112,871
Net Increase (Decrease) in Cash & Cash Equivalents	853,587	76,648	1,029,055
Cash & Cash Equivalents as of January 1	1,117,929	227,202	2,968,668
Cash & Cash Equivalents as of December 31	\$ 1,971,516	\$ 303,850	\$ 3,997,723

Combining Statement Of Cash Flows
Nonmajor Enterprise Funds
For The Year Ended December 31, 2010
Page 3 of 4

	Boston Harbor Utility	Community Loan Programs	Land Use & Permitting	Olympic View Utility
Reconciliation of Operating Income To Net Cash Provided (Used) by Operating Income:				
Operating Income	\$ (323,652)	\$ (62,225)	\$ 199,385	\$ (8,028)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	299,469	-	40,986	11,000
(Increase) Decrease in:				
Customer Account Receivables	(4,022)		(31,088)	-
Due from Other Funds	(16,319)	-	(7,152)	586
Increase (Decrease) in:				
Accounts Payable	(502)	(800)	(3,975)	(925)
Due to Other Funds	10,396	-	174,548	(1,148)
Due to Other Government Units	445	-	-	-
Compensated Absences Payable	37,050	-	(35,368)	2,236
Total Adjustments	326,517	(800)	137,951	11,749
Net Cash Provided (Used) by Operating Activities	\$ 2,865	\$ (63,025)	\$ 337,336	\$ 3,721

Noncash Investing, Capital, and Financing Activities:

Loss on Purchase/Sale of Capital Assets	\$	-	\$	-	\$	(2,030)	\$	-
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Combining Statement Of Cash Flows
Nonmajor Enterprise Funds
For The Year Ended December 31, 2010
Page 4 of 4

	Storm & Surface Water Utility	Tamoshan Utility	Total
Reconciliation of Operating Income To Net Cash Provided (Used) by Operating Income:			
Operating Income	\$ (281,887)	\$ (1,345)	\$ (477,752)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	387,336	44,422	783,213
(Increase) Decrease in:			
Customer Account Receivables	-	2,031	(33,079)
Due from Other Funds	20,579	(17,148)	(19,454)
Increase (Decrease) in:			
Accounts Payable	183,411	2,789	179,998
Due to Other Funds	10,795	6,222	200,813
Due to Other Government Units	-	-	445
Compensated Absences Payable	298,109	15,714	317,741
Total Adjustments	900,230	54,030	1,429,677
Net Cash Provided (Used) by Operating Activities	\$ 618,343	\$ 52,685	\$ 951,925

Noncash Investing, Capital, and Financing Activities:

Loss on Purchase/Sale of Capital Assets	\$ (370,992)	\$ -	\$ (373,022)
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INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

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

Combining Statement Of Net Assets
Internal Service Funds
December 31, 2010
Page 1 of 2

	Central	Enterprise	Enterprise	Equipment
	Services	Admin	Engineering	Rental & Revolv.
ASSETS				
Current Assets:				
Cash & Pooled Investments	\$ 5,531,659	\$ 377,899	\$ 75,338	\$ 13,121,958
<i>Receivables:</i>				
Accrued Interest & Penalties	4,818	639	129	21,476
Customer Account Receivables	1,184	-	-	-
Due From Other Funds	85,181	-	-	26,445
Due From Other Government Units	-	-	-	22,676
Inventory	-	-	-	252,060
Prepayments	86,007	-	-	16,896
Capital Assets:				
Non-Depreciable	5,296,832	-	-	7,077
Depreciable, Net	91,102,609	-	-	9,313,832
Total Assets	102,108,290	378,538	75,467	22,782,420
LIABILITIES				
Current Liabilities:				
Accounts Payable	400,126	-	-	108,580
Due To Other Funds	4,669	-	-	1,103
Due To Other Government Units	15,460	-	-	-
Compensated Absences	21,381	-	-	6,572
Claims and Judgments Payable	-	-	-	-
Lim.Tax G.O.Bond-Current Portion	69,483	-	-	-
Long-Term Liabilities:				
Limited G.O. Bonds Payable	224,138	-	-	-
Compensated Absences	386,926	-	-	118,933
Other Post Employment Benefits Payable	550,529	-	-	120,428
Claims and Judgments Payable	-	-	-	-
Total Liabilities	1,672,712	-	-	355,616
NET ASSETS				
Invested in Capital Assets, Net Of Related Debt	96,105,820	-	-	9,320,909
Unrestricted (Deficit)	4,329,758	378,538	75,467	13,105,895
Total Net Assets	\$ 100,435,578	\$ 378,538	\$ 75,467	\$ 22,426,804

Combining Statement Of Net Assets
Internal Service Funds
December 31, 2010
Page 2 of 2

	Insurance Risk	Benefits	Unempl.	
ASSETS	Management	Admin	Comp.	Total
Current Assets:				
Cash & Pooled Investments	\$ 5,814,029	\$ 1,481,084	\$ 2,148,608	\$ 28,550,575
<i>Receivables:</i>				
Accrued Interest & Penalties	-	2,507	3,731	33,300
Customer Account Receivables	-	-	270,300	271,484
Due From Other Funds	-	-	-	111,626
Due From Other Government Units	-	-	-	22,676
Inventory	-	-	-	252,060
Prepayments	-	-	-	102,903
Capital Assets:				
Non-Depreciable	-	-	-	5,303,909
Depreciable, Net	-	-	-	100,416,441
Total Assets	5,814,029	1,483,591	2,422,639	135,064,974
LIABILITIES				
Current Liabilities:				
Accounts Payable	84,157	5,583	-	598,446
Due To Other Funds	-	-	-	5,772
Due To Other Government Units	-	-	-	15,460
Compensated Absences	3,833	416	1,161	33,363
Claims and Judgments Payable	667,562	-	-	667,562
Lim.Tax G.O.Bond-Current Portion	-	-	-	69,483
Long-Term Liabilities:				
Limited G.O. Bonds Payable	-	-	-	224,138
Compensated Absences	69,360	7,521	21,016	603,756
Other Post Employment Benefits Payable	26,666	18,064	5,161	720,848
Claims and Judgments Payable	3,358,234	-	-	3,358,234
Total Liabilities	4,209,812	31,584	27,338	6,297,062
NET ASSETS				
Invested in Capital Assets, Net Of Related Debt	-	-	-	105,426,729
Unrestricted (Deficit)	1,604,217	1,452,007	2,395,301	23,341,183
Total Net Assets	\$ 1,604,217	\$ 1,452,007	\$ 2,395,301	\$ 128,767,912

**Combining Statement Of Revenues,
Expenses And Changes In Fund Net Assets
Internal Service Funds
For The Year Ended December 31, 2010
Page 1 of 2**

	Central Services	Enterprise Admin	Enterprise Engineering	Equipment Rental & Revolv.
Operating Revenues:				
Charges for Services	\$ 12,220,439	\$ -	\$ -	\$ 1,302
Equipment Rental	-	-	-	6,675,835
Miscellaneous	13,266	-	-	9,797
Total Operating Revenues	12,233,705	-	-	6,686,934
Operating Expenses:				
Salaries and Benefits	5,290,889	-	-	1,233,094
Other Supplies and Expenses	566,169	-	-	1,844,906
Contractual Services	4,146,239	-	-	99,103
Interfund Services and Charges	1,083,515	-	-	266,078
Depreciation/Amortization	2,212,741	-	-	2,323,822
Claims Payments	2,995	-	-	-
Total Operating Expenses	13,302,548	-	-	5,767,003
Operating Income (Loss)	(1,068,843)	-	-	919,931
Nonoperating Revenue (Expenses):				
Interest Revenue	47,104	6,928	1,547	249,698
Other Nonoperating Revenue (Expense)	(127,023)	-	-	117,783
Interest Expense & Fiscal Charges	(15,230)	-	-	-
Total Nonoperating Revenue (Expense)	(95,149)	6,928	1,547	367,481
Income Before Contributions and Transfers:	(1,163,992)	6,928	1,547	1,287,412
Capital Contributions	43,605,100	-	-	34,620
Transfers In	986,166	-	-	348,235
Transfers Out	(274,085)	(258)	(388)	(519,511)
Change in Net Assets	43,153,189	6,670	1,159	1,150,756
Net Assets as of January 1	57,282,389	(409,795)	74,308	21,276,048
Prior Period Adjustments	-	781,663	-	-
Net Assets as of January 1 - Restated	57,282,389	371,868	74,308	21,276,048
Net Assets as of December 31	\$ 100,435,578	\$ 378,538	\$ 75,467	\$ 22,426,804

**Combining Statement Of Revenues,
Expenses And Changes In Fund Net Assets
Internal Service Funds
For The Year Ended December 31, 2010
Page 2 of 2**

	Insurance Risk Management	Benefits Admin	Unempl. Comp.	Total
Operating Revenues:				
Charges for Services	\$ 2,157,113	\$ 552,694	\$ 641,643	\$ 15,573,191
Equipment Rental	-	-	-	6,675,835
Miscellaneous	47	3,597	-	26,707
Total Operating Revenues	2,157,160	556,291	641,643	22,275,733
Operating Expenses:				
Salaries and Benefits	318,658	148,731	499,678	7,491,050
Other Supplies and Expenses	1,025	1,277	-	2,413,377
Contractual Services	288,893	360,750	-	4,894,985
Interfund Services and Charges	206,411	8,681	3,758	1,568,443
Depreciation/Amortization	-	-	-	4,536,563
Claims Payments	843,559	-	-	846,554
Total Operating Expenses	1,658,546	519,439	503,436	21,750,972
Operating Income (Loss)	498,614	36,852	138,207	524,761
Nonoperating Revenue (Expenses):				
Interest Revenue	-	29,377	43,393	378,047
Other Nonoperating Revenue (Expense)	-	-	-	(9,240)
Interest Expense & Fiscal Charges	-	-	-	(15,230)
Total Nonoperating Revenue (Expense)	-	29,377	43,393	353,577
Income Before Contributions and Transfers:	498,614	66,229	181,600	878,338
Capital Contributions	-	-	-	43,639,720
Transfers In	-	-	-	1,334,401
Transfers Out	(743,000)	-	-	(1,537,242)
Change in Net Assets	(244,386)	66,229	181,600	44,315,217
Net Assets as of January 1	1,848,603	1,385,778	2,213,701	83,671,032
Prior Period Adjustments	-	-	-	781,663
Net Assets as of January 1 - Restated	1,848,603	1,385,778	2,213,701	84,452,695
Net Assets as of December 31	\$ 1,604,217	\$ 1,452,007	\$ 2,395,301	\$ 128,767,912

Combining Statement Of Cash Flows Internal Service Funds

For The Year Ended December 31, 2010

Page 1 of 4

	Central Services	Enterprise Admin	Enterprise Engineering	Equipment Rental & Revolv.
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 12,227,574	\$ 221,915	\$ 32,793	\$ 6,763,019
Cash Paid for Goods & Services	(5,700,017)	(25,300)	(27,142)	(2,420,408)
Cash Paid to Employees	(5,125,334)	-	-	(1,192,602)
Net Cash Provided (Used) by Operating Activities	1,402,223	196,615	5,651	3,150,009
Cash Flows from Noncapital Financing Activities:				
Transfers In	986,166	-	-	348,235
Transfers Out	(274,085)	(258)	(388)	(519,511)
Insurance Recoveries	-	-	-	24,566
Tax Payments	(9,042)	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	703,039	(258)	(388)	(146,710)
Cash Flows from Capital & Related Financing Activities:				
Capital Asset Sales	-	258	388	96,938
Capital Asset Purchases	(271,010)	-	-	(1,882,625)
Bond/Loan Payments	(70,929)	-	-	-
Interest Payments	(15,230)	-	-	-
Net Cash Provided (Used) by Capital & Related Financing Activities	(357,169)	258	388	(1,785,687)
Cash Flows from Investing Activities:				
Interest Receipts	45,370	6,393	1,418	290,422
Net Cash Provided (Used) by Investing Activities	45,370	6,393	1,418	290,422
Net Increase (Decrease) in Cash & Cash Equivalents	1,793,463	203,008	7,069	1,508,034
Cash & Cash Equivalents as of January 1	3,738,196	174,891	68,269	11,613,924
Cash & Cash Equivalents as of December 31	\$ 5,531,659	\$ 377,899	\$ 75,338	\$ 13,121,958

Combining Statement Of Cash Flows
Internal Service Funds
For The Year Ended December 31, 2010
Page 2 of 4

	Insurance Risk Management	Benefits Admin	Unempl. Comp.	Total
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 2,162,426	\$ 556,291	\$ 486,263	\$ 22,450,281
Cash Paid for Goods & Services	(1,651,684)	(374,671)	(3,758)	(10,202,980)
Cash Paid to Employees	(306,417)	(141,239)	(502,147)	(7,267,739)
Net Cash Provided (Used) by Operating Activities	204,325	40,381	(19,642)	4,979,562
Cash Flows from Noncapital Financing Activities:				
Transfers In	-	-	-	1,334,401
Transfers Out	(743,000)	-	-	(1,537,242)
Insurance Recoveries	-	-	-	24,566
Tax Payments	-	-	-	(9,042)
Net Cash Provided (Used) by Noncapital Financing Activities	(743,000)	-	-	(187,317)
Cash Flows from Capital & Related Financing Activities:				
Capital Asset Sales	-	-	-	97,584
Capital Asset Purchases	-	-	-	(2,153,635)
Bond/Loan Payments	-	-	-	(70,929)
Interest Payments	-	-	-	(15,230)
Net Cash Provided (Used) by Capital & Related Financing Activities	-	-	-	(2,142,210)
Cash Flows from Investing Activities:				
Interest Receipts	-	31,572	48,031	423,206
Net Cash Provided (Used) by Investing Activities	-	31,572	48,031	423,206
Net Increase (Decrease) in Cash & Cash Equivalents	(538,675)	71,953	28,389	3,073,241
Cash & Cash Equivalents as of January 1	6,352,704	1,409,131	2,120,219	25,477,334
Cash & Cash Equivalents as of December 31	\$ 5,814,029	\$ 1,481,084	\$ 2,148,608	\$ 28,550,575

Combining Statement Of Cash Flows
Internal Service Funds
For The Year Ended December 31, 2010
Page 3 of 4

	Central Services	Enterprise Admin	Enterprise Engineering	Equipment Rental & Revolv.
Reconciliation of Operating Income To Net Cash Provided (Used) by Operating Income:				
Operating Income	\$ (1,068,843)	\$ -	\$ -	\$ 919,931
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	2,212,741	-	-	2,323,822
(Increase) Decrease in:				
Customer Account Receivables	1	-	-	99,066
Due from Other Funds	(6,132)	221,915	32,793	(7,580)
Due from Other Government Units	-	-	-	(15,401)
Inventories	-	-	-	(19,099)
Prepaid Expense	(1,340)	-	-	28,965
Increase (Decrease) in:				
Accounts Payable	104,390	(25,300)	-	(214,601)
Due to Other Funds	(19,609)	-	(27,142)	(5,509)
Due to Other Government Units	15,460	-	-	(77)
Claims and Judgments	-	-	-	-
Compensated Absences Payable	165,555	-	-	40,492
Total Adjustments	2,471,066	196,615	5,651	2,230,078
Net Cash Provided (Used) by Operating Activities	\$ 1,402,223	\$ 196,615	\$ 5,651	\$ 3,150,009

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

Gain on Purchase/Sale Of Capital Assets	\$ -	\$ -	\$ -	\$ 93,217
Loss on Purchase/Sale of Capital Assets	\$ (117,981)	\$ -	\$ -	-
Prior Period Adjustment - Reclassification of G.O. Debt From Governmental to Proprietary	\$ -	\$ 781,663	\$ -	-
Contribution of Capital Assets	\$ 43,605,100	\$ -	\$ -	34,620

Combining Statement Of Cash Flows
Internal Service Funds
For The Year Ended December 31, 2010
Page 4 of 4

	Insurance Risk Management	Benefits Admin	Unempl. Comp.	Total
Reconciliation of Operating Income To Net Cash Provided (Used) by Operating Income:				
Operating Income	\$ 498,614	\$ 36,852	\$ 138,207	\$ 524,761
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	-	-	-	4,536,563
(Increase) Decrease in:				
Customer Account Receivables	5,266	-	(162,842)	(58,509)
Due from Other Funds	-	-	7,462	248,458
Due from Other Government Units	-	-	-	(15,401)
Inventories	-	-	-	(19,099)
Prepaid Expense	-	-	-	27,625
Increase (Decrease) in:				
Accounts Payable	77,215	(3,963)	-	(62,259)
Due to Other Funds	-	-	-	(52,260)
Due to Other Government Units	-	-	-	15,383
Claims and Judgments	(389,011)	-	-	(389,011)
Compensated Absences Payable	12,241	7,492	(2,469)	223,311
Total Adjustments	(294,289)	3,529	(157,849)	4,454,801
Net Cash Provided (Used) by Operating Activities	\$ 204,325	\$ 40,381	\$ (19,642)	\$ 4,979,562

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

Gain on Purchase/Sale Of Capital Assets	\$ -	\$ -	\$ -	\$ 93,217
Loss on Purchase/Sale of Capital Assets	\$ -	\$ -	\$ -	\$ (117,981)
Prior Period Adjustment - Reclassification of G.O. Debt From Governmental to Proprietary	\$ -	\$ -	\$ -	\$ 781,663
Contribution of Capital Assets	\$ -	\$ -	\$ -	\$ 43,639,720

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FIDUCIARY FUNDS

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

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

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

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

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

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

Combining Statement of Fiduciary Net Assets
Agency Funds
December 31, 2010

	Payroll & Claims Clearing	Refunded GO Bonds	Taxes and Refunds Pending	Treasurer's Fiscal Agent	Treasurer's Trust	Total
ASSETS						
Assets:						
Cash & Pooled Investments	\$ 14,233,708	\$ -	\$ 2,745	\$ -	\$ -	\$ 14,236,453
Cash and Investments in Trust	-	-	-	-	129,097	129,097
Cash and Deposits with Fiscal Agent	-	-	-	60,000	-	60,000
Total Assets	\$ 14,233,708	\$ -	\$ 2,745	\$ 60,000	\$ 129,097	\$ 14,425,550
LIABILITIES						
Liabilities:						
Warrant Payable	\$ 11,379,000	\$ -	\$ -	\$ -	\$ -	\$ 11,379,000
Accounts Payable	319,007	-	2,745	-	-	321,752
Payroll Payable	2,535,701	-	-	-	-	2,535,701
Due to Other Governments	-	-	-	60,000	129,097	189,097
Total Liabilities	\$ 14,233,708	\$ -	\$ 2,745	\$ 60,000	\$ 129,097	\$ 14,425,550

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended December 31, 2010

	Balance January 1- Restated	Additions	Deductions	Balance December 31
<u>Payroll & Claims Clearing</u>				
Cash, Cash Equivalents & Pooled Investments	\$ 15,550,297	\$ -	\$ 1,316,589	\$ 14,233,708
Total Assets	\$ 15,550,297	\$ -	\$ 1,316,589	\$ 14,233,708
Warrants Payable	\$ 12,945,555	\$ -	\$ 1,566,555	\$ 11,379,000
Accounts Payable	107,458	211,549	-	319,007
Payroll Payable	2,497,284	38,417	-	2,535,701
Total Liabilities	\$ 15,550,297	\$ 249,966	\$ 1,566,555	\$ 14,233,708
<u>Taxes & Refunds Pending</u>				
Cash, Cash Equivalents & Pooled Investments	\$ 629	\$ 2,116	\$ -	\$ 2,745
Total Assets	\$ 629	\$ 2,116	\$ -	\$ 2,745
Accounts Payable	\$ 629	\$ 2,116	\$ -	\$ 2,745
Total Liabilities	\$ 629	\$ 2,116	\$ -	\$ 2,745
<u>Treasurer's Fiscal Agent</u>				
Cash, Cash Equivalents & Pooled Investments	\$ 50,000	\$ 10,000	\$ -	\$ 60,000
Total Assets	\$ 50,000	\$ 10,000	\$ -	\$ 60,000
Due to Other Government Units	\$ 50,000	\$ 10,000	\$ -	\$ 60,000
Total Liabilities	\$ 50,000	\$ 10,000	\$ -	\$ 60,000
<u>Treasurer's Trust</u>				
Cash, Cash Equivalents & Pooled Investments	\$ 60,432	\$ 68,665	\$ -	\$ 129,097
Total Assets	\$ 60,432	\$ 68,665	\$ -	\$ 129,097
Due to Other Government Units	\$ 60,432	\$ 68,665	\$ -	\$ 129,097
Total Liabilities	\$ 60,432	\$ 68,665	\$ -	\$ 129,097
<u>Total Agency Funds</u>				
Cash, Cash Equivalents & Pooled Investments	\$ 15,661,358	\$ 80,781	\$ 1,316,589	\$ 14,425,550
Total Assets	\$ 15,661,358	\$ 80,781	\$ 1,316,589	\$ 14,425,550
Warrants Payable	\$ 12,945,555	\$ -	\$ 1,566,555	\$ 11,379,000
Accounts Payable	108,087	213,665	-	321,752
Payroll Payable	2,497,284	38,417	-	2,535,701
Due to Other Government Units	110,432	78,665	-	189,097
Total Liabilities	\$ 15,661,358	\$ 330,747	\$ 1,566,555	\$ 14,425,550

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Statistical Section

The Thurston County Comprehensive Annual Financial Report includes statistical information to show the government's overall financial health.

Financial Trends

Schedules 1-4 explain the County's financial management and health.

Revenue Capacity

Schedules 5-8 illustrate the County's largest revenue source, property tax.

Debt Capacity

Schedules 9-12 contain information on the County's current level of outstanding debt and ability to issue debt in the future. Thurston County does not issue pledged revenue debt.

Demographic and Economic Information

Schedules 13-14 show the economic and demographic environment of Thurston County.

Operating Information

Schedules 15-17 incorporate services the County provides and capital asset and infrastructure information.

Sources: Previous comprehensive and annual financial reports, budget workload indicators, and as noted on schedules.

Entity wide information is presented for all years that entity wide information is available, which starts in 2002.

Net Assets By Component
Last Nine Fiscal Years
(accrual basis of accounting)
Schedule 1
Page 1 of 2

	2002	2003	2004	2005	2006
Governmental Activities					
Investment in capital assets, net of related debt	\$ 341,688,727	\$ 339,570,786	\$ 352,042,233	\$ 351,892,755	\$ 351,868,678
Restricted Net Assets	64,048,027	70,692,383	87,351,122	93,610,956	111,379,265
Unrestricted	17,726,003	22,728,573	14,412,788	19,681,853	18,563,416
Total Governmental Activities Net Assets	423,462,757	432,991,742	453,806,143	465,185,564	481,811,359
Business-type Activities					
Investment in capital assets, net of related debt	11,319,538	13,409,717	12,408,331	19,788,003	20,358,678
Restricted Net Assets	(1,447,653)	18,694,153	4,936,086	4,860,017	5,643,212
Unrestricted	19,999,900	976,861	16,043,675	10,064,147	9,004,514
Total Business-type Activities Net Assets	29,871,785	33,080,731	33,388,092	34,712,167	35,006,404
Primary Government					
Investment in capital assets, net of related debt	353,008,265	352,980,503	364,450,564	371,680,758	372,227,356
Restricted Net Assets	62,600,374	89,386,536	92,287,208	98,470,973	117,022,477
Unrestricted	37,725,903	23,705,434	30,456,463	29,746,000	27,567,930
Total Primary Government Net Assets	\$ 453,334,542	\$ 466,072,473	\$ 487,194,235	\$ 499,897,731	\$ 516,817,763

Net Assets By Component
Last Nine Fiscal Years
(accrual basis of accounting)
Schedule 1
Page 2 of 2

	2007	2008	2009	2010
Governmental Activities				
Investment in capital assets, net of related debt	\$ 355,096,136	\$ 357,549,686	\$ 367,485,013	\$ 369,474,630
Restricted Net Assets	107,897,449	98,672,400	106,941,800	123,019,483
Unrestricted	28,549,434	31,307,181	15,356,252	8,639,298
Total Governmental Activities Net Assets	491,543,019	487,529,267	489,783,065	501,133,411
Business-type Activities				
Investment in capital assets, net of related debt	21,723,075	26,105,070	26,673,569	29,716,183
Restricted Net Assets	5,361,448	5,403,545	9,423,124	3,993,892
Unrestricted	6,853,203	5,809,946	3,726,040	10,919,784
Total Business-type Activities Net Assets	33,937,726	37,318,561	39,822,733	44,629,859
Primary Government				
Investment in capital assets, net of related debt	376,819,211	383,654,756	394,158,582	399,190,813
Restricted Net Assets	113,258,897	104,075,945	116,364,924	127,013,375
Unrestricted	35,402,637	37,117,127	19,082,292	19,559,082
Total Primary Government Net Assets	\$ 525,480,745	\$ 524,847,828	\$ 529,605,798	\$ 545,763,270

Changes in Net Assets
Last Nine Years
Schedule 2
Page 1 of 4

	2002	2003	2004	2005	2006
Governmental Activities:					
<i>Expenses (Net of Indirect Expenses):</i>					
General Government	\$ 8,872,772	\$ 7,729,613	\$ 9,012,729	\$ 9,110,756	\$ 9,906,700
Culture & Recreation	2,444,790	2,012,956	2,415,435	2,764,226	3,032,683
Economic Environment	13,161,330	14,107,884	14,645,370	12,209,087	14,204,195
Health & Human Services	26,205,973	30,867,847	32,846,130	38,095,014	43,346,401
Public Safety	50,057,524	45,304,472	49,584,500	51,031,012	55,514,228
Transportation	23,163,128	25,125,598	20,166,417	21,187,304	22,354,754
Utilities & Environment	1,388,082	1,382,660	1,550,457	1,328,754	1,593,881
Interest and Fiscal Charges	1,607,743	1,561,608	1,546,419	1,895,531	1,826,956
Total Expenses	126,901,342	128,092,638	131,767,457	137,621,684	151,779,798
<i>Program Revenues:</i>					
<i>Charges for Services:</i>					
General Government	2,286,978	2,955,977	2,865,239	2,672,466	2,714,911
Culture & Recreation	773,151	684,795	1,845,362	771,723	983,184
Economic Environment	5,585,660	6,395,917	6,667,587	6,409,085	6,507,519
Health & Human Services	1,100,244	1,165,833	1,109,076	799,739	2,156,834
Public Safety	4,972,102	5,240,296	5,266,824	6,935,860	6,750,616
Transportation	571,529	828,163	502,452	558,677	1,050,167
Utilities & Environment	627,697	481,929	462,880	493,028	584,671
Operating Grants & Contributions	34,167,007	35,957,385	36,780,251	35,888,390	39,764,951
Capital Grants	2,614,344	2,836,121	3,828,515	4,327,526	5,815,999
Total Program Revenues	52,698,712	56,546,416	59,328,186	58,856,494	66,328,852
Total Net Expense	(74,202,630)	(71,546,222)	(72,439,271)	(78,765,190)	(85,450,946)
<i>General Revenues & Other Items:</i>					
Taxes	77,286,257	81,141,816	82,263,513	88,684,559	91,775,978
Other General Revenues	4,177,370	2,923,716	2,874,783	4,392,286	7,497,710
Special Items, Transfers & Adjustments	726,710	(2,990,325)	8,115,376	(2,932,234)	2,803,053
Total General Revenues & Other Items	82,190,337	81,075,207	93,253,672	90,144,611	102,076,741
Change in Net Assets	7,987,707	9,528,985	20,814,401	11,379,421	16,625,795

Changes in Net Assets
Last Nine Years
Schedule 2
Page 2 of 4

	2007	2008	2009	2010
Governmental Activities:				
<i>Expenses (Net of Indirect Expenses):</i>				
General Government	\$ 9,729,554	\$ 10,679,357	\$ 8,569,812	\$ 8,631,534
Culture & Recreation	5,848,770	3,644,750	3,780,250	4,312,994
Economic Environment	10,968,763	13,173,730	15,850,367	15,326,356
Health & Human Services	45,933,859	48,541,104	47,548,566	45,154,389
Public Safety	64,826,213	70,421,095	70,615,888	69,864,003
Transportation	25,223,760	27,925,015	28,651,349	26,688,315
Utilities & Environment	1,636,119	1,846,225	1,316,016	1,284,194
Interest and Fiscal Charges	1,911,474	2,095,802	3,459,983	4,016,966
Total Expenses	166,078,512	178,327,078	179,792,231	175,278,751
<i>Program Revenues:</i>				
Charges for Services:				
General Government	2,465,701	4,917,000	5,552,908	5,418,389
Culture & Recreation	1,119,202	1,159,995	755,406	768,987
Economic Environment	2,443,618	1,062,430	4,463,060	1,563,871
Health & Human Services	2,503,671	3,868,018	3,154,554	4,263,352
Public Safety	8,262,962	7,663,494	9,250,719	8,647,506
Transportation	1,685,740	1,486,524	958,263	4,760,155
Utilities & Environment	763,846	1,916	580,455	689,319
Operating Grants & Contributions	43,981,345	48,779,433	45,501,657	45,542,586
Capital Grants	5,967,081	6,667,935	9,318,083	5,097,806
Total Program Revenues	69,193,166	75,606,745	79,535,105	76,751,971
Total Net Expense	(96,885,346)	(102,720,333)	(100,257,126)	(98,526,780)
<i>General Revenues & Other Items:</i>				
Taxes	101,151,580	97,420,544	98,470,757	103,779,418
Other General Revenues	7,418,406	8,244,161	6,839,605	6,266,385
Special Items, Transfers & Adjustments	(1,952,980)	(6,958,124)	(2,799,438)	(168,677)
Total General Revenues & Other Items	106,617,006	98,706,581	102,510,924	109,877,126
Change in Net Assets	9,731,660	(4,013,752)	2,253,798	11,350,346

Changes in Net Assets
Last Nine Years
Schedule 2
Page 3 of 4

	2002	2003	2004	2005	2006
Proprietary Activities:					
<i>Expenses (Net of Indirect Expenses):</i>					
Solid Waste	13,307,547	13,368,506	13,343,861	13,822,220	16,150,450
Land Use and Permitting	-	-	-	-	-
Other Utilities	3,172,897	3,197,537	3,285,324	3,257,744	3,687,063
Total Expenses	16,480,444	16,566,043	16,629,185	17,079,964	19,837,513
<i>Program Revenues:</i>					
<i>Charges for Services:</i>					
Solid Waste	12,183,445	13,033,858	13,317,893	14,959,601	16,153,474
Land Use & Permitting	-	-	-	-	-
Other Utilities	1,907,371	1,820,313	525,884	652,668	1,986,244
Operating Grants & Contributions	323,438	114,927	186,400	272,826	284,458
Capital Grants	199,428	1,606,132	7,606	326,469	977,843
Total Program Revenues	14,613,682	16,575,230	14,037,783	16,211,564	19,402,019
Total Net Expense	(1,866,762)	9,187	(2,591,402)	(868,400)	(435,494)
<i>General Revenues & Other Items:</i>					
Other General Revenues	1,764,591	1,395,773	2,615,422	2,379,852	942,755
Special Items, Transfers & Adjustments	(1,779,801)	1,803,986	283,341	(187,377)	(213,024)
Total General Revenues & Other Items	(15,210)	3,199,759	2,898,763	2,192,475	729,731
Change in Net Assets	(1,881,972)	3,208,946	307,361	1,324,075	294,237
Total Change In Net Assets	\$ 6,105,735	\$ 12,737,931	\$ 21,121,762	\$ 12,703,496	\$ 16,920,032

Changes in Net Assets
Last Nine Years
Schedule 2
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	2007	2008	2009	2010
Proprietary Activities:				
<i>Expenses (Net of Indirect Expenses):</i>				
Solid Waste	18,115,101	17,273,843	15,991,345	16,675,874
Land Use and Permitting	6,940,241	6,406,427	4,476,037	3,322,395
Other Utilities	3,629,468	5,238,949	5,060,198	5,912,654
Total Expenses	28,684,810	28,919,219	25,527,580	25,910,923
<i>Program Revenues:</i>				
Charges for Services:				
Solid Waste	16,890,041	16,058,808	15,558,195	19,925,078
Land Use & Permitting	3,611,885	3,094,794	3,326,600	3,383,773
Other Utilities	2,148,531	4,184,599	4,118,153	4,801,913
Operating Grants & Contributions	284,147	876,042	1,063,007	772,906
Capital Grants	217,312	1,994,457	114,696	45,114
Total Program Revenues	23,151,916	26,208,700	24,180,651	28,928,784
Total Net Expense	(5,532,894)	(2,710,519)	(1,346,929)	3,017,861
<i>General Revenues & Other Items:</i>				
Other General Revenues	1,774,783	1,783,244	1,051,663	838,925
Special Items, Transfers & Adjustments	2,689,433	4,308,110	2,799,438	950,340
Total General Revenues & Other Items	4,464,216	6,091,354	3,851,101	1,789,265
Change in Net Assets	(1,068,678)	3,380,835	2,504,172	4,807,126
 Total Change In Net Assets	 \$ 8,662,982	 \$ (632,917)	 \$ 4,757,970	 \$ 16,157,472

Fund Balances, Governmental Funds
Last Nine Fiscal Years
(modified basis of accounting)
Schedule 3
Page 1 of 2

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<i>General fund</i>					
Reserved	\$ -	\$ 365,000	\$ -	\$ -	\$ -
Unreserved, designated	23,920	23,400	23,350	23,350	25,000
Unreserved	6,710,544	9,254,021	8,031,322	9,012,394	8,401,916
Total general fund	<u>6,734,464</u>	<u>9,642,421</u>	<u>8,054,672</u>	<u>9,035,744</u>	<u>8,426,916</u>
<i>All other governmental funds</i>					
Reserved	3,823,680	38,464	36,048	36,995	38,676
Unreserved, designated					
Special revenue funds	520,388	402,328	395,815	577,022	790,929
Unreserved, reported in:					
Special revenue funds	48,977,457	55,361,323	67,279,602	76,097,224	82,713,223
Debt service funds	70,623	38,464	-	-	-
Capital projects funds	8,260,217	12,171,565	12,153,420	8,012,217	9,501,584
Total all other governmental funds	<u>61,652,365</u>	<u>68,012,144</u>	<u>79,864,885</u>	<u>84,723,458</u>	<u>93,044,412</u>
Total governmental fund balances	<u>\$68,386,829</u>	<u>\$77,654,565</u>	<u>\$87,919,557</u>	<u>\$93,759,202</u>	<u>\$101,471,328</u>

Fund Balances, Governmental Funds
Last Nine Fiscal Years
(modified basis of accounting)
Schedule 3
Page 2 of 2

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<i>General fund</i>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, designated	25,000	26,000	14,700	14,400
Unreserved	6,480,852	7,754,436	8,550,402	15,051,874
Total general fund	<u>6,505,852</u>	<u>7,780,436</u>	<u>8,565,102</u>	<u>15,066,274</u>
<i>All other governmental funds</i>				
Reserved	115,236	828,133	7,100,257	906,697
Unreserved, designated				
Special revenue funds	803,267	523,668	23,225	26,325
Unreserved, reported in:				
Special revenue funds	94,011,999	90,337,230	89,480,522	109,887,437
Debt service funds	-	-	-	-
Capital projects funds	7,864,156	(4,295,067)	2,549,303	1,193,348
Total all other governmental funds	<u>102,794,658</u>	<u>87,393,964</u>	<u>99,153,307</u>	<u>112,013,807</u>
Total governmental fund balances	<u>\$ 109,300,510</u>	<u>\$ 95,174,400</u>	<u>\$ 107,718,409</u>	<u>\$ 127,080,081</u>

Changes in Fund Balances, Governmental Funds
Last Nine Years
Schedule 4
Page 1 of 4

	2002 *	2003 *	2004	2005	2006
<u>Revenues</u>					
Taxes	\$63,876,390	\$67,737,066	\$73,029,562	\$79,956,010	\$ 82,319,746
Licenses & Permits	3,189,891	3,990,137	4,022,040	3,405,547	3,613,812
Intergovernmental	45,828,752	48,221,143	51,447,165	50,220,621	56,137,771
Charges for Services	10,893,062	12,590,822	12,262,767	13,101,887	14,426,571
Licenses & Permits	1,797,063	2,030,943	2,014,437	1,685,795	1,946,891
Miscellaneous Revenues	4,762,656	3,594,660	3,623,637	5,357,754	11,360,431
Total Revenues	130,347,814	138,164,771	146,399,608	153,727,614	169,805,222
<u>Expenditures</u>					
Current:					
General Government	12,526,820	27,465,835	12,334,046	11,087,069	12,458,313
Culture & Recreation	2,194,849	1,909,152	2,090,670	2,434,503	2,626,187
Economic Environment	12,440,678	13,928,626	14,011,780	12,214,885	13,994,510
Health & Human Services	30,215,637	26,104,525	31,977,912	37,928,487	42,970,710
Public Safety	41,390,917	32,434,249	46,354,376	50,382,437	54,521,751
Transportation	18,446,582	16,362,020	15,278,857	15,929,646	17,025,880
Utilities & Environment	1,362,896	1,390,703	1,531,650	1,683,928	1,669,964
Capital Outlay	11,127,093	9,780,600	19,824,822	15,966,881	12,766,428
Debt Service:					
Principal	10,503,163	1,762,244	1,686,668	2,030,687	2,338,226
Interest & Fiscal Charges	1,607,743	1,561,608	1,546,419	2,112,543	1,872,665
Total Expenditures	141,816,378	132,699,562	146,637,200	151,771,066	162,244,634
Excess of revenues over (under) expenditures	(11,468,564)	5,465,209	(237,592)	1,956,548	7,560,588

* - Expenditures for general government, health and human services, and public safety in 2002 and 2003 were reclassified to reflect the classification and reporting of these expenditures in future reporting periods

Changes in Fund Balances, Governmental Funds
Last Nine Years
Schedule 4
Page 2 of 4

	2007	2008	2009	2010
<u>Revenues</u>				
Taxes	\$ 91,113,992	\$ 91,116,806	\$ 89,956,040	\$ 94,979,502
Licenses & Permits	882,622	918,521	2,707,899	2,868,901
Intergovernmental	61,010,874	66,168,951	69,570,149	66,324,115
Charges for Services	14,368,811	14,375,638	14,218,080	17,986,272
Licenses & Permits	1,848,169	1,980,871	2,171,084	1,951,651
Miscellaneous Revenues	7,926,158	7,613,964	5,646,117	4,976,525
Total Revenues	177,150,626	182,174,751	184,269,369	189,086,966
<u>Expenditures</u>				
Current:				
General Government	13,205,568	14,751,746	13,065,871	13,137,478
Culture & Recreation	5,277,735	2,889,296	2,997,822	3,774,411
Economic Environment	10,915,507	12,842,043	15,638,115	15,369,767
Health & Human Services	45,177,946	47,295,544	46,171,555	44,298,063
Public Safety	62,016,426	66,370,124	66,470,577	66,012,224
Transportation	18,966,270	21,322,536	22,444,601	20,568,696
Utilities & Environment	1,618,652	1,707,449	1,286,913	1,316,786
Capital Outlay	12,434,621	20,756,004	40,786,693	19,271,963
Debt Service:				
Principal	3,062,950	2,564,554	2,701,669	3,381,295
Interest & Fiscal Charges	1,903,250	1,939,885	3,550,560	4,396,504
Total Expenditures	174,578,925	192,439,181	215,114,376	191,527,187
Excess of revenues over (under) expenditures	2,571,701	(10,264,430)	(30,845,007)	(2,440,221)

Changes in Fund Balances, Governmental Funds
Last Nine Years
Schedule 4
Page 3 of 4

	2002 *	2003 *	2004	2005	2006
<u>Other Financing Sources (Uses)</u>					
Capital Lease Financing	103,291	20,219	79,334	56,583	118,934
Sale of Capital Assets	1,782,237	619,006	-	534,338	104,074
Proceeds on Debt Issuance	10,535,820	-	10,937,244	2,925,000	-
Proceeds of Refunding Long-Term Debt	-	-	-	15,700,000	-
Premium on Debt Issuance	-	-	-	-	-
Premium on Refunding Long-Term Debt	-	-	-	1,434,652	-
Payment on Bond Refunding	-	-	-	(16,175,000)	-
Loss on Bond Refunding	-	-	-	(688,552)	-
Transfers In	23,555,351	19,718,443	20,502,051	19,556,439	12,630,062
Transfers Out	(23,354,775)	(18,919,289)	(20,449,780)	(19,460,363)	(12,574,979)
Total Other Fin. Sources (Uses)	12,621,924	1,438,379	11,068,849	3,883,097	278,091
Net Changes In Fund Balances	1,153,360	6,903,588	10,831,257	5,839,645	7,838,679
Fund Balances - January 1	67,233,469	68,386,829	77,654,565	87,919,557	93,759,202
Prior Period Adjustments	-	2,364,148	(566,265)	-	(126,553)
Fund Balances - December 31	\$68,386,829	\$77,654,565	\$87,919,557	\$93,759,202	\$101,471,328
Debt Service as a percentage of noncapital expenditures	9.27%	2.70%	2.55%	3.05%	2.82%

* - Expenditures for general government, health and human services, and public safety in 2002 and 2003 were reclassified to reflect the classification and reporting of these expenditures in future reporting periods

Changes in Fund Balances, Governmental Funds
Last Nine Years
Schedule 4
Page 4 of 4

	2007	2008	2009	2010
<u>Other Financing Sources (Uses)</u>				
Capital Lease Financing	227,453	131,166	94,204	167,962
Sale of Capital Assets	163,257	614,421	835,076	991,265
Proceeds on Debt Issuance	5,000,000	-	42,765,000	20,890,000
Proceeds of Refunding Long-Term Debt	-	-	-	6,950,000
Premium on Debt Issuance	19,195	-	-	94,704
Premium on Refunding Long-Term Debt	-	-	-	185,461
Payment on Bond Refunding	-	-	-	(6,730,000)
Loss on Bond Refunding	-	-	-	-
Transfers In	15,502,808	22,202,676	51,252,923	26,067,719
Transfers Out	(17,634,200)	(26,809,943)	(51,558,187)	(26,815,218)
Total Other Fin. Sources (Uses)	3,278,513	(3,861,680)	43,389,016	21,801,893
Net Changes In Fund Balances	5,850,214	(14,126,110)	12,544,009	19,361,672
Fund Balances - January 1	101,471,328	109,300,510	95,174,400	107,718,409
Prior Period Adjustments	1,978,968	-	-	-
Fund Balances - December 31	<u>\$ 109,300,510</u>	<u>\$ 95,174,400</u>	<u>\$ 107,718,409</u>	<u>\$ 127,080,081</u>
Debt Service as a percentage of noncapital expenditures	3.06%	2.62%	3.59%	4.52%

**Property Tax Revenue Base Information
Last Ten Years
By Year Assessed
Schedule 5**

Fiscal Year Ended Dec 31st	Assessed Residential Property (1)	Assessed Commercial Property (1)	Less: Tax Exempt Property	Total Taxable Assessed Value	Estimated Actual Taxable Value (2)(4)	Total Direct Tax Rate (3)	Assessed Value as a Percentage of Actual Value (4)
2001	N/A	N/A	\$ 2,309,771,757	\$ 13,037,972,080	\$ 14,616,393,055	4.23	89.20%
2002	\$ 10,183,275,215	\$ 6,366,517,152	\$ 2,403,266,094	\$ 14,146,526,273	\$ 16,549,792,367	4.03	85.48%
2003	\$ 10,851,974,250	\$ 7,074,863,187	\$ 2,575,544,952	\$ 15,351,292,485	\$ 17,926,837,437	3.90	85.63%
2004	\$ 12,297,312,190	\$ 8,050,599,808	\$ 3,042,968,100	\$ 17,304,943,898	\$ 20,347,911,998	3.63	85.05%
2005	\$ 14,422,424,035	\$ 8,752,772,579	\$ 3,244,396,063	\$ 19,930,800,551	\$ 23,175,196,614	3.31	86.00%
2006	\$ 17,265,240,859	\$ 9,772,280,875	\$ 3,563,046,779	\$ 23,474,474,955	\$ 27,037,521,734	2.95	86.82%
2007	\$ 21,528,272,211	\$ 11,455,200,632	\$ 4,174,077,569	\$ 28,809,395,274	\$ 32,983,472,843	2.52	87.34%
2008	\$ 22,046,001,548	\$ 12,611,538,565	\$ 4,539,926,689	\$ 30,117,613,424	\$ 34,657,540,113	2.55	86.90%
2009	\$ 20,832,062,976	\$ 13,133,283,111	\$ 4,716,487,725	\$ 29,248,858,362	\$ 33,965,346,087	2.73	86.11%
2010	\$ 19,564,136,956	\$ 11,852,079,004	\$ 4,272,147,879	\$ 27,144,068,081	\$ 31,416,215,960	3.01	86.40%

Source: Thurston County Assessor

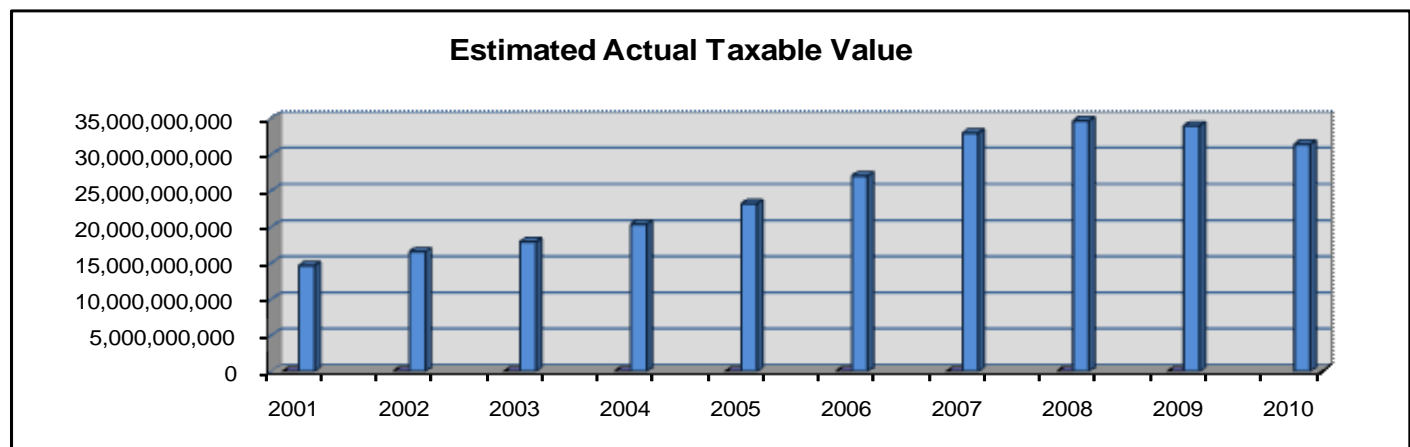
Information provided is by year assessed. Taxes are collected in the following year.

(1) Breakdown of residential & commercial not available 2001.

(2) Total Estimated Actual Taxable Value is the taxable value before exemptions are removed.

(3) Total Direct Tax Rate for 2009 adjusted due to rounding.

(4) Estimated Actual Taxable Value and Assessed Value as a Percentage of Actual Value corrected 2002 through 2006



Revenue Rate Information
Property Tax Levy Rate - Direct & Overlapping
Last Ten Years
By Year Taxes Are Assessed
Schedule 6

Fiscal Year	County Funds		Total County Funds	Local School District	State of Washington	Fire District	Cemetery District	Port of Olympia	Cities & Towns	Timber-Land Library	Public Utility District	Totals
	(1)	(2)										(3) (4) (5)
2001	1.72	2.51	4.23	5.16	3.03	1.72	0.09	0.28	3.53	0.49	0.00	18.53
2002	1.65	2.38	4.03	4.93	2.88	1.72	0.09	0.27	3.44	0.48	0.01	17.85
2003	1.59	2.31	3.90	5.01	2.78	1.59	0.08	0.25	3.29	0.47	0.01	17.38
2004	1.48	2.15	3.63	4.79	2.79	1.64	0.08	0.22	3.00	0.45	0.01	16.61
2005	1.35	1.96	3.31	4.39	2.55	1.53	0.07	0.21	2.77	0.43	0.01	15.27
2006	1.21	1.74	2.95	4.12	2.33	1.36	0.06	0.19	2.30	0.39	0.01	13.71
2007	1.04	1.48	2.52	3.56	2.01	1.39	0.05	0.15	2.17	0.34	0.01	12.20
2008	1.04	1.51	2.55	3.7	1.92	1.48	0.05	0.15	2.11	0.33	0.01	12.31
2009	1.10	1.63	2.73	3.9	2.06	1.55	0.06	0.16	2.14	0.34	0.01	12.95
2010	1.22	1.79	3.01	4.41	2.26	1.50	0.07	0.17	2.17	0.36	0.01	13.96

Source: Thurston County Assessor

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

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

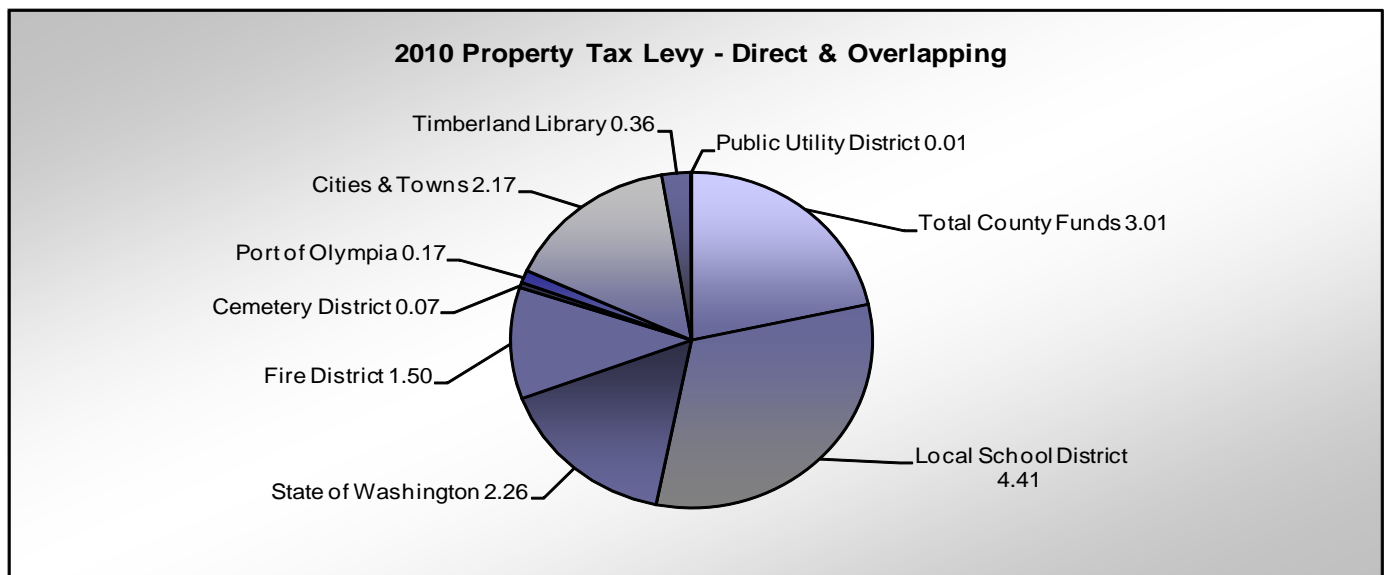
(3) Totals shown are greater than the levy possible on any one parcel (A city levy is not imposed on unincorporated parcels and likewise, County Road is not levied on incorporated parcels.)

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.

(4) 2005 and 2007 Rate information adjusted

(5) 2009 County and Total Rate information adjusted due to rounding.



Principal Tax Payers

2010

Schedule 7

TAXPAYER	2010				2001			
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value		Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	
Vine Street Investors	\$ 310,984,850	1	1.06%		\$ 41,522,750	6	0.34%	
Puget Sound Energy	174,833,011	2	0.60%		166,468,830	1	1.36%	
Westfield Capital Mall	166,914,400	3	0.57%		32,155,200	9	0.26%	
Target Corporation	110,196,280	4	0.38%		25,446,150	-	0.21%	
Panorama City	87,913,122	5	0.30%		45,451,461	4	0.37%	
Kaufman Brothers	83,440,794	6	0.29%		30,199,300	-	0.25%	
Home Depot	77,764,843	7	0.27%		-	-	0.00%	
Walmart	65,371,219	8	0.22%		-	-	0.00%	
Qwest	62,179,224	9	0.21%		75,177,199	2	0.62%	
CDC Properties	60,996,850	10	0.21%		48,094,915	3	0.39%	
Rainier General Real Estate Developer	-				42,646,650	5	0.35%	
Miller Brewing Company	-				38,615,979	7	0.32%	
CNC Containers Corp	-				38,334,798	8	0.31%	
Weyerhaeuser Vickwood Partners	-				30,661,050	10	0.25%	
Totals	<u>\$ 1,200,594,593</u>		4.10%		<u>\$ 614,774,282</u>		5.04%	
Total County Assessed Value	\$ 29,248,858,362				\$ 12,207,783,715			

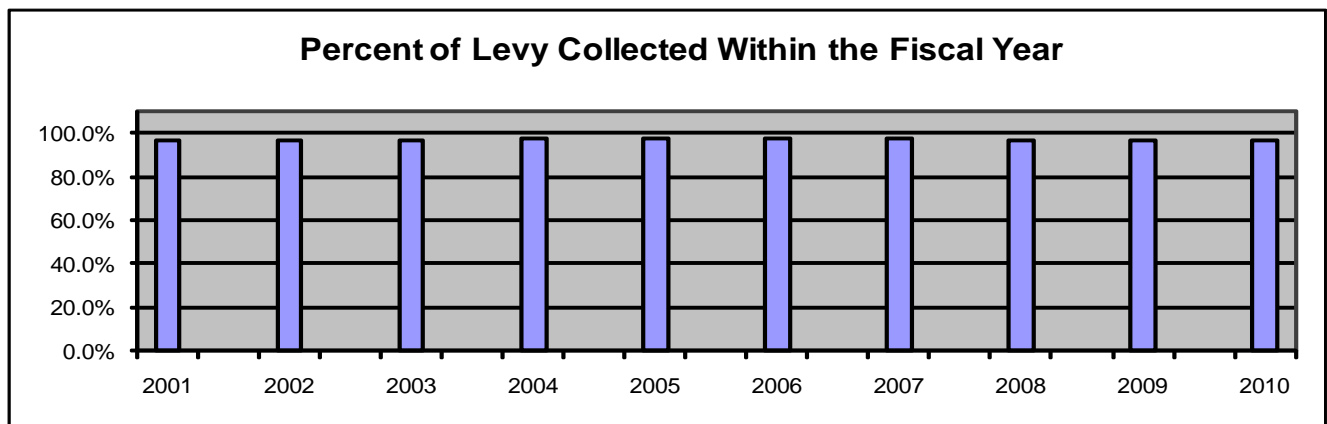
Source: Thurston County Treasurer
2001 Thurston County Comprehensive Annual Financial Statement

Property Tax Levies and Collections Last Ten Years Schedule 8

Fiscal Year Ended Dec 31,	Taxes Levied for the Fiscal Year (1)	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	\$ 41,407,830	\$ 40,123,022	96.9%	\$ 1,183,561	\$ 41,306,583	99.8%
2002	\$ 42,842,928	\$ 41,365,902	96.6%	\$ 1,344,553	\$ 42,710,455	99.7%
2003	\$ 44,527,019	\$ 43,201,855	97.0%	\$ 1,160,232	\$ 44,362,087	99.6%
2004	\$ 47,157,952	\$ 45,941,853	97.4%	\$ 1,142,610	\$ 47,084,463	99.8%
2005	\$ 49,389,199	\$ 48,213,465	97.6%	\$ 1,013,414	\$ 49,226,879	99.7%
2006	\$ 51,925,796	\$ 50,710,182	97.7%	\$ 1,056,939	\$ 51,767,121	99.7%
2007	\$ 55,051,167	\$ 53,584,294	97.3%	\$ 1,284,382	\$ 54,868,676	99.7%
2008	\$ 58,069,851	\$ 56,320,869	97.0%	\$ 1,176,178	\$ 57,497,047	99.0%
2009	\$ 60,148,760	\$ 58,007,320	96.4%	\$ 1,031,535	\$ 59,038,855	98.2%
2010	\$ 60,957,778	\$ 59,144,258	97.0%	-	\$ 59,144,258	97.0%

Source: Thurston County Treasurer

(1) Includes County General Fund, Roads, Veteran's, Medic One, Conservation Futures, Tax Refund, Mental Health Tax Levies, and Special Assessments. Spreadsheet includes adjustments, special assessments, and collections from subsequent years.



Legal Debt Margin Calculation for Year 2010 Schedule 9

Total Assessed Property Valuation (1)	\$27,144,068,081
Legal limit of 1.5% of the assessed valuation	
Limited Tax General Obligation Debt Capacity (non-voted):	
Legal Limit of 1.5% of the Assessed Valuation	\$ 407,161,021
Less: Outstanding Limited Tax General Obligation Bond Debt (2)	(98,467,000)
Add: Available Assets	<u>7,671</u>
Remaining Capacity (non-voted)	<u>\$ 308,701,692</u>
Limited Tax General Obligation Debt Capacity (voted and non-voted):	
Legal Limit of 2.5% of the Assessed Valuation	\$ 678,601,702
Less: Outstanding Limited Tax General Obligation Bond Debt	(98,467,000)
Add: Available Assets	<u>7,671</u>
Remaining Capacity (voted and non-voted)	<u>\$ 580,142,373</u>

(1) Property assessment is for property assessed in 2010 for collection in 2011

(2) Excludes proprietary debt funded from user fees

Legal Debt Margin Information Legal Debt Margin Calculation for Year 2010 (amounts expressed in thousands)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Non-Voted Debt Limit	\$ 195,570	\$ 212,198	\$ 230,269	\$ 259,574	\$ 298,962	\$ 352,117	\$ 432,141	\$ 451,764	\$ 438,733	\$ 407,161
Total Debt Applicable to Non-Voted Limit	\$ 42,683	\$ 45,524	\$ 43,789	\$ 52,597	\$ 41,349	\$ 38,576	\$ 52,982	\$ 50,184	\$ 90,105	\$ 98,467
Voted and Non- Voted Debt Limit	\$ 279,666	\$ 308,139	\$ 339,993	\$ 380,027	\$ 456,921	\$ 548,286	\$ 667,501	\$ 702,782	\$ 641,275	\$ 580,142
Total Debt as a Percentage of Non-Voted Capacity	21.82%	21.45%	19.02%	20.26%	13.83%	10.96%	12.26%	11.11%	20.54%	24.18%

Total Outstanding Debt Information
Last 10 Years
Schedule 10
(in thousands of dollars)

Fiscal Year	<u>Governmental-Type Activities</u>			<u>Business-Type Activities</u>			<u>Primary Government</u>				
	General Obligation Bonds	Inter- govern- mental Loans	Capital Leases	General Obligation Bonds	Inter- govern- mental Loans	Capital Leases	Total	% of Personal Income (1) (1)	Per Capita (2)		
2001	\$ 32,826	\$ 500	\$ 336	\$ 13,767	\$ 1,489	\$ -	\$ 48,918	0.75%	\$ 233		
2002	\$ 33,134	\$ 474	\$ 258	\$ 13,500	\$ 1,920	\$ -	\$ 49,286	0.74%	\$ 232		
2003	\$ 31,541	\$ 447	\$ 115	\$ 13,250	\$ 4,040	\$ -	\$ 49,393	0.72%	\$ 230		
2004	\$ 40,899	\$ 421	\$ 147	\$ 12,718	\$ 3,657	\$ -	\$ 57,842	0.79%	\$ 265		
2005	\$ 41,686	\$ 1,359	\$ 156	\$ 11,875	\$ 2,317	\$ -	\$ 57,393	0.73%	\$ 256		
2006	\$ 39,219	\$ 1,109	\$ 249	\$ 11,470	\$ 2,204	\$ -	\$ 54,251	0.64%	\$ 235		
2007	\$ 42,444	\$ 573	\$ 354	\$ 10,537	\$ 1,917	\$ 68	\$ 55,893	0.61%	\$ 235		
2008	\$ 40,127	\$ 231	\$ 426	\$ 10,057	\$ 1,868	\$ 89	\$ 57,798	0.59%	\$ 236		
2009	\$ 80,748	\$ -	\$ 306	\$ 9,358	\$ 1,585	\$ 79	\$ 92,076	0.90%	\$ 369		
2010	\$ 98,467	\$ -	\$ 336	\$ 8,623	\$ 1,506	\$ 47	\$ 108,979	N/A	\$ 432		

(1) Represents County debt as a percentage of total personal income. Personal income is from the Bureau of Economic Analysis and is extracted from Schedule 13.

(2) Reports debt payable per person using total County population. County total population is from the Thurston County Regional Planning Council and is extracted from Schedule 13.

Ratio of Net General Obligation Bonded Debt to Assessed Value Last Ten Years Schedule 11

Fiscal Year	Popu- lation (1)	Estimated Actual Taxable Value (2)	Gross G.O. Bonded Debt (3)	Less Debt Service Fund (4)	Net Bonded Debt (4)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2001	210,200	\$ 14,616,393,055	48,582,000	\$23,485	\$48,558,515	0.332%	231
2002	212,300	\$ 16,549,792,367	49,028,000	\$70,331	\$48,957,669	0.296%	231
2003	214,800	\$ 17,926,837,437	49,278,000	\$38,381	\$49,239,619	0.275%	229
2004	218,500	\$ 20,347,911,998	57,695,000	\$35,896	\$57,659,104	0.283%	264
2005	224,100	\$ 23,175,196,614	57,237,000	\$36,833	\$57,200,167	0.247%	255
2006	231,100	\$ 27,037,521,734	54,002,000	\$38,676	\$53,963,324	0.200%	234
2007	238,005	\$ 32,983,472,843	55,471,000	\$115,236	\$55,355,764	0.168%	233
2008	245,300	\$ 34,657,540,113	57,283,000	\$28,133	\$57,254,867	0.165%	233
2009	249,800	\$ 33,965,346,087	91,691,000	4,397	\$91,686,603	0.270%	367
2010	252,400	\$ 31,416,215,960	108,596,000	241,735	\$108,354,265	0.345%	429

(1) County population is extracted from Schedule 13

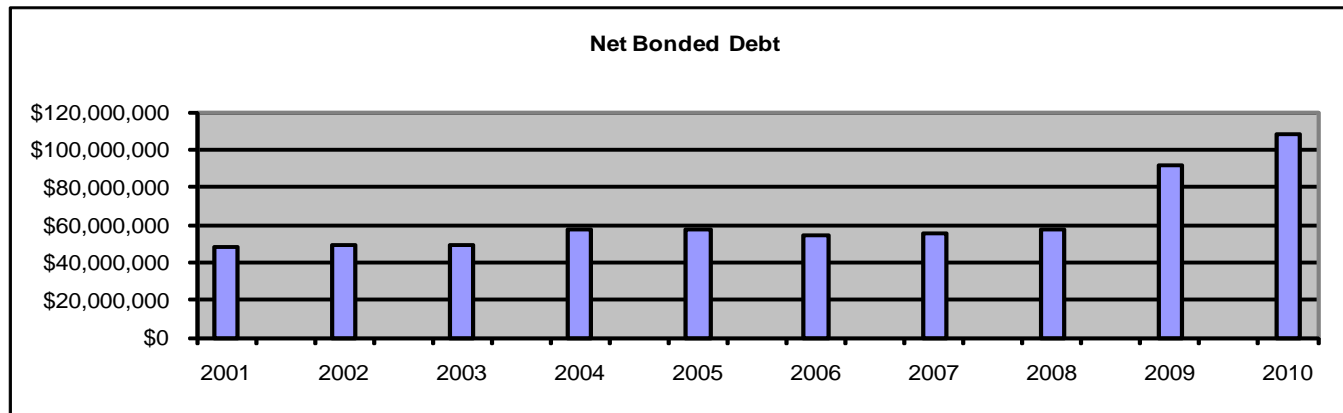
(2) Source: County Assessor

Estimated Actual Taxable Value is extracted from Schedule 5

(3) Amounts include total debt, excluding capital leases, extracted from Schedule 10

(4) 2006 Less Debt Service Fund and Net Bonded Debt adjusted

(5) 2010 amount includes cash reserved for business type debt



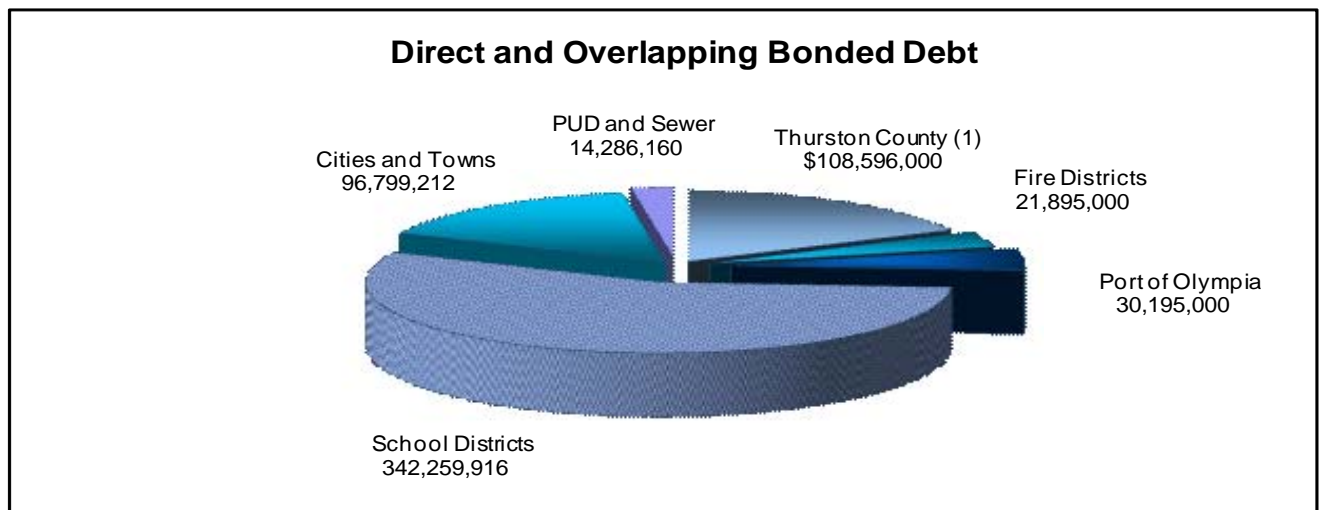
**Computation Of Direct And Overlapping Bonded Debt
General Obligation Bonds
December 31, 2010
Schedule 12**

Jurisdiction	G.O. Bonded Debt Outstanding	Percentage Applicable to County (2)	Amount Applicable To Thurston County
Direct:			
Thurston County (1)	\$ 108,596,000	100%	\$108,596,000
Overlapping:			
Fire Districts	21,895,000	100%	21,895,000
Port of Olympia	30,195,000	100%	30,195,000
School Districts	342,259,916	100%	342,259,916
Cities and Towns	96,799,212	100%	96,799,212
PUD and Sewer	14,286,160	100%	14,286,160
Total Overlapping	505,435,288	100%	505,435,288
Total	\$614,031,288		\$614,031,288

Source: Thurston County, Port of Olympia, and individual cities and towns.

(1) Includes all debt that is backed by the full faith and credit of the governmental unit

(2) Percentage of overlap is based on percentage of jurisdiction included within Thurston County



Demographic and Economic Information

Last 10 Years

Schedule 13

Year	Unincorporated Population	Incorporated Population	Total Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (1)	Median Age (1)	K-12 School Enrollment (4)	College Enrollment (Head Count) (1)	Unemployment Rate (3)
2001	116,300	93,900	210,200	\$ 6,488,224	\$ 35,164	36.5	35,760	10,895	5.7%
2002	117,935	94,365	212,300	\$ 6,649,451	\$ 34,876	36.5	37,945	10,922	5.8%
2003	119,475	95,325	214,800	\$ 6,904,016	\$ 34,946	36.5	38,102	11,362	5.7%
2004	122,265	96,235	218,500	\$ 7,366,669	\$ 35,786	36.5	38,477	11,926	5.2%
2005	126,450	97,650	224,100	\$ 7,850,446	\$ 36,400	37.9	39,176	11,654	5.0%
2006	131,805	99,295	231,100	\$ 8,481,611	\$ 37,370	37.9	39,679	12,164	4.7%
2007	135,615	102,390	238,005	\$ 9,107,981	\$ 38,242	37.9	39,476	12,646	4.4%
2008	139,605	105,695	245,300	\$ 9,819,911	\$ 39,988	37.9	40,235	13,314	6.3%
2009	139,010	110,790	249,800	\$10,240,137	\$ 40,801	37.9	41,355	14,285	7.7%
2010	140,100	112,300	252,400	n/a	n/a	38.4	40,560	13,296	8.2%

(1) Thurston County Regional Planning Council, The Profile and Bureau of Economics

*Per capita income adjusted for inflation 2001-2007.

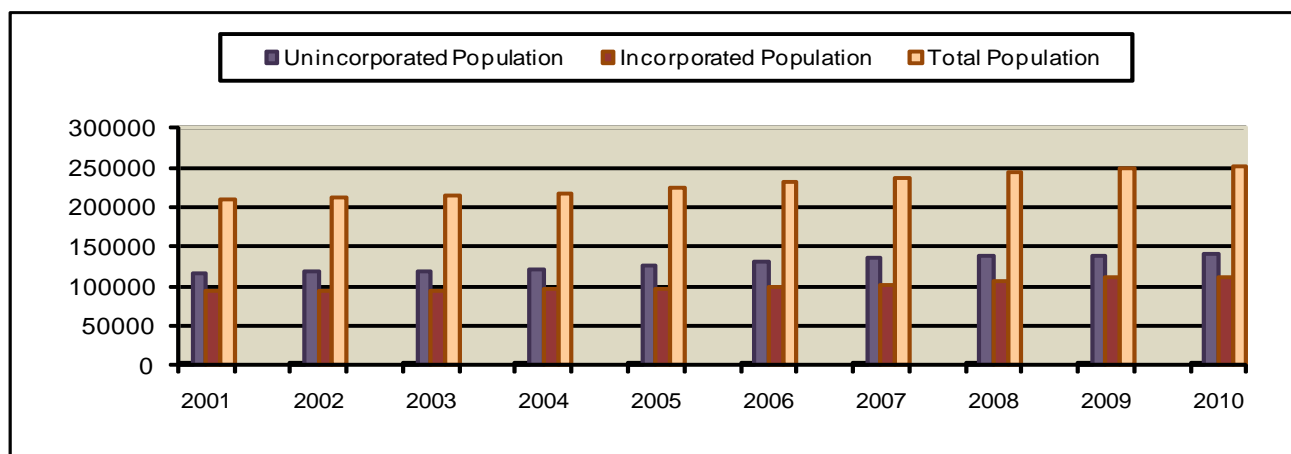
*Median Age reported every 5 years.

*College head count is fall of the previous year. Includes both full and part-time students enrolled at campuses located in Thurston County.

(2) Bureau of Economic Analysis. 2003 through 2006 estimates adjusted to actual.

(3) Washington State Employment Security Department, December 2010

(4) Thurston County Regional Planning Council. 2006 enrollment adjusted.



**Principal Employers
Current Year and 10 Years Ago
Schedule 14**

Top Ten Employers for 2010 (1) (2)

Employer	Employees	Rank	Percentage of Total County Employment
State Government, Including Education	24,000	1	19.97%
Local Government, Including Education	11,300	2	9.40%
Providence St. Peter Hospital	2,300	3	1.91%
Federal Government	1,000	4	0.83%
Affiliated Computer Services (ACS)	800	5	0.67%
Safeway Stores	758	6	0.63%
Lucky Eagle Casino	686	7	0.51%
Great Wolf Lodge	646	8	0.54%
Red Wind Casino	610	9	0.51%
Costco Wholesale	524	10	0.44%
Totals	42,624		35.41%
Total Employed (3)	120,180		

Top Ten Employers for 2001 (1) (2)

Employer	Employees	Rank	Percentage of Total County Employment
State Government, Including Education	23,500	1	23.16%
Local Government, Including Education	10,700	2	10.55%
Providence St. Peter Hospital *	2,304	3	2.27%
Federal Government	1,100	4	1.08%
Safeway Stores *	656	5	0.65%
Group Health Cooperative *	597	6	0.59%
Memorial Clinic *	499	7	0.49%
Capital Medical Center *	475	8	0.47%
Panorama Corporation *	345	9	0.34%
Miller Brewing Company	300	10	0.30%
Totals	40,476		39.90%
Total Employed (3)	101,450		

(1) Source for Government Employment 2010 and 2001: Employment Security Department.

Not seasonally adjusted.

(2) Source 2010 and 2001: Thurston Economic Development Council and Thurston Regional Planning.

* Exact year 2001 numbers not available. Averages taken from 1999 and 2005.

(3) Total Employed: Washington State Employment Security Department data for civilian labor force and is not seasonally adjusted.

Government Employment Information
Authorized Thurston County Positions by Function
Last 10 Years
Schedule 15
Page 1 of 2

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
Assessor	38.25	38.00	36.00	36.00	37.00	37.00	37.00	38.00	29.25	28.25
Auditor	39.00	37.00	37.00	37.00	40.00	40.00	41.00	40.50	39.50	38.50
Commissioners/County Admin	11.57	11.57	11.00	11.00	11.00	11.00	12.00	11.00	13.00	13.00
Treasurer	11.35	11.35	11.42	11.42	10.92	10.92	10.75	11.90	9.89	8.90
Human Resources	10.70	13.57	12.55	12.10	11.10	12.60	12.60	12.60	10.90	11.00
Other General Gov Programs (3)	11.65	11.65	11.73	11.73	12.73	12.78	13.61	8.70	12.00	11.15
Central Services & Facilities (1)	60.75	60.75	61.75	58.00	58.00	58.00	60.34	64.34	61.00	60.50
Central Services Engineering (1)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.66	4.50	3.50
Total FTE	183.27	183.89	181.45	177.25	180.75	182.30	187.30	192.70	180.04	174.80
Public Safety										
Clerk	35.50	37.50	36.50	35.50	36.50	37.50	40.50	39.00	32.00	32.00
Superior Court	34.00	34.00	34.00	35.00	35.20	35.70	41.55	41.35	41.65	40.65
District Court	29.00	29.00	28.00	29.00	30.00	30.00	32.00	33.00	24.50	24.50
Juvenile Probation	62.00	62.00	61.00	61.00	60.00	59.00	59.00	63.00	61.00	61.00
Prosecuting Attorney	62.14	65.45	68.45	67.45	65.45	66.45	69.45	70.45	63.95	60.25
Sheriff	111.00	116.00	110.00	110.00	110.00	112.00	113.25	120.25	109.00	103.50
Corrections	95.00	95.00	98.20	98.20	98.65	99.17	109.97	111.00	103.00	100.00
Coroner	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00
Assigned Counsel	8.25	9.25	9.25	9.25	16.63	20.63	21.00	24.00	19.00	20.00
Other Public Safety Programs (4)	10.25	9.25	9.25	11.25	10.10	11.33	9.68	13.15	15.65	16.15
Communications	45.25	45.75	51.25	51.75	52.25	55.75	56.50	62.50	63.75	63.75
Total FTE	497.39	508.20	510.90	513.40	519.78	532.53	557.90	583.70	539.50	527.80
Culture & Recreation										
WSU Cooperative Extension	3.50	3.50	3.50	3.50	2.50	2.50	2.50	2.50	1.50	1.55
Fair	3.45	3.45	3.45	4.45	3.70	3.70	3.70	3.70	3.70	3.75
Recreation Services	15.00	15.00	15.00	15.00	12.00	13.75	14.50	14.75	5.00	3.00
Total FTE	21.95	21.95	21.95	22.95	18.20	19.95	20.70	20.95	10.20	8.30
Health & Human Services										
Medic One & Reserve	6.00	6.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00	7.00
Social Services	16.72	16.72	18.31	15.50	15.75	15.75	17.75	17.93	18.75	17.25
Public Health	94.26	100.63	103.31	103.90	108.20	106.30	112.40	110.82	92.70	74.60
Total FTE	116.98	123.35	127.62	125.40	129.95	128.05	136.15	135.75	118.45	98.85

Government Employment Information
Authorized Thurston County Positions by Function
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Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Transportation										
GeoData	6.00	7.00	8.00	7.00	7.00	8.00	7.50	7.50	7.25	7.25
County Roads	93.13	108.50	102.76	100.65	105.79	108.24	111.21	109.50	129.80	134.38
Roads Development Review	9.47	9.83	9.27	9.39	9.32	9.21	10.14	12.00	0.00	0.00
Roads Construction in Progress	12.90	10.17	13.47	23.82	15.75	17.35	14.15	18.00	15.50	15.36
ER&R Maintenance (1)	13.00	13.00	13.00	13.00	13.00	12.70	14.00	14.00	15.00	14.00
Total FTE	134.50	148.50	146.50	153.86	150.86	155.50	157.00	161.00	167.55	170.99
Economic Environment										
Veterans	0.31	0.31	0.18	0.63	0.63	0.63	0.75	0.75	0.75	0.75
Land Use and Permitting	48.75	49.75	53.75	57.75	58.00	62.00	65.00	64.00	39.00	26.50
Storm & Surface Water Utility	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.10
Planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.00	7.00
Pacific Mountain	40.00	40.00	41.00	41.00	34.00	30.60	28.00	35.00	42.00	42.00
Housing & Community Review (5)	9.75	8.75	7.25	5.25	5.05	6.05	6.55	6.55	2.00	2.00
Total FTE	98.81	98.81	102.18	104.63	97.68	99.28	100.30	106.30	89.75	96.35
Utilities & Environment										
Utilities (2)	44.80	45.80	46.80	46.80	47.80	47.80	47.80	60.90	61.15	40.96
Noxious Weed Control	3.25	2.75	2.75	2.75	3.25	3.25	3.25	3.25	3.25	3.30
Total FTE	48.05	48.55	49.55	49.55	51.05	51.05	51.05	64.15	64.40	44.26
Budgeted FTE Count	1100.95	1133.25	1140.15	1147.04	1148.27	1168.66	1210.40	1264.55	1169.89	1121.35

(1) Internal Service Funds

(2) Includes solid waste, water, waste water, storm water and lakes management

(3) Other General Government Programs Include the following Internal Service Funds: Unemployment, Insurance Risk, and Benefits Admin. Also includes Auditor's M&O, Treasurer's M&O, and Investment Admin.

(4) Other Public Safety Programs Include: Civil Service, Family Court-Clerk, Family Court-Superior Court, Victim Advocate Program, Prisoner's Concession, Sheriff's Special Programs, and Clerk's Collection

(5) Office of Program & Budget changed to Housing & Community Review

**Operating Indicators
By Function/Program
Last 10 Years
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Function/Program	2001	2002	2003	2004	2005
General Government					
General Elections					
Registered Voters	132,072	133,582	127,138	137,742	136,918
Votes Cast	58,131	73,859	49,949	113,996	76,423
% of Registered Voters Voting	44.01%	55.29%	39.29%	82.76%	55.82%
Public Safety					
Sheriff's Office					
Jail Population (average)	463	446	488	473	496
Total Persons Booked	4,831	6,581	6,531	5,821	6,213
Citations (tickets) Issued (10)	5,327	5,666	7,151	6,046	5,682
Juvenile Probation					
Average Caseload (monthly)	60	57	55	41	45
Population in Detention (average)	49	45	45	38	45
Courts					
District Court Filings (8)	25,656	38,094	39,863	37,161	32,193
District Court Proceedings (8)	32,020	30,900	34,492	37,966	49,877
Superior Court Filings (1)	11,939	12,101	13,404	13,283	13,047
Superior Court Proceedings (1)	35,291	36,270	36,514	35,585	36,612
Communications					
911 Calls In	122,854	123,385	140,010	148,713	148,957
Culture and Recreation					
County Fair Attendance	37,857	36,152	32,827	31,240	34,529
Parks Attendance (7) (11)	290,439	310,000	320,000	373,334	433,525
Health & Human Services					
Public Health					
Laboratory Water Tests (4)	9,028	7,693	8,226	10,777	10,319
Persons Served/Reached (2) (4)	17,736	18,497	28,193	24,510	23,569
Social Services Cases (3) (4)	7,273	7,228	7,690	7,913	8,661
Medic One Responses (9)	19,876	19,894	19,595	20,545	20,600

**Operating Indicators
By Function/Program
Last 10 Years
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Function/Program	2006	2007	2008	2009	2010
General Government					
General Elections					
Registered Voters	134,876	134,615	148,911	147,343	149,024
Votes Cast	85,011	67,279	128,006	76,285	107,344
% of Registered Voters Voting	63.03%	49.98%	86.96%	51.77%	72.03%
Public Safety					
Sheriff's Office					
Jail Population (average)	504	461	437	438	410
Total Persons Booked	6,297	6,201	6,029	5,776	5,657
Citations (tickets) Issued (10)	6,324	4,296	5,341	5,210	3,350
Juvenile Probation					
Average Caseload (monthly)	40	42	41	39	37
Population in Detention (average)	43	47	41	31	30
Courts					
District Court Filings (8)	36,840	34,081	34,951	38,430	31,824
District Court Proceedings (8)	37,832	39,662	47,404	39,474	35,101
Superior Court Filings (1)	13,528	13,449	14,052	15,808	14,477
Superior Court Proceedings (1)	37,861	39,871	42,284	38,250	39,425
Communications					
911 Calls In	147,478	150,583	152,148	143,756	146,360
Culture and Recreation					
County Fair Attendance	35,213	37,127	35,519	26,321	30,028
Parks Attendance (7) (11)	691,212	1,059,085	1,292,115	1,026,663	1,159,389
Health & Human Services					
Public Health					
Laboratory Water Tests (4)	9,768	9,534	8,315	10,059	9,744
Persons Served/Reached (2) (4)	20,298	21,456	23,636	22,249	10,456
Social Services Cases (3) (4)	9,769	10,156	10,602	9,725	10,800
Medic One Reponses (9)	22,743	24,800	24,625	23,790	24,146

**Operating Indicators
By Function/Program
Last 10 Years
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Function/Program	2001	2002	2003	2004	2005
Roads and Trans Services					
Litter Ctrl-Shoulder Miles	1,493	1,590	1,823	1,520	1,622
Litter Control-lbs of Litter	130,500	154,350	167,985	151,865	165,720
Striping Roads (Center Line Miles)	n/a	1,230	1,202.2	1,447.5	1,450.4
Paving-Overlay Miles	28	22	22	20	8
Paving-Chip Seal Miles	74	77	70	68	50
Economic Environment					
Building Permits					
Permits Issued	3,233	3,347	3,868	3,882	3,312
Value of Bldg (000's Omitted)	196,827	261,162	279,009	334,485	298,370
Utilities & Environment					
Waste and Recovery Center Customers	184,373	193,591	203,270	213,433	224,198
Recycling (tons) (5)	3,140	3,296	11,399	13,355	13,065
New Utility Connect, actuals (6)	9	64	6	8	8

**Operating Indicators
By Function/Program
Last 10 Years
Schedule 16
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Function/Program	2006	2007	2008	2009	2009
Roads and Trans Services					
Litter Ctrl-Shoulder Miles	1,161	1,210	986	841	1,401
Litter Control-lbs of Litter	141,111	137,691	102,251	109,980	129,830
Striping Roads (Center Line Miles)	1,455.3	1,460	1,400	1,467	195
Paving-Overlay Miles	5	2	2	4	1
Paving-Chip Seal Miles	28	29	42	67	17
Economic Environment					
Building Permits					
Permits Issued	3,328	3,316	2,836	2,337	2,487
Value of Bldg (000's Omitted)	298,955	267,979	186,247	156,407	154,365
Utilities & Environment					
Waste and Recovery Center Customers	250,167	255,514	211,450	203,520	194,060
Recycling (tons) (5)	14,025	15,742	13,800	N/A	N/A
New Utility Connect, actuals (6)	35	66	25	10	10

Source: Thurston County Offices and Departments

(1) The Clerk's Office is the record keeper for all Superior Court cases which include cases for juvenile's.

(2) Public Health persons served include Clinical Services, Health Education, Environmental Health Education, and Street Outreach. Clinical Services no longer provided as of 06/30/09.

(3) Social Services cases include Developmental Disabilities, Mental Health, and Substance Abuse cases.

(4) Public Health 2007 updated.

(5) 2001-2006 Include Recycling Drop Boxes and Waste and Recovery Center (WARC) Public Recycling Area, but excludes residential curbside collection. 2003-2006 also include WARC Pickline. 2007 revised.

Recycling is no longer weighed and information no longer available after 2008.

(6) Utility connections include sewer and water.

(7) Parks attendance increased in 2006 because of the opening of the Regional Athletic Complex.

(8) District Court 2006 filings and proceedings revised.

(9) 2009 Medic One responses revised.

(10) Citations for driving while license suspended not included in 2010 due to referral program.

(11) Parks attendance for 2010 not available. Estimate from average of 2008 and 2009.

Capital Asset Information
Capital Asset and Infrastructure by Function/Program
Last 10 Years
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Function/Program	2001 (5)	2002 (5)	2003	2004 (1)	2005 (2)
General Government					
Building Usage/Cnty Owned (sq feet)	25,236	25,236	25,901	25,901	92,126
Public Safety					
Building Usage/Cnty Owned (sq feet)	172,652	172,652	174,154	174,154	187,290
Sheriff's Vehicles	95	96	96	94	94
Sheriff's Boats	4	4	4	4	4
Sheriff's Special Purpose Vehicles	6	6	6	6	6
Culture & Recreation					
Building Usage/Cnty Owned (sq feet)	95,669	95,669	95,669	95,669	95,769
Parks	25	25	25	25	26
Parks Acres	2,773	2,773	2,773	2,773	2,804
Health & Human Services					
Building Usage/Cnty Owned (sq feet)	32,960	32,960	32,960	32,960	33,260
Transportation					
Building Usage/Cnty Owned (sq feet)	138,706	138,706	138,371	65,673	65,278
Paved Roads (in miles)	982	991	992	1,000	1,004
Unpaved Roads (in miles)	41	40	39	36	36
Economic Environment					
Building Usage/Cnty Owned (sq feet)	9,504	9,504	9,086	9,086	9,086
Utilities & Environment					
Building Usage/Cnty Owned (sq feet) (8)	66,411	66,411	66,411	66,411	66,411
Water Mains (in feet)	82,720	82,720	82,720	82,720	82,720
Water Storage Capacity (in gallons)	1,060,400	1,060,400	1,060,400	1,060,400	1,060,400
Sewer Mains (in feet)	80,270	80,270	80,270	80,270	80,270
Treatment Capacity (gallons per day)	484,000	484,000	484,000	484,000	484,000
Treat. Devices-Stormwater Sewers	15	20	24	26	29
Ponds Maintained (7)	20	25	29	32	35

Capital Asset Information
Capital Asset and Infrastructure by Function/Program
Last 10 Years
Schedule 17
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Function/Program	2006 (3) (6)	2007 (4)	2008	2009 (4)	2010 (9)
General Government					
Building Usage/Cnty Owned (sq feet)	92,916	92,916	99,015	79,430	82,180
Public Safety					
Building Usage/Cnty Owned (sq feet)	186,291	186,426	181,426	197,610	296,016
Sheriff's Vehicles	97	98	94	91	88
Sheriff's Boats	4	5	5	5	6
Sheriff's Special Purpose Vehicles	7	7	7	7	6
Culture & Recreation					
Building Usage/Cnty Owned (sq feet)	95,769	95,769	97,593	103,739	103,739
Parks	33	34	34	34	34
Parks Acres	2,709	2,712	2,712	2,712	2,712
Health & Human Services					
Building Usage/Cnty Owned (sq feet)	54,310	54,310	54,371	52,769	54,715
Transportation					
Building Usage/Cnty Owned (sq feet)	64,487	64,487	64,487	63,028	64,278
Paved Roads (in miles)	1,005	994	1,034	1,006	1,007
Unpaved Roads (in miles)	35	31	38	26	25
Economic Environment					
Building Usage/Cnty Owned (sq feet)	9,086	9,086	9,086	8,414	8,500
Utilities & Environment					
Building Usage/Cnty Owned (sq feet) (8)	66,411	66,411	66,411	66,411	65,591
Water Mains (in feet)	82,720	93,122	93,122	93,122	93,122
Water Storage Capacity (in gallons)	1,060,400	1,060,400	1,060,400	1,060,400	1,060,400
Sewer Mains (in feet)	80,270	86,836	86,836	86,836	86,836
Treatment Capacity (gallons per day)	484,000	484,000	484,000	484,000	484,000
Treat. Devices-Stormwater Sewers	32	34	36	36	36
Ponds Maintained (7)	38	44	95	29	26

Source: Thurston County Offices and Departments

(1) Roads Boulevard Building sold.

(2) Mottman Building purchased. Assigned to General Government Fund occupancy. Vacant while restoring building.

(3) Parks increased by 7 in 2006 because of the addition of parks for trails, but acreage decreased because the ORV Park was transferred to Grays Harbor County.

(4) Decrease in roads paved and unpaved miles reflect annexation of roads to surrounding cities.

(5) 2001 and 2002 Health & Human Services corrected. New building opened in 2001.

(6) 2006 Health & Human Services corrected. Evaluation & Treatment Center opened in 2006.

(7) Non County owned ponds are maintained during initial Homeowners Association startup.

(8) Building Usage adjusted for utilities & environment to include Waste & Recovery Center and other utilities

(9) New Accountability and Restitution Center, detention facility complete

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