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## ENTERPRISE FUNDS

The accrual basis of accounting is used for *Enterprise Funds*. The cost of providing services to the general public is financed or recovered primarily through user charges.

**Sewer Utility** – All activities necessary to provide sewer services to the residents of the county are accounted for in *Sewer Utility Funds*. Such activities include but are not limited to administration, operations, maintenance, construction, and related debt service.

**Solid Waste Management** – The fund accounts for revenue from disposal fees and related expenses from county solid waste landfill and composting sites operated under private contract. Activities funded by solid waste fees include various county planning, recycling and public education programs, and composting facility debt service.

**Landfill Reserve** – The reserve accounts for monies held in trust to fund the costs and expenses related to the closure and post-closure of solid waste landfills operated under a private contract. Such costs include judgments and settlements of claims by third parties for pollution, contamination or damage caused by chemical release from the landfills. A portion of solid waste disposal fees fund the *Landfill Reserve*.

**Airport** – This fund accounts for maintenance and operation of the Pierce County Airport. Funding is provided by user fees.

**Ferry Services** – Maintenance and operation of county-owned ferry systems are accounted for in this fund. The primary revenue source is passenger service fees. Capital acquisitions and improvements are primarily funded by Federal and State grants.

**Golf Course** – This fund accounts for maintenance and operation of two county golf courses. Funding is provided by user fees.

**Water Utility** – This fund accounts for the development of ground and surface water rights located at the county's Chambers Creek Properties. The developed water resources are wholesaled to one or more water utilities within the county.



**Enterprise Funds**  
**Combining Balance Sheet**  
 At December 31, 2001  
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	<b>Sewer Utility</b>	<b>Solid Waste Management</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash In Treasury Pool	\$ 1,724,926	\$ 2,080,692
Cash With Trustee	353,366	-
Investments	14,151,226	5,704,827
Accounts Receivable, Net	3,095,836	286,995
Accrued Interest Receivable	17,870	3,869
Due From Other Funds	14,008	1,728
Due From Other Governments	333,156	33,316
Inventory, At Cost	531,054	-
<b>Total Current Assets</b>	<b>20,221,442</b>	<b>8,111,427</b>
<b>Restricted Assets</b>		
Cash In Treasury Pool	2,084,727	1,490
Cash With Trustee	229,295	-
Investments	32,542,347	-
Accrued Interest And Penalties	1,569,602	-
Assessments Receivable, Current	2,002,330	-
Assessments Receivable, Deferred	20,619,580	-
Contracts Receivable	4,063,083	-
Advances To Other Funds	322,072	-
Due From Other Governments	377	-
Landfill Insurance And Post-Closure Charges	-	-
<b>Total Restricted Assets</b>	<b>63,433,413</b>	<b>1,490</b>
<b>Deferred Charges</b>		
Unamortized Debt Expense	55,566	-
<b>Total Deferred Charges</b>	<b>55,566</b>	<b>-</b>
<b>Property, Plant And Equipment</b>		
Plant And Equipment	370,166,848	3,230,109
Accumulated Depreciation	(111,216,208)	(1,277,379)
Land And Land Rights	44,968,420	140,000
Construction Work In Progress	25,969,503	-
Avigation Rights	-	-
<b>Property, Plant And Equipment, Net</b>	<b>329,888,563</b>	<b>2,092,730</b>
<b>TOTAL ASSETS</b>	<b>\$ 413,598,984</b>	<b>\$ 10,205,647</b>



**Enterprise Funds  
Combining Balance Sheet**  
At December 31, 2001  
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<u>Landfill Reserve</u>	<u>Airport</u>	<u>Ferry Services</u>	<u>Golf Course</u>	<u>Water Utility</u>	<u>Total</u>
\$ -	\$ 7,228	\$ 761,025	\$ 475,463	\$ 3,087	\$ 5,052,421
-	-	14,469	-	-	367,835
-	80,000	-	-	-	19,936,053
-	12,632	27,965	8,371	-	3,431,799
-	-	-	-	-	21,739
-	-	-	-	-	15,736
-	-	19,779	-	-	386,251
-	712	-	28,037	-	559,803
-	<u>100,572</u>	<u>823,238</u>	<u>511,871</u>	<u>3,087</u>	<u>29,771,637</u>
204,244	6,316	-	-	-	2,296,777
-	-	-	-	-	229,295
9,207,995	170,000	-	-	-	41,920,342
3,189	-	-	-	-	1,572,791
-	-	-	-	-	2,002,330
-	-	-	-	-	20,619,580
-	-	-	-	-	4,063,083
-	-	-	-	-	322,072
-	38,918	-	-	-	39,295
<u>2,920,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,920,100</u>
<u>12,335,528</u>	<u>215,234</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,985,665</u>
-	-	-	-	-	55,566
-	-	-	-	-	55,566
-	2,926,877	18,218,450	1,755,792	-	396,298,076
-	(1,232,699)	(3,303,317)	(915,518)	-	(117,945,121)
-	1,854,927	-	1,400,000	-	48,363,347
-	175,508	856,665	89,396	-	27,091,072
-	69,636	-	-	-	69,636
-	<u>3,794,249</u>	<u>15,771,798</u>	<u>2,329,670</u>	<u>-</u>	<u>353,877,010</u>
<u>\$ 12,335,528</u>	<u>\$ 4,110,055</u>	<u>\$ 16,595,036</u>	<u>\$ 2,841,541</u>	<u>\$ 3,087</u>	<u>\$ 459,689,878</u>



**Enterprise Funds**  
**Combining Balance Sheet**  
At December 31, 2001  
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	<u>Sewer Utility</u>	<u>Solid Waste Management</u>
<b>LIABILITIES AND FUND EQUITY</b>		
<b>Current Liabilities</b>		
Vouchers And Accounts Payable	\$ 2,034,883	\$ 82,632
Due To Other Funds	269,008	31,208
Due To Other Governments	-	-
Accrued Wages And Benefits Payable	596,848	49,444
Other Accrued Liabilities	503,873	-
Interfund Loans Payable	-	-
<b>Total Current Liabilities</b>	<u>3,404,612</u>	<u>163,284</u>
<b>Liabilities Payable From Restricted Assets</b>		
Vouchers And Accounts Payable	-	-
Due To Other Funds	3,981	-
Current Portion Of Bonds Payable	2,205,000	-
Accrued Interest Payable	1,017,479	-
Deferred Revenues	208,849	-
Other Accrued Liabilities	281,635	-
Noncurrent Portion Of Bonds Payable, Net Of Premium/Discount	33,202,663	-
Landfill Insurance And Post-Closure Charges	-	-
<b>Total Liabilities Payable From Restricted Assets</b>	<u>36,919,607</u>	<u>-</u>
<b>Long-Term Liabilities</b>		
Advances From Other Funds	-	-
Contracts Payable	-	-
<b>Total Long-Term Liabilities</b>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<u>40,324,219</u>	<u>163,284</u>
<b>Fund Equity</b>		
Contributed Capital	323,485,706	4,081
Retained Earnings	49,789,059	10,038,282
<b>Total Fund Equity</b>	<u>373,274,765</u>	<u>10,042,363</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 413,598,984</u>	<u>\$ 10,205,647</u>



**Enterprise Funds**  
**Combining Balance Sheet**  
 At December 31, 2001  
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<u>Landfill Reserve</u>	<u>Airport</u>	<u>Ferry Services</u>	<u>Golf Course</u>	<u>Water Utility</u>	<u>Total</u>
\$ -	\$ 20,269	\$ 407,958	\$ 30,362	\$ -	\$ 2,576,104
-	3,659	7,717	1,940	18,299	331,831
-	-	185,234	-	-	185,234
-	20,141	10,736	57,592	10,314	745,075
-	7,221	71,469	1,871	-	584,434
-	8,311	-	-	-	8,311
<u>-</u>	<u>59,601</u>	<u>683,114</u>	<u>91,765</u>	<u>28,613</u>	<u>4,430,989</u>
19,677	10,188	-	-	-	29,865
184	252	-	-	-	4,417
-	-	-	-	-	2,205,000
-	-	-	-	-	1,017,479
-	-	-	-	-	208,849
-	-	-	-	-	281,635
-	-	-	-	-	33,202,663
<u>9,234,980</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,234,980</u>
<u>9,254,841</u>	<u>10,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,184,888</u>
-	69,274	-	-	304,000	373,274
-	-	1,852,340	-	-	1,852,340
<u>-</u>	<u>69,274</u>	<u>1,852,340</u>	<u>-</u>	<u>304,000</u>	<u>2,225,614</u>
<u>9,254,841</u>	<u>139,315</u>	<u>2,535,454</u>	<u>91,765</u>	<u>332,613</u>	<u>52,841,491</u>
-	4,196,869	13,487,683	1,564,194	-	342,738,533
<u>3,080,687</u>	<u>(226,129)</u>	<u>571,899</u>	<u>1,185,582</u>	<u>(329,526)</u>	<u>64,109,854</u>
<u>3,080,687</u>	<u>3,970,740</u>	<u>14,059,582</u>	<u>2,749,776</u>	<u>(329,526)</u>	<u>406,848,387</u>
<u>\$ 12,335,528</u>	<u>\$ 4,110,055</u>	<u>\$ 16,595,036</u>	<u>\$ 2,841,541</u>	<u>\$ 3,087</u>	<u>\$ 459,689,878</u>



**Enterprise Funds**  
**Combining Statement Of Revenues, Expenses And Changes In Fund Equity**  
 For The Year Ended December 31, 2001  
 Page 1 of 2

	<u>Sewer Utility</u>	<u>Solid Waste Management</u>
<b>OPERATING REVENUES</b>		
Charges For Services	\$ 21,121,442	\$ 2,312,813
<b>OPERATING EXPENSES</b>		
Sewage Transmission	2,636,726	-
Sewage Treatment And Disposal	5,706,285	-
Personal Services	-	683,738
Materials And Supplies	937,430	37,119
System Support Service	5,299,251	1,415,678
Depreciation	9,654,254	136,397
<b>TOTAL OPERATING EXPENSES</b>	<u>24,233,946</u>	<u>2,272,932</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(3,112,504)</u>	<u>39,881</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest Income	4,656,168	253,220
Interest Expense	(1,790,457)	(15,629)
Operating Grants Received	65,384	282,840
Taxes	-	-
Gain (Loss) On Sale Of Fixed Assets	(1,176,619)	-
Mineral Rights Royalties	67,525	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>1,822,001</u>	<u>520,431</u>
<b>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	(1,290,503)	560,312
Operating Transfers In	-	-
Operating Transfers Out	(47,350)	(11,360)
Capital Contributions	29,989,907	48,393
<b>NET INCOME (LOSS)</b>	28,652,054	597,345
<b>FUND EQUITY - Beginning of Year</b>	344,726,147	9,499,018
Residual Equity Transfers Out	(103,436)	(54,000)
<b>FUND EQUITY - End Of Year</b>	<u>\$ 373,274,765</u>	<u>\$ 10,042,363</u>



**Enterprise Funds**  
**Combining Statement Of Revenues, Expenses And Changes In Fund Equity**  
 For The Year Ended December 31, 2001  
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<u>Landfill Reserve</u>	<u>Airport</u>	<u>Ferry Services</u>	<u>Golf Course</u>	<u>Water Utility</u>	<u>Total</u>
\$ 247,850	\$ 324,649	\$ 1,152,621	\$ 882,513	\$ -	\$ 26,041,888
-	-	-	-	-	2,636,726
-	-	-	-	-	5,706,285
-	95,262	174,011	541,186	28,994	1,523,191
-	6,218	164,400	106,596	-	1,251,763
52,707	230,754	1,112,083	197,259	57,102	8,364,834
-	87,867	404,099	79,797	-	10,362,414
<u>52,707</u>	<u>420,101</u>	<u>1,854,593</u>	<u>924,838</u>	<u>86,096</u>	<u>29,845,213</u>
<u>195,143</u>	<u>(95,452)</u>	<u>(701,972)</u>	<u>(42,325)</u>	<u>(86,096)</u>	<u>(3,803,325)</u>
164,820	11,456	594	-	-	5,086,258
-	(4,641)	(21,302)	-	(14,625)	(1,846,654)
-	3,500	692,105	-	-	1,043,829
-	137,818	-	-	-	137,818
-	89,230	-	(710)	-	(1,088,099)
-	-	-	-	-	67,525
<u>164,820</u>	<u>237,363</u>	<u>671,397</u>	<u>(710)</u>	<u>(14,625)</u>	<u>3,400,677</u>
359,963	141,911	(30,575)	(43,035)	(100,721)	(402,648)
-	-	599,535	-	-	599,535
-	-	-	-	-	(58,710)
-	82,796	-	-	-	30,121,096
<u>359,963</u>	<u>224,707</u>	<u>568,960</u>	<u>(43,035)</u>	<u>(100,721)</u>	<u>30,259,273</u>
2,720,724	3,746,033	13,490,622	2,792,811	(228,805)	376,746,550
-	-	-	-	-	(157,436)
<u>\$ 3,080,687</u>	<u>\$ 3,970,740</u>	<u>\$ 14,059,582</u>	<u>\$ 2,749,776</u>	<u>\$ (329,526)</u>	<u>\$ 406,848,387</u>



**Enterprise Funds**  
**Combining Statement Of Cash Flows**  
For The Year Ended December 31, 2001  
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	<b>Sewer Utility</b>	<b>Solid Waste Management</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received From Customers	\$ 21,105,969	\$ 2,206,948
Cash Payments To Suppliers For Goods And Services	(8,789,214)	(1,601,709)
Cash Payments To Employees For Services And Benefits	(6,185,213)	(677,169)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>6,131,542</b>	<b>(71,930)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds From Sale Of Investments	849,000,507	118,550,039
Purchase Of Investments	(837,241,705)	(118,154,080)
Interest Income From Investments	3,224,639	294,191
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>14,983,441</b>	<b>690,150</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Mineral Rights Royalties	321,853	-
Change In Advances To Other Funds	711,182	-
Interfund Interest Income	261,957	-
Operating Transfers In	0	-
Operating Transfers Out	(47,350)	(11,360)
Operating Grants Received	28,385	447,729
Residual Equity Transfers In (Out)	(103,436)	(54,000)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>1,172,591</b>	<b>382,369</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds From Customer Assessments	6,787,852	-
Proceeds From Connection Charges	4,581,127	-
Real Estate Excise Tax Collected	-	-
Proceeds From Sale Of Fixed Asset	-	-
Proceeds From Borrowings	729,500	-
Proceeds From Bond Issue	18,356,081	-
Principal Payments On Debts	(29,662,689)	(275,000)
Interest Paid On Debts	(1,497,688)	(17,114)
Contributed Capital	-	-
Acquisition Of Property, Plant And Equipment	(23,242,659)	(735,798)
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(23,948,476)</b>	<b>(1,027,912)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,660,902)</b>	<b>(27,323)</b>
<b>CASH AND CASH EQUIVALENTS - Beginning Of Year</b>	<b>6,053,216</b>	<b>2,109,505</b>
<b>CASH AND CASH EQUIVALENTS - End Of Year</b>	<b>\$ 4,392,314</b>	<b>\$ 2,082,182</b>



**Enterprise Funds**  
**Combining Statement Of Cash Flows**  
For The Year Ended December 31, 2001  
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<u>Landfill Reserve</u>	<u>Airport</u>	<u>Ferry Services</u>	<u>Golf Course</u>	<u>Water Utility</u>	<u>Total</u>
\$ 247,850	\$ 319,464	\$ 1,125,366	\$ 879,486	\$ -	\$ 25,885,083
(960,215)	(238,448)	(1,248,230)	(318,501)	(79,262)	(13,235,579)
-	(91,000)	(168,398)	(525,030)	(28,361)	(7,675,171)
(712,365)	(9,984)	(291,262)	35,955	(107,623)	4,974,333
192,414,150	6,315,000	155,000	-	-	1,166,434,696
(192,071,642)	(6,425,000)	(139,500)	-	-	(1,154,031,927)
482,221	11,570	606	-	-	4,013,227
824,729	(98,430)	16,106	-	-	16,415,996
-	-	-	-	-	321,853
-	-	-	-	110,000	821,182
-	-	-	-	-	261,957
-	-	599,535	-	-	599,535
-	-	-	-	-	(58,710)
-	3,500	676,709	-	-	1,156,323
-	-	-	-	-	(157,436)
-	3,500	1,276,244	-	110,000	2,944,704
-	-	-	-	-	6,787,852
-	-	-	-	-	4,581,127
-	137,818	-	-	-	137,818
-	140,000	-	36	-	140,036
-	-	-	-	-	729,500
-	-	-	-	-	18,356,081
-	(22,163)	(185,234)	-	-	(30,145,086)
-	(4,641)	(22,228)	-	-	(1,541,671)
-	43,880	-	-	-	43,880
-	(188,569)	(700,582)	(28,201)	-	(24,895,809)
-	106,325	(908,044)	(28,165)	-	(25,806,272)
112,364	1,411	93,044	7,790	2,377	(1,471,239)
91,880	12,133	682,450	467,673	710	9,417,567
\$ 204,244	\$ 13,544	\$ 775,494	\$ 475,463	\$ 3,087	\$ 7,946,328



**Enterprise Funds**  
**Combining Statement Of Cash Flows**  
For The Year Ended December 31, 2001  
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	<u>Sewer Utility</u>	<u>Solid Waste Management</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
<b>Operating Income (Loss)</b>	<u>\$ (3,112,504)</u>	<u>\$ 39,881</u>
<b>Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:</b>		
Depreciation	9,654,254	136,397
Write-Off Of Preliminary Charges	52,507	-
Overhead Allocation To Construction	(159,639)	-
Adjustment To Landfill Reserve Liability	-	-
Decrease (Increase) In Assets:		
Receivables	(190,452)	(104,137)
Due From Other Funds	28,045	(1,728)
Due From Other Governments	40,614	-
Inventory	(20,487)	-
Increase (Decrease) In Liabilities:		
Vouchers And Accounts Payable	(138,485)	(170,489)
Landfill Insurance, Closure And Post-Closure Liabilities	-	-
Due To Other Funds	(58,175)	19,769
Retainage Payable	-	-
Accrued Wages And Benefits Payable	35,864	8,377
<b>Total Adjustments</b>	<u>9,244,046</u>	<u>(111,811)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 6,131,542</u>	<u>\$ (71,930)</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>		
Capital Assets Acquired By Contribution	\$ 3,370,694	\$ 48,393
Estimated Landfill Post-Closure Contribution	-	-
Estimated Landfill Insurance, Closure And Post-Closure Liabilities	-	-
Net Increase (Decrease) In Fair Value Of Investments	281,804	6,786
<b>TOTAL NONCASH ACTIVITIES</b>	<u>\$ 3,652,498</u>	<u>\$ 55,179</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS AT END OF YEAR TO BALANCE SHEET:</b>		
<b>Cash And Cash Equivalents Per Balance Sheet:</b>		
Current Assets:		
Cash In Treasury Pool (Current and Restricted Assets)	\$ 3,809,653	\$ 2,082,182
Cash With Trustee (Current and Restricted Assets)	582,665	-
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u>\$ 4,392,318</u>	<u>\$ 2,082,182</u>



**Enterprise Funds**  
**Combining Statement Of Cash Flows**  
 For The Year Ended December 31, 2001  
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<u>Landfill Reserve</u>	<u>Airport</u>	<u>Ferry Services</u>	<u>Golf Course</u>	<u>Water Utility</u>	<u>Total</u>
\$ 195,143	\$ (95,452)	\$ (701,972)	\$ (42,325)	\$ (86,096)	\$ (3,803,325)
-	87,867	404,099	79,797	-	10,362,414
-	-	-	-	-	52,507
-	-	-	-	-	(159,639)
(247,850)	-	-	-	-	(247,850)
-	(5,185)	(27,255)	(2,171)	-	(329,200)
-	-	-	(857)	-	25,460
-	-	-	-	-	40,614
-	(178)	-	(9,708)	-	(30,373)
(58,323)	2,310	24,996	(2,520)	(22,184)	(364,695)
(597,732)	-	-	-	-	(597,732)
(3,603)	388	3,257	(2,417)	24	(40,757)
-	(4,301)	-	-	-	(4,301)
-	4,567	5,613	16,156	633	71,210
<u>(907,508)</u>	<u>85,468</u>	<u>410,710</u>	<u>78,280</u>	<u>(21,527)</u>	<u>8,777,658</u>
<u>\$ (712,365)</u>	<u>\$ (9,984)</u>	<u>\$ (291,262)</u>	<u>\$ 35,955</u>	<u>\$ (107,623)</u>	<u>\$ 4,974,333</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,419,087
2,920,100	-	-	-	-	2,920,100
(9,234,980)	-	-	-	-	(9,234,980)
2,402	-	-	-	-	290,992
<u>\$ (6,312,478)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,604,801)</u>
\$ 204,244	\$ 13,544	\$ 761,025	\$ 475,463	\$ 3,087	\$ 7,349,198
-	-	14,469	-	-	597,130
<u>\$ 204,244</u>	<u>\$ 13,544</u>	<u>\$ 775,494</u>	<u>\$ 475,463</u>	<u>\$ 3,087</u>	<u>\$ 7,946,328</u>



The Foothills Trail is a twelve-foot wide non-motorized asphalt trail and linear park suitable for bicycle, walking, in-line skates and wheelchairs. It also has a soft shoulder path for horses.

The dream for the trail began about 1984 when a local physician and another community visionary started the process which fought its way through numerous road blocks with the guidance and work of the Foothills Rails-to-Trails Coalition and the persistence of the Pierce County Parks Department.

Currently there are more than 10 miles of paved trails and over 16 additional miles under construction. When completed, the Foothills Trail will extend from McMillin through Orting and South Prairie to Buckley. It will also branch from Lower Cascade Junction to Wilkeson and Carbonado.