



Statement of Net Assets

At December 31, 2008

(In Thousands)

Page 1 of 2

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash And Cash Equivalents	\$ 179,668	\$ 5,449	\$ 185,117
Cash With Trustee	3,051	588	3,639
Investments	20,211	21,300	41,511
Sales Taxes Receivable	9,551	-	9,551
Property Taxes Receivable	19,316	-	19,316
Accounts Receivable, Net	16,276	6,354	22,630
Accrued Interest And Penalties	63	52	115
Internal Balances	(403)	403	-
Due From Other Governments	20,279	611	20,890
Contracts Receivable	131	-	131
Inventory, At Cost	1,924	1,078	3,002
Prepaid Items	481	-	481
Unamortized Debt Expense	745	284	1,029
Restricted Assets:			
Cash And Cash Equivalents	-	730	730
Cash With Trustee	-	25	25
Investments	-	36,437	36,437
Accrued Interest And Penalties	-	401	401
Contracts Receivable	-	315	315
Assessments Receivable	-	5,271	5,271
Unamortized Debt Expense	-	67	67
Landfill Closure Receivable	-	871	871
Capital Assets, Not Being Depreciated:			
Land And Land Rights	126,827	52,111	178,938
Avigation Rights	-	562	562
Construction In Progress	166,600	29,738	196,338
Capital Assets, Net Of Accumulated Depreciation:			
Buildings And System	195,332	54,025	249,357
Improvements Other Than Buildings	18,104	31,300	49,404
Machinery And Equipment	56,118	60,831	116,949
Infrastructure	333,390	247,934	581,324
TOTAL ASSETS	<u>\$ 1,167,664</u>	<u>\$ 556,737</u>	<u>\$ 1,724,401</u>

See Accompanying Notes To Financial Statements



Statement of Net Assets

At December 31, 2008

(In Thousands)

Page 2 of 2

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
LIABILITIES			
Vouchers And Accounts Payable	\$ 27,688	\$ 4,426	\$ 32,114
Due To Other Governments	7,123	569	7,692
Accrued Wages and Benefits Payable	12,671	677	13,348
Accrued Interest Payable	1,342	312	1,654
Other Accrued Liabilities	1,554	43	1,597
Unearned Revenues	739	693	1,432
Noncurrent Liabilities:			
Due Within One Year	24,850	2,317	27,167
Due In More Than One Year	112,650	45,201	157,851
TOTAL LIABILITIES	<u>188,617</u>	<u>54,238</u>	<u>242,855</u>
NET ASSETS			
Invested In Capital Assets, Net Of Related Debt	797,668	434,788	1,232,456
Restricted For:			
Capital Projects	44,069	25,917	69,986
Debt Service	400	7,774	8,174
Public Safety	5,011	-	5,011
Human Services	2,109	-	2,109
Transportation	11,196	-	11,196
Physical Environment	10,997	-	10,997
Other Purposes	16,320	4,257	20,577
Unrestricted	91,277	29,763	121,040
TOTAL NET ASSETS	<u>\$ 979,047</u>	<u>\$ 502,499</u>	<u>\$ 1,481,546</u>

See Accompanying Notes To Financial Statements



Statement of Activities
For the Year Ended December 31, 2008
(In Thousands)

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 50,184	\$ 19,318	\$ 3,487	\$ -	\$ (27,379)	\$ -	\$ (27,379)
Public Safety	144,659	3,463	23,699	1,784	(115,713)	-	(115,713)
Physical Environment	18,155	15,923	714	194	(1,324)	-	(1,324)
Transportation	66,850	1,937	17,424	22,856	(24,633)	-	(24,633)
Legal And Judicial	74,058	17,304	12,056	-	(44,698)	-	(44,698)
Economic Environment	37,296	11,865	16,153	-	(9,278)	-	(9,278)
Health And Human Services	55,175	1,789	44,823	-	(8,563)	-	(8,563)
Culture And Recreation	9,793	2,136	1,472	-	(6,185)	-	(6,185)
Interest On Long-Term Debt	5,507	-	-	-	(5,507)	-	(5,507)
Total Governmental Activities	461,677	73,735	119,828	24,834	(243,280)	-	(243,280)
Business-Type Activities							
Sewer Utility	38,443	33,115	-	20,949	-	15,621	15,621
Chambers Bay Golf Course	6,666	6,248	-	-	-	(418)	(418)
Ferry Services	5,422	3,846	672	-	-	(904)	(904)
Solid Waste Management	3,878	3,435	473	-	-	30	30
Solid Waste Landfill Reserve	-	111	-	-	-	111	111
Golf Course	2,030	1,948	8	-	-	(74)	(74)
Airport	790	480	-	14,069	-	13,759	13,759
Water Utility	86	-	-	-	-	(86)	(86)
Total Business-Type Activities	57,315	49,183	1,153	35,018	-	28,039	28,039
Total Government	\$ 518,992	\$ 122,918	\$ 120,981	\$ 59,852	(243,280)	28,039	(215,241)
General Revenues:							
Taxes:							
Property Taxes					162,179	-	162,179
Sales Taxes					58,910	-	58,910
Excise And Other Taxes					16,960	141	17,101
Grants And Contributions Not Restricted For Specific Programs					649	-	649
Unrestricted Investment Earnings					12,410	617	13,027
Gain On Sale Of Capital Assets					2,057	-	2,057
Transfers					138	(138)	-
Total General Revenues And Transfers					253,303	620	253,923
Change In Net Assets					10,023	28,659	38,682
Net Assets - Beginning Of Year					969,024	473,840	1,442,864
Net Assets - End Of Year					\$ 979,047	\$ 502,499	\$ 1,481,546

See Accompanying Notes To Financial Statements



**Governmental Funds
Balance Sheet
At December 31, 2008
(In Thousands)**

	General Fund	Human Services	Roads	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash In Treasury Pool	\$ 41,310	\$ 2,408	\$ 12,536	\$ 74,731	\$ 130,985
Cash With Trustee	-	-	-	2,862	2,862
Investments	-	-	1,085	19,126	20,211
Assessments Receivable	-	-	7	-	7
Sales Tax Receivable	9,055	-	-	496	9,551
Property Tax Receivable	16,453	42	2,594	227	19,316
Accounts Receivable, Net	4,277	712	11	3,611	8,611
Accrued Interest And Penalties	-	-	-	59	59
Due From Other Funds	419	338	443	9,725	10,925
Due From Other Governments	3,835	7,171	649	8,605	20,260
Interfund Loans Receivable	345	-	-	-	345
Advances To Other Funds	159	-	-	-	159
Contracts Receivable	-	-	-	124	124
TOTAL ASSETS	\$ 75,853	\$ 10,671	\$ 17,325	\$ 119,566	\$ 223,415
LIABILITIES AND FUND BALANCES					
Liabilities					
Vouchers And Accounts Payable	\$ 6,360	\$ 3,449	\$ 847	\$ 12,484	\$ 23,140
Due To Other Funds	3,319	162	6,149	5,163	14,793
Due To Other Governments	242	5,158	-	1,635	7,035
Accrued Wages And Benefits Payable	8,314	446	1,430	1,493	11,683
Deferred Revenues	26,759	222	2,609	2,543	32,133
Interfund Loans Payable	-	-	-	345	345
Other Current Liabilities	1,554	-	-	-	1,554
Advances From Other Funds	-	-	-	6,859	6,859
Total Liabilities	46,548	9,437	11,035	30,522	97,542
Fund Balances					
Reserved For Advances To Other Funds	159	-	-	-	159
Reserved For Loans	-	-	-	13	13
Reserved For Other Purposes	544	-	-	150	694
Unreserved Reported In:					
General Fund	28,602	-	-	-	28,602
Debt Service	-	-	-	400	400
Special Revenue Funds	-	1,234	6,290	63,547	71,071
Capital Project Funds	-	-	-	24,934	24,934
Total Fund Balances	29,305	1,234	6,290	89,044	125,873
TOTAL LIABILITIES AND FUND BALANCES	\$ 75,853	\$ 10,671	\$ 17,325	\$ 119,566	\$ 223,415

See Accompanying Notes To Financial Statements



**Reconciliation Of The Balance Sheet Of Governmental Funds
To The Statement Of Net Assets**
At December 31, 2008
(In Thousands)

Total Fund Balances Of Governmental Funds	\$	125,873
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental fund statements as follows:		
Capital assets:		
Land	\$	126,616
Construction in progress		165,979
Infrastructure		406,612
Buildings & improvements		259,108
Machinery and equipment		40,045
Accumulated depreciation		<u>(136,618)</u>
Total capital assets (net of accumulated depreciation)		861,742
Internal Service Funds are used to charge individual funds for the cost of certain activities such as equipment and vehicle rental, information services, facilities management, radio communications, general services, self insurance and workers compensation. The statement of net assets includes assets, liabilities, and net assets of Internal Service Funds in governmental activities.		
		73,914
Certain receivables for county taxes and other revenues will be collected after year-end, and will not be available soon enough after year-end to pay current period expenditures. Accordingly such receivables are either reported as revenue when received or are reported as deferred revenue in governmental fund statements.		
		38,764
Certain liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in governmental fund statements as follows:		
Bonds payable	\$	(95,376)
Contracts payable		(2,582)
Accrued interest payable		(1,342)
Compensated absences		(20,204)
Other Post-Employment Benefits		<u>(1,742)</u>
Total long-term liabilities		<u>(121,246)</u>
Net Assets Of Governmental Activities	\$	<u>979,047</u>

See Accompanying Notes To Financial Statements



Governmental Funds
Statement Of Revenues, Expenditures And Changes In Fund Balances
For The Year Ended December 31, 2008
(In Thousands)

	General Fund	Human Services	Roads	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	\$ 109,365	\$ 654	\$ 44,142	\$ 4,251	\$ 158,412
Sales And Use Taxes	57,051	-	-	3,245	60,296
Excise And Other Taxes	1,924	5	195	14,836	16,960
Licenses And Permits	6,719	-	85	-	6,804
Intergovernmental Revenues	35,060	30,300	15,118	47,185	127,663
Charges For Services	33,859	-	1,359	24,664	59,882
Fines And Forfeits	8,017	-	-	141	8,158
Interest And Penalties	12,663	-	13	653	13,329
Miscellaneous	2,734	544	240	2,141	5,659
TOTAL REVENUES	267,392	31,503	61,152	97,116	457,163
EXPENDITURES					
Current:					
General Government	38,138	-	-	6,434	44,572
Public Safety	127,887	-	-	9,837	137,724
Physical Environment	1,975	-	-	24,196	26,171
Legal And Judicial	73,775	-	-	-	73,775
Transportation	189	-	52,178	4,054	56,421
Economic Environment	18,897	-	-	18,447	37,344
Health And Human Services	3,338	35,849	-	15,731	54,918
Culture And Recreation	7,670	-	-	4,160	11,830
Capital Projects:					
General Government	-	-	-	4,092	4,092
Public Safety	-	-	-	5,046	5,046
Physical Environment	-	-	-	930	930
Legal And Judicial	-	-	-	5,725	5,725
Transportation	-	-	-	37,670	37,670
Economic Environment	-	-	-	5	5
Health And Human Services	-	-	-	303	303
Culture And Recreation	-	-	-	2,465	2,465
Debt Service:					
Principal Retirement	-	-	-	4,439	4,439
Interest And Fiscal Charges	-	-	-	4,687	4,687
TOTAL EXPENDITURES	271,869	35,849	52,178	148,221	508,117
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,477)	(4,346)	8,974	(51,105)	(50,954)
OTHER FINANCING SOURCES (USES)					
Sale Of Capital Assets	335	2	274	1,039	1,650
Transfers In	2,594	29	58	40,718	43,399
Transfers Out	(6,207)	(1,597)	(12,444)	(26,009)	(46,257)
TOTAL OTHER FINANCING SOURCES (USES)	(3,278)	(1,566)	(12,112)	15,748	(1,208)
NET CHANGE IN FUND BALANCES	(7,755)	(5,912)	(3,138)	(35,357)	(52,162)
FUND BALANCES - Beginning Of Year	37,060	7,146	9,428	124,401	178,035
FUND BALANCES - End Of Year	\$ 29,305	\$ 1,234	\$ 6,290	\$ 89,044	\$ 125,873

See Accompanying Notes To 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, 2008
(In Thousands)

Net Change in Fund Balances - Total Governmental Funds	\$ (52,162)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays in governmental fund statements exceeded depreciation for the current period.	43,786
Increase in net assets from certain capital assets donated to the county is not reported in governmental funds.	14,374
Decrease in net assets from various miscellaneous capital asset transactions (i.e., disposals for sales, trade-ins, and donations) is not reported in governmental funds.	(903)
Changes in investments in a joint venture are not reported in governmental fund statements.	(918)
Certain portions of county taxes and other revenue that do not provide current financial resources are either reported as revenue when received or reported as deferred revenues in governmental fund statements, but recognized currently as revenue in government-wide statements. Current year changes in such revenues are included as a change of net assets in the statement of activities.	4,806
Governmental funds report the issuance of long-term debt; the repayment of the principal on long-term debt; and related items occurring when debt is first issued (such as issuance costs, premiums, and/or discounts) as increases or decreases in total governmental fund balances. Issuing and repaying long-term debt have no effect on government-wide net assets. Further, the related debt issuance items are deferred and amortized in the statement of activities. This amount represents the net effect of such differences in the treatment of long-term debt and related items.	3,306
Changes in certain accrued assets and liabilities are included in the statement of activities. Such changes do not require the use of current financial resources and, therefore, are not included in the change in governmental fund balances.	(2,319)
<i>Internal Service Funds</i> are used by management to charge the costs of certain activities to individual funds. The effect of net revenues (expenses) of such activity is not included in the change in governmental fund balances.	53
Change in Net Assets of Governmental Activities	\$ 10,023

See Accompanying Notes To Financial Statements



General Fund
Statement of Revenues, Expenditures And Changes In Fund Balance
Budget (GAAP Basis) And Actual
For The Year Ended December 31, 2008
(In Thousands)

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 109,887	\$ 110,287	\$ 109,365	\$ (922)
Sales And Use Taxes	61,950	61,950	57,051	(4,899)
Excise And Other Taxes	3,005	3,005	1,924	(1,081)
Licenses And Permits	9,904	9,904	6,719	(3,185)
Intergovernmental Revenues	32,085	34,739	35,060	321
Charges For Services	37,107	38,157	33,859	(4,298)
Fines And Forfeits	7,599	7,599	8,017	418
Interest	16,289	12,289	12,663	374
Miscellaneous	2,580	2,869	2,734	(135)
TOTAL REVENUES	280,406	280,799	267,392	(13,407)
EXPENDITURES				
General Government	38,794	39,213	38,138	1,075
Public Safety	131,220	130,328	127,887	2,441
Physical Environment	2,049	1,956	1,975	(19)
Legal And Judicial	74,998	75,638	73,775	1,863
Transportation	314	332	189	143
Economic Environment	22,057	21,014	18,897	2,117
Health And Human Services	3,471	3,506	3,338	168
Culture And Recreation	8,834	8,635	7,670	965
TOTAL EXPENDITURES	281,737	280,622	271,869	8,753
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,331)	177	(4,477)	(4,654)
OTHER FINANCING SOURCES (USES)				
Sale Of Capital Assets	239	239	335	96
Transfers In	2,059	2,436	2,594	158
Transfers Out	(4,696)	(6,649)	(6,207)	442
TOTAL OTHER FINANCING SOURCES (USES)	(2,398)	(3,974)	(3,278)	696
NET CHANGE IN FUND BALANCE	\$ (3,729)	\$ (3,797)	(7,755)	\$ (3,958)
FUND BALANCE - Beginning Of Year			37,060	
FUND BALANCE - End Of Year			\$ 29,305	

See Accompanying Notes To Financial Statements



Human Services Special Revenue Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance
Budget (GAAP Basis) And Actual
For The Year Ended December 31, 2008
(In Thousands)

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 645	\$ 645	\$ 654	\$ 9
Excise And Other Taxes	-	-	5	5
Intergovernmental Revenues	36,284	36,599	30,300	(6,299)
Miscellaneous	515	515	544	29
TOTAL REVENUES	37,444	37,759	31,503	(6,256)
EXPENDITURES				
Health And Human Services	37,456	37,771	35,849	1,922
TOTAL EXPENDITURES	37,456	37,771	35,849	1,922
EXCESS OF EXPENDITURES OVER REVENUES	(12)	(12)	(4,346)	(4,334)
OTHER FINANCING SOURCES (USES)				
Sale Of Capital Assets	-	-	2	2
Transfers In	29	29	29	-
Transfers Out	(17)	(17)	(1,597)	(1,580)
TOTAL OTHER FINANCING SOURCES (USES)	12	12	(1,566)	(1,578)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	(5,912)	\$ (5,912)
FUND BALANCE - Beginning Of Year			7,146	
FUND BALANCE - End Of Year			\$ 1,234	

See Accompanying Notes To Financial Statements



Roads Special Revenue Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance
Budget (GAAP Basis) And Actual
 For The Year Ended December 31, 2008
 (In Thousands)

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 44,577	\$ 44,577	\$ 44,142	\$ (435)
Excise And Other Taxes	468	468	195	(273)
Licenses And Permits	97	97	85	(12)
Intergovernmental Revenues	16,271	16,980	15,118	(1,862)
Charges For Services	446	446	1,359	913
Interest	-	-	13	13
Miscellaneous	56	56	240	184
TOTAL REVENUES	61,915	62,624	61,152	(1,472)
EXPENDITURES				
Transportation	55,809	56,436	52,178	4,258
TOTAL EXPENDITURES	55,809	56,436	52,178	4,258
EXCESS OF REVENUES OVER EXPENDITURES	6,106	6,188	8,974	2,786
OTHER FINANCING SOURCES (USES)				
Sale Of Capital Assets	3,210	3,210	274	(2,936)
Transfers In	-	-	58	58
Transfers Out	(12,696)	(12,778)	(12,444)	334
TOTAL OTHER FINANCING SOURCES (USES)	(9,486)	(9,568)	(12,112)	(2,544)
NET CHANGE IN FUND BALANCE	\$ (3,380)	\$ (3,380)	(3,138)	\$ 242
FUND BALANCE - Beginning Of Year			9,428	
FUND BALANCE - End Of Year			\$ 6,290	

See Accompanying Notes To Financial Statements



Proprietary Funds
Statement Of Net Assets
 At December 31, 2008
 (In Thousands)
 Page 1 of 2

	Sewer Utility	Chambers Bay Golf Course	Ferry Services	Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
ASSETS						
Current Assets						
Unrestricted:						
Cash In Treasury Pool	\$ 2,270	\$ 103	\$ 885	\$ 2,191	\$ 5,449	\$ 48,683
Cash And Investment with Trustee	16	515	57	-	588	189
Investments	9,213	-	3,128	8,959	21,300	-
Accounts Receivable, Net	5,017	985	-	352	6,354	295
Due From Other Funds	166	4	-	169	339	4,108
Accrued Interest And Penalties	21	-	5	26	52	366
Due From Other Governments	463	-	89	59	611	19
Interfund Loans Receivable	-	-	-	-	-	6,859
Inventory, At Cost	893	163	-	22	1,078	1,924
Prepaid Expense	-	-	-	-	-	481
Restricted:						
Cash In Treasury Pool	324	-	-	406	730	-
Cash With Trustee	-	-	-	25	25	-
Investments	26,990	-	-	9,447	36,437	-
Accrued Interest And Penalties	385	-	-	16	401	-
Assessments Receivable, Current	542	-	-	3	545	-
Due From Other Funds	214	-	-	-	214	-
Total Current Assets	46,514	1,770	4,164	21,675	74,123	62,924
Noncurrent Assets						
Unrestricted:						
Contracts Receivable	315	-	-	-	315	-
Unamortized Debt Expense	-	284	-	-	284	-
Total Noncurrent Unrestricted Assets	315	284	-	-	599	-
Restricted:						
Assessments Receivable, Deferred	4,726	-	-	-	4,726	-
Advances To Other Funds	2,075	-	-	-	2,075	-
Unamortized Debt Expense	67	-	-	-	67	-
Landfill Postclosure Charges	-	-	-	871	871	-
Total Noncurrent Restricted Assets	6,868	-	-	871	7,739	-
Capital Assets:						
Land And Land Rights	42,099	-	140	9,872	52,111	211
Buildings And Systems	84,809	3,414	-	5,372	93,595	3,885
Improvements Other Than Buildings	15,718	13,812	969	4,605	35,104	-
Machinery And Equipment	40,479	4,943	29,779	2,100	77,301	58,113
Infrastructure	383,554	-	-	-	383,554	-
Construction Work In Progress	19,138	49	-	10,551	29,738	621
Avigation Rights	-	-	-	562	562	-
Accumulated Depreciation	(182,627)	(1,943)	(5,130)	(5,764)	(195,464)	(28,201)
Total Capital Assets, Net	403,170	20,275	25,758	27,298	476,501	34,629
Total Noncurrent Assets	410,353	20,559	25,758	28,169	484,839	34,629
TOTAL ASSETS	\$ 456,867	\$ 22,329	\$ 29,922	\$ 49,844	\$ 558,962	\$ 97,553

See Accompanying Notes To Financial Statements



Proprietary Funds
Statement Of Net Assets
 At December 31, 2008
 (In Thousands)
 Page 2 of 2

	Sewer Utility	Chambers Bay Golf Course	Ferry Services	Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
LIABILITIES						
Current Liabilities						
Liabilities Payable From Unrestricted Assets:						
Vouchers And Accounts Payable	\$ 2,158	\$ 269	\$ 1,541	\$ 379	\$ 4,347	\$ 4,548
Due To Other Funds	252	21	32	404	709	445
Due To Other Governments	569	-	-	-	569	88
Accrued Wages And Benefits Payable	567	1	12	97	677	988
Compensated Absences	663	3	13	123	802	1,144
Other Accrued Liabilities	-	24	-	19	43	-
Accrued Interest Payable	-	76	19	-	95	-
Installment Contracts Payable	-	-	558	-	558	-
Current Portion Of Bonds Payable	-	506	-	-	506	-
Estimated Claims Settlements, Current	-	-	-	-	-	6,347
Liabilities Payable From Restricted Assets:						
Vouchers And Accounts Payable	-	-	-	79	79	-
Due To Other Funds	-	-	-	1	1	-
Accrued Interest Payable	217	-	-	-	217	-
Installment Contracts Payable	126	-	-	-	126	-
Current Portion Of Bonds Payable	325	-	-	-	325	-
Unearned Revenue	61	629	-	3	693	-
Total Current Liabilities	4,938	1,529	2,175	1,105	9,747	13,560
Noncurrent Liabilities						
Liabilities Payable From Unrestricted Assets:						
Advances From Other Funds	-	1,259	-	975	2,234	-
Compensated Absences	342	4	11	96	453	744
Installment Contracts Payable	-	-	6,226	-	6,226	-
Bonds Payable, Net Of Premium/Discount	-	20,329	-	-	20,329	-
Estimated Claims Settlements	-	-	-	-	-	8,616
Liabilities Payable From Restricted Assets:						
Installment Contracts Payable	1,755	-	-	-	1,755	-
Bonds Payable, Net Of Premium/Discount	10,537	-	-	-	10,537	-
Landfill Postclosure Liabilities	-	-	-	5,901	5,901	-
Total Noncurrent Liabilities	12,634	21,592	6,237	6,972	47,435	9,360
TOTAL LIABILITIES	17,572	23,121	8,412	8,077	57,182	22,920
NET ASSETS						
Invested In Capital Assets, Net Of Related Debt	390,553	(1,819)	18,974	27,080	434,788	34,629
Restricted For:						
Capital Projects	25,390	-	-	527	25,917	-
Debt Service	7,774	-	-	-	7,774	-
Reserve For Landfill Expenses	-	-	-	4,257	4,257	-
Unrestricted	15,578	1,027	2,536	9,903	29,044	40,004
TOTAL NET ASSETS	\$ 439,295	\$ (792)	\$ 21,510	\$ 41,767	501,780	\$ 74,633
Adjustment to reflect consolidation of <i>Internal Service Fund</i> activities related to <i>Enterprise Funds</i>					719	
Net assets of business-type activities					<u>\$ 502,499</u>	

See Accompanying Notes To Financial Statements



Proprietary Funds
Statement Of Revenues, Expenses And Changes In Fund Net Assets
For The Year Ended December 31, 2008
(In Thousands)

	Sewer Utility	Chambers Bay Golf Course	Ferry Services	Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
OPERATING REVENUES						
Charges For Services	\$ 31,407	\$ 5,847	\$ 1,886	\$ 5,797	\$ 44,937	\$ 62,419
Miscellaneous	277	401	996	56	1,730	43
TOTAL OPERATING REVENUES	31,684	6,248	2,882	5,853	46,667	62,462
OPERATING EXPENSES						
Sewage Transmission	4,766	-	-	-	4,766	-
Sewage Treatment And Disposal	8,446	-	-	-	8,446	-
Personal Services	-	33	301	2,432	2,766	21,331
Materials And Supplies	1,888	40	544	172	2,644	16,345
System Support Service	10,956	4,457	3,886	3,701	23,000	13,582
Depreciation And Amortization	11,939	1,172	624	377	14,112	5,342
Insurance, Claims Payments And Other Charges	-	-	-	-	-	9,946
TOTAL OPERATING EXPENSES	37,995	5,702	5,355	6,682	55,734	66,546
OPERATING INCOME (LOSS)	(6,311)	546	(2,473)	(829)	(9,067)	(4,084)
NONOPERATING REVENUES (EXPENSES)						
Interest Income	1,702	-	90	377	2,169	249
Interest Expense	(127)	(964)	(39)	(38)	(1,168)	-
Operating Grants	-	-	672	481	1,153	-
Taxes	-	-	-	141	141	-
Intergovernmental Revenue	-	-	964	-	964	-
Gain (Loss) On Sale Of Capital Assets	(5)	-	-	(10)	(15)	494
TOTAL NONOPERATING REVENUES (EXPENSES)	1,570	(964)	1,687	951	3,244	743
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(4,741)	(418)	(786)	122	(5,823)	(3,341)
Capital Contributions	20,949	-	-	14,069	35,018	-
Transfers In	10	-	-	543	553	3,180
Transfers Out	(476)	(3)	(10)	(202)	(691)	(184)
CHANGE IN NET ASSETS	15,742	(421)	(796)	14,532	29,057	(345)
NET ASSETS - Beginning of Year	423,553	(371)	22,306	27,235		74,978
NET ASSETS - End Of Year	\$ 439,295	\$ (792)	\$ 21,510	\$ 41,767		\$ 74,633
					Adjustment to reflect consolidation of <i>Internal Service Fund</i> activities related to <i>Enterprise Funds</i>	(398)
					Change in net assets of business-type activities per the statement of activities	\$ 28,659

See Accompanying Notes To Financial Statements



**Proprietary Funds
Statement Of Cash Flows**
For The Year Ended December 31, 2008

(In Thousands)
Page 1 of 2

	<u>Sewer Utility</u>	<u>Chambers Bay Golf Course</u>	<u>Ferry Services</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
CASH FLOWS FROM						
OPERATING ACTIVITIES:						
Cash Received From Customers	\$ 31,032	\$ 5,968	\$ 2,793	\$ 6,066	\$ 45,859	\$ 2,079
Cash Received - Interfund Services Provided	458	-	-	127	585	59,516
Cash Paid To Suppliers - Goods And Services	(10,163)	(4,356)	(2,738)	(3,158)	(20,415)	(24,870)
Cash Paid To Employees - Services And Benefits	(11,988)	(39)	(284)	(2,414)	(14,725)	(20,934)
Cash Paid - Interfund Services Used	(4,086)	(171)	(449)	(748)	(5,454)	(3,938)
Cash Paid - Claims And Insurance	-	-	-	-	-	(6,767)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>5,253</u>	<u>1,402</u>	<u>(678)</u>	<u>(127)</u>	<u>5,850</u>	<u>5,086</u>
CASH FLOWS FROM						
INVESTING ACTIVITIES:						
Proceeds From Sale Of Investments	484,444	-	78,951	321,720	885,115	-
Purchase Of Investments	(478,634)	-	(78,935)	(323,040)	(880,609)	-
Interest Income From Investments	1,157	-	-	444	1,601	-
Interest Income From Investments, Capitalized	-	-	78	-	78	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>6,967</u>	<u>-</u>	<u>94</u>	<u>(876)</u>	<u>6,185</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL						
FINANCING ACTIVITIES:						
Advances (To) From Other Funds	(48)	11	-	37	-	(2,691)
Transfers In	10	-	-	116	126	1,709
Transfers Out	(476)	(3)	(10)	(202)	(691)	(176)
Operating Grants Received	-	-	672	471	1,143	-
Intergovernmental Revenue	-	-	964	-	964	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(514)</u>	<u>8</u>	<u>1,626</u>	<u>422</u>	<u>1,542</u>	<u>(1,158)</u>
CASH FLOWS FROM CAPITAL AND						
RELATED FINANCING ACTIVITIES:						
Receipts From (Advances To) Other Funds	(2,000)	-	-	-	(2,000)	-
Proceeds From Customer Assessments	2,903	-	-	-	2,903	-
Proceeds From Connection Charges	2,859	-	-	-	2,859	-
Real Estate Excise Tax Collected	-	-	-	224	224	-
Proceeds From Sale Of Capital Assets	-	-	-	-	-	1,112
Principal Payments On Debts	(3,820)	(491)	(562)	-	(4,873)	-
Interest Paid On Debts	(131)	(963)	(42)	-	(1,136)	-
Capital Contributions	967	-	-	1,473	2,440	1,471
Transfers Out For Capital Purposes	-	-	-	-	-	(8)
Acquisition Of Capital Assets	(12,518)	(62)	-	(1,724)	(14,304)	(6,932)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(11,740)</u>	<u>(1,516)</u>	<u>(604)</u>	<u>(27)</u>	<u>(13,887)</u>	<u>(4,357)</u>
NET INCREASE (DECREASE) IN CASH	<u>(34)</u>	<u>(106)</u>	<u>438</u>	<u>(608)</u>	<u>(310)</u>	<u>(429)</u>
CASH - Beginning Of Year	<u>2,644</u>	<u>724</u>	<u>504</u>	<u>3,230</u>	<u>7,102</u>	<u>49,301</u>
CASH - End Of Year	<u>\$ 2,610</u>	<u>\$ 618</u>	<u>\$ 942</u>	<u>\$ 2,622</u>	<u>\$ 6,792</u>	<u>\$ 48,872</u>

See Accompanying Notes To Financial Statements



**Proprietary Funds
Statement Of Cash Flows**
For The Year Ended December 31, 2008
(In Thousands)
Page 2 of 2

	Sewer Utility	Chambers Bay Golf Course	Ferry Services	Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating Income (Loss)	\$ (6,311)	\$ 546	\$ (2,473)	\$ (829)	\$ (9,067)	\$ (4,084)
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:						
Depreciation And Amortization	11,939	1,172	624	377	14,112	5,342
Overhead Allocation To Construction	(150)	-	-	-	(150)	-
Decrease (Increase) In Assets:						
Receivables	(682)	(939)	-	357	(1,264)	(41)
Due From Other Funds	160	-	-	(18)	142	(1,049)
Due From Other Governments	328	-	(89)	-	239	39
Inventory	(251)	(50)	-	3	(298)	170
Prepaid Expense	-	-	-	-	-	28
Increase (Decrease) In Liabilities:						
Vouchers And Accounts Payable	(610)	43	1,246	73	752	608
Retainage Payable	20	-	-	-	20	-
Due To Other Funds	30	7	(3)	99	133	230
Due To Other Governments	530	-	-	-	530	17
Accrued Wages And Benefits Payable	139	1	6	15	161	243
Compensated Absences	111	(7)	11	3	118	154
Unearned Revenue	-	629	-	-	629	-
Estimated Claims Settlements	-	-	-	-	-	3,429
Landfill Postclosure Liabilities	-	-	-	(207)	(207)	-
Total Adjustments	11,564	856	1,795	702	14,917	9,170
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 5,253	\$ 1,402	\$ (678)	\$ (127)	\$ 5,850	\$ 5,086
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:						
Capital Assets Acquired By Contribution	\$ 17,921	\$ -	\$ -	\$ -	\$ 17,921	\$ -
Purchase Of Capital Assets On Account	1,136	-	-	164	1,300	1,544
Trade-In Of Capital Assets	-	-	-	-	-	103
Net Increase In Fair Value Of Investments	122	-	7	52	181	-
TOTAL NONCASH ACTIVITIES	\$ 19,179	\$ -	\$ 7	\$ 216	\$ 19,402	\$ 1,647
RECONCILIATION OF CASH AT END OF YEAR TO BALANCE SHEET:						
Cash Per Balance Sheet:						
Current And Restricted Assets:						
Cash In Treasury Pool	\$ 2,594	\$ 103	\$ 885	\$ 2,597	\$ 6,179	\$ 48,683
Cash With Trustee	16	515	57	25	613	189
TOTAL CASH - End Of Year	\$ 2,610	\$ 618	\$ 942	\$ 2,622	\$ 6,792	\$ 48,872

See Accompanying Notes To Financial Statements



Fiduciary Funds
Combined Statement Of Fiduciary Net Assets
At December 31, 2008
(In Thousands)

	Private- Purpose Trust Funds	Agency Total
ASSETS		
Cash In Treasury Pool	\$ 670	\$ 136,961
Cash And Investments With Trustee	-	11,528
Investments, At Amortized Cost	-	689,645
Assessments Receivable, Delinquent	-	1,474
Taxes Receivable, Delinquent	-	40,252
Accounts Receivable	-	235
Contracts Receivable	-	89
TOTAL ASSETS	670	880,184
LIABILITIES		
Warrants Payable	-	35,944
Vouchers And Accounts Payable	-	1,141
Due To Note Holders	-	259
Custodial Accounts	-	17,609
Due To Special Districts/Other Governments	-	825,231
TOTAL LIABILITIES	-	880,184
NET ASSETS		
Reserved For Specific Program Use	670	-
TOTAL NET ASSETS	\$ 670	\$ -

See Accompanying Notes To Financial Statements



Private-Purpose Trust Funds
Combined Statement Of Changes In Fiduciary Net Assets
For the Year Ended December 31, 2008
(In Thousands)

	<u>Total</u>
ADDITIONS	
Fines And Forfeits	\$ 12
TOTAL ADDITIONS	<u>12</u>
DEDUCTIONS	
Current:	
General Government	<u>18</u>
TOTAL DEDUCTIONS	<u>18</u>
CHANGE IN NET ASSETS	(6)
NET ASSETS - Beginning Of Year	<u>676</u>
NET ASSETS - End Of Year	<u>\$ 670</u>

See Accompanying Notes To Financial Statements

