

**NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2008**

King County has established Enterprise Funds to account for organizations which are intended to be self-supporting through fees charged for services provided to the public. The County has five nonmajor enterprises that use the accrual basis of accounting. A typical enterprise consists of an operating fund and construction subfund and may also include debt service or other reserve subfunds.

Institutional Network (I-Net) Enterprise Fund – Accounts for the development and operations of a fiberoptic network which connects approximately 300 public facilities across King County. I-Net provides broadband internet connectivity, including data, voice and video communications to schools in unincorporated King County, public safety agencies, courts, public health facilities, and other public service agencies.

King County International Airport (KCIA) Enterprise Fund – Accounts for the operations, maintenance, capital improvements, and expansion of the King County International Airport/Boeing Field. With its two runways (3,710 feet and 10,000 feet in length) and four fixed-base operators, KCIA provides all the facilities and services necessary to support jet and propeller-driven aircraft and helicopters. KCIA is an FAA-designated General Aviation Reliever for Sea-Tac Airport and averages over 375,000 general aviation operations per year.

Radio Communications Services Enterprise Fund – Accounts for the operations, maintenance, capital improvements, and expansion of the 800 MHz trunked radio system that provides communications for virtually all public safety agencies of the County, as well as many other local government agencies. Costs are recovered primarily through user fees, including charges for maintenance and future equipment replacement.

Solid Waste Enterprise Fund – Accounts for the operations, maintenance, capital improvements, and expansion of the County's solid waste disposal facilities under the Solid Waste Division of the Department of Natural Resources and Parks. The County operates eight solid waste transfer stations, two drop box stations, two household hazardous waste facilities, one regional landfill, and recycling services for residential customers. Operating revenues result primarily from tipping fees at the active solid waste disposal sites, while bond proceeds fund most new construction. Significant reserves are set aside to replace landfills, to provide for post-closure care and remediation costs, and to replace capital equipment.

Stadium Enterprise Fund – Originally established to account for the operations, maintenance, and capital improvements to the King County Stadium (the Kingdome). Although the implosion and subsequent demolition of the Kingdome took place in 2000, the enterprise fund remains open pending final disposition of the fund's remaining assets.

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2008
(IN THOUSANDS)

	<u>TOTAL</u>	<u>I-NET</u>	<u>KING COUNTY INTERNATIONAL AIRPORT</u>	<u>RADIO COMMUNI- CATIONS SERVICES</u>	<u>SOLID WASTE</u>	<u>STADIUM</u>
ASSETS						
Current assets						
Cash and cash equivalents	\$ 72,488	\$ 2,142	\$ 14,687	\$ 5,868	\$ 49,685	\$ 106
Restricted cash and cash equivalents	1,719	-	1,656	63	-	-
Accounts receivable	6,357	176	754	98	5,329	-
Estimated uncollectible accounts receivable	(56)	(6)	(9)	-	(41)	-
Due from other funds	3,619	71	55	481	3,012	-
Due from other governments	781	56	-	-	725	-
Inventory of supplies	1,146	-	173	115	858	-
Total current assets	86,054	2,439	17,316	6,625	59,568	106
Noncurrent assets						
Restricted assets						
Cash and cash equivalents	71,540	-	6,729	3,336	61,475	-
Accounts receivable	22	-	-	22	-	-
Due from other funds	182	-	181	1	-	-
Due from other governments	1,241	-	1,241	-	-	-
Total restricted assets	72,985	-	8,151	3,359	61,475	-
Capital assets						
Land	43,029	-	14,961	-	27,595	473
Buildings	95,670	-	34,934	-	60,736	-
Improvements other than buildings	169,020	13,354	27,685	4,650	123,331	-
Furniture, machinery and equipment	76,580	6,466	4,829	11,011	54,274	-
Accumulated depreciation	(194,445)	(12,680)	(33,963)	(9,810)	(137,992)	-
Work in progress	62,736	-	47,577	-	15,159	-
Total capital assets	252,590	7,140	96,023	5,851	143,103	473
Other noncurrent						
Deferred charges	304	-	-	-	304	-
Total noncurrent assets	325,879	7,140	104,174	9,210	204,882	473
TOTAL ASSETS	411,933	9,579	121,490	15,835	264,450	579
LIABILITIES						
Current liabilities						
Accounts payable	9,446	140	1,967	117	7,222	-
Due to other funds	4,622	290	2,751	132	1,449	-
Interest payable	359	84	25	-	250	-
Wages payable	1,715	41	177	62	1,435	-
Compensated absences payable	113	3	10	2	98	-
Taxes payable	190	-	155	13	22	-
Unearned revenue	3,959	332	3,626	-	1	-
Customer deposits	403	-	349	54	-	-
General obligation bonds payable	4,607	520	385	-	3,702	-
Landfill closure and closure care liability	5,686	-	-	-	5,686	-
Total current liabilities	31,100	1,410	9,445	380	19,865	-
Noncurrent liabilities						
Compensated absences payable	4,574	102	403	97	3,972	-
Other postemployment benefits	277	5	25	8	239	-
General obligation bonds payable	52,513	3,650	6,090	-	42,773	-
Unamortized bond premium	1,910	-	-	-	1,910	-
Environmental remediation	6,531	-	6,531	-	-	-
Landfill closure and closure care liability	106,816	-	-	-	106,816	-
Total noncurrent liabilities	172,621	3,757	13,049	105	155,710	-
TOTAL LIABILITIES	203,721	5,167	22,494	485	175,575	-
NET ASSETS						
Invested in capital assets,						
net of related debt	193,560	2,970	89,548	5,851	94,718	473
Restricted for capital projects	5,185	-	1,825	3,360	-	-
Unrestricted	9,467	1,442	7,623	6,139	(5,843)	106
TOTAL NET ASSETS	\$ 208,212	\$ 4,412	\$ 98,996	\$ 15,350	\$ 88,875	\$ 579

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008
(IN THOUSANDS)**

	TOTAL	I-NET	KING COUNTY INTERNATIONAL AIRPORT	RADIO COMMUNI- CATIONS SERVICES	SOLID WASTE	STADIUM
OPERATING REVENUES						
I-Net fees	\$ 2,999	\$ 2,999	\$ -	\$ -	\$ -	\$ -
Radio services	3,969	-	-	3,969	-	-
Solid waste disposal charges	94,070	-	-	-	94,070	-
Airfield fees	3,611	-	3,611	-	-	-
Hangar, building, and site rentals and leases	13,942	-	13,942	-	-	-
Reimbursement for services to tenants	488	-	488	-	-	-
Miscellaneous	34	-	34	-	-	-
Total operating revenues	<u>119,113</u>	<u>2,999</u>	<u>18,075</u>	<u>3,969</u>	<u>94,070</u>	<u>-</u>
OPERATING EXPENSES						
Personal services	46,482	990	4,580	1,611	39,301	-
Materials and supplies	10,058	63	691	228	9,076	-
Contract services and other charges	23,398	650	2,379	390	19,979	-
Utilities	3,194	-	1,447	105	1,642	-
Internal services	13,169	499	4,736	601	7,333	-
Landfill closure and post-closure care	11,960	-	-	-	11,960	-
Depreciation	18,464	1,844	1,688	1,436	13,496	-
Total operating expenses	<u>126,725</u>	<u>4,046</u>	<u>15,521</u>	<u>4,371</u>	<u>102,787</u>	<u>-</u>
OPERATING INCOME (LOSS)	<u>(7,612)</u>	<u>(1,047)</u>	<u>2,554</u>	<u>(402)</u>	<u>(8,717)</u>	<u>-</u>
NONOPERATING REVENUES (EXPENSES)						
Interest earnings	4,233	56	554	266	3,354	3
Interest expense	(2,843)	(208)	(327)	-	(2,308)	-
Rental income	1,084	-	-	-	1,084	-
DNR administration revenue	3,098	-	-	-	3,098	-
DNR administration expense	(3,493)	-	-	-	(3,493)	-
Gain (loss) on disposal of capital assets	(304)	-	2	-	(1,330)	1,024
Miscellaneous revenue	589	-	-	-	589	-
Miscellaneous expense	(1,178)	-	-	-	(1,178)	-
Total nonoperating revenues (expenses)	<u>1,186</u>	<u>(152)</u>	<u>229</u>	<u>266</u>	<u>(184)</u>	<u>1,027</u>
Income (loss) before contributions and transfers	<u>(6,426)</u>	<u>(1,199)</u>	<u>2,783</u>	<u>(136)</u>	<u>(8,901)</u>	<u>1,027</u>
Capital grants and contributions	12,370	-	11,513	-	857	-
Transfers in	40	-	-	-	40	-
Transfers out	<u>(2,358)</u>	<u>(36)</u>	<u>(3)</u>	<u>(34)</u>	<u>(311)</u>	<u>(1,974)</u>
CHANGE IN NET ASSETS	3,626	(1,235)	14,293	(170)	(8,315)	(947)
NET ASSETS - JANUARY 1, 2008 (RESTATEd)	<u>204,586</u>	<u>5,647</u>	<u>84,703</u>	<u>15,520</u>	<u>97,190</u>	<u>1,526</u>
NET ASSETS - DECEMBER 31, 2008	<u>\$ 208,212</u>	<u>\$ 4,412</u>	<u>\$ 98,996</u>	<u>\$ 15,350</u>	<u>\$ 88,875</u>	<u>\$ 579</u>

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008
(IN THOUSANDS)
(PAGE 1 OF 2)

	TOTAL	I-NET	KING COUNTY INTERNATIONAL AIRPORT	RADIO COMMUNI- CATIONS SERVICES	SOLID WASTE	STADIUM
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 119,274	\$ 3,420	\$ 19,373	\$ 3,585	\$ 92,896	\$ -
Cash payments to suppliers for goods and services	(49,004)	(1,037)	(8,772)	(1,284)	(37,911)	-
Cash payments for employee services	(45,631)	(987)	(4,459)	(1,584)	(38,601)	-
Other receipts	4,771	-	-	-	4,771	-
Other payments	(4,671)	-	-	-	(4,671)	-
Net cash provided by operating activities	<u>24,739</u>	<u>1,396</u>	<u>6,142</u>	<u>717</u>	<u>16,484</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	40	-	-	-	40	-
Transfers out	(2,358)	(36)	(3)	(34)	(311)	(1,974)
Net cash used by noncapital financing activities	<u>(2,318)</u>	<u>(36)</u>	<u>(3)</u>	<u>(34)</u>	<u>(271)</u>	<u>(1,974)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of capital assets	(37,960)	(77)	(14,453)	(221)	(23,209)	-
Principal paid on general obligation bonds	(4,361)	(495)	(345)	-	(3,521)	-
Interest paid on general obligation bonds	(2,767)	(210)	(328)	-	(2,229)	-
Capital grants received	11,638	-	10,781	-	857	-
Proceeds from disposal of capital assets	1,976	-	2	-	-	1,974
Landfill closure and post-closure care	(6,481)	-	-	-	(6,481)	-
Net cash provided (used) by capital and related financing activities	<u>(37,955)</u>	<u>(782)</u>	<u>(4,343)</u>	<u>(221)</u>	<u>(34,583)</u>	<u>1,974</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments (including unrealized gains and losses reported as cash and cash equivalents)	4,233	56	554	266	3,354	3
Net cash provided by investing activities	<u>4,233</u>	<u>56</u>	<u>554</u>	<u>266</u>	<u>3,354</u>	<u>3</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(11,301)	634	2,350	728	(15,016)	3
CASH AND CASH EQUIVALENTS - JANUARY 1, 2008	<u>157,048</u>	<u>1,508</u>	<u>20,722</u>	<u>8,539</u>	<u>126,176</u>	<u>103</u>
CASH AND CASH EQUIVALENTS - DECEMBER 31, 2008	<u>\$ 145,747</u>	<u>\$ 2,142</u>	<u>\$ 23,072</u>	<u>\$ 9,267</u>	<u>\$ 111,160</u>	<u>\$ 106</u>

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008
(IN THOUSANDS)
(PAGE 2 OF 2)**

	<u>TOTAL</u>	<u>I-NET</u>	<u>KING COUNTY INTERNATIONAL AIRPORT</u>	<u>RADIO COMMUNI- CATIONS SERVICES</u>	<u>SOLID WASTE</u>	<u>STADIUM</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ (7,612)	\$ (1,047)	\$ 2,554	\$ (402)	\$ (8,717)	\$ -
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Depreciation	18,464	1,844	1,688	1,436	13,496	-
Landfill closure and post-closure care	11,960	-	-	-	11,960	-
Other nonoperating revenue/expense	1,601	-	-	-	1,601	-
Changes in assets - (increase) decrease						
Accounts receivable, net	1,038	37	(195)	85	1,111	-
Due from other funds	(3,072)	(12)	(226)	(475)	(2,359)	-
Due from other governments	22	133	-	-	(111)	-
Inventory of supplies	113	-	(15)	(30)	158	-
Changes in liabilities - increase (decrease)						
Accounts payable	159	(76)	203	(7)	39	-
Due to other funds	463	290	293	81	(201)	-
Wages payable	83	12	46	14	11	-
Taxes payable	(3)	-	-	(3)	-	-
Unearned revenues	1,906	224	1,682	-	-	-
Compensated absences	(509)	(12)	61	8	(566)	-
Other postemployment benefits	(122)	3	15	5	(145)	-
Customer deposits	248	-	36	5	207	-
Total Adjustments	<u>32,351</u>	<u>2,443</u>	<u>3,588</u>	<u>1,119</u>	<u>25,201</u>	<u>-</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 24,739</u>	<u>\$ 1,396</u>	<u>\$ 6,142</u>	<u>\$ 717</u>	<u>\$ 16,484</u>	<u>\$ -</u>

