Washington State Auditor's Office

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Financial Statements and Federal Single Audit Report

Snohomish County

For the period January 1, 2014 through December 31, 2014

Published September 17, 2015

Report No. 1015018

Washington State Auditor's Office

September 17, 2015

Council
Snohomish County
Everett, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on Snohomish County's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the County's financial condition.

Sincerely,

JAN M. JUTTE, CPA, CGFM

ACTING STATE AUDITOR

OLYMPIA, WA

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FEDERAL SUMMARY

Snohomish County
January 1, 2014 through December 31, 2014

The results of our audit of Snohomish County are summarized below in accordance with U.S. Office of Management and Budget Circular A-133.

Financial Statements

An unmodified opinion was issued on the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information.

Internal Control Over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the County.

Federal Awards

Internal Control Over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the County's compliance with requirements applicable to each of its major federal programs.

We reported no findings that are required to be disclosed under section 510(a) of OMB Circular A-133.

Identification of Major Programs:

The following were major programs during the period under audit:

CFDA No.	Program Title
14.239	HOME Investment Partnerships Program
81.128	ARRA – Energy Efficiency and Conservation Block Grant Program (EECBG)
93.044	Aging Cluster - Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers
93.045	Aging Cluster - Special Programs for the Aging - Title III, Part C - Nutrition Services
93.053	Aging Cluster - Nutrition Services Incentive Program
93.563	Child Support Enforcement
97.036	Disaster Grants - Public Assistance Program
97.067	Homeland Security Grant Program

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by OMB Circular A-133, was $1,825,522.

The County qualified as a low-risk auditee under OMB Circular A-133.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Snohomish County
January 1, 2014 through December 31, 2014

Council
Snohomish County
Everett, Washington

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of Snohomish County, Washington, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 20, 2015. As discussed in Note 1 to the financial statements, during the year ended December 31, 2014, the County implemented Governmental Accounting Standards Board Statement No. 70, *Nonexchange Financial Guarantees*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency,

or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

JAN M. JUTTE, CPA, CGFM

ACTING STATE AUDITOR

OLYMPIA, WA

July 20, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Snohomish County
January 1, 2014 through December 31, 2014

Council
Snohomish County
Everett, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited the compliance of Snohomish County, Washington, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014. The County's major federal programs are identified in the accompanying Federal Summary.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program

occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal

control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

PURPOSE OF THIS REPORT

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

JAN M. JUTTE, CPA, CGFM

ACTING STATE AUDITOR

OLYMPIA, WA

August 26, 2015

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Snohomish County
January 1, 2014 through December 31, 2014

Council
Snohomish County
Everett, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of Snohomish County, Washington, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed on page 15.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

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 discretely presented component units and remaining fund information of Snohomish County, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General, Special Revenue, County Roads and Human Services funds, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As discussed in Note 1 to the financial statements, in 2014, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 70, *Nonexchange Financial Guarantees*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 16 through 29 and information on postemployment benefits other than pensions on page 100 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of

preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. This schedule is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2015 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. 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 internal control over financial reporting or on compliance. That report

is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

JAN M. JUTTE, CPA, CGFM

ACTING STATE AUDITOR

OLYMPIA, WA

July 20, 2015

FINANCIAL SECTION

Snohomish County
January 1, 2014 through December 31, 2014

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2014

BASIC FINANCIAL STATEMENTS

Statement of Net Position – 2014
Statement of Activities – 2014
Balance Sheet – Governmental Funds – 2014
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position – 2014
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds – 2014
Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities – 2014
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund – 2014
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Special Revenue Fund – 2014
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – County Roads Fund – 2014
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Human Services Fund – 2014
Statement of Net Position – Proprietary Funds – 2014
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds – 2014
Statement of Cash Flows – Proprietary Funds – 2014
Statement of Net Position – Fiduciary Funds – 2014
Statement of Changes in Net Position – Fiduciary Funds – 2014
Notes to Financial Statements – 2014

REQUIRED SUPPLEMENTARY INFORMATION

Information on Postemployment Benefits Other Than Pensions – 2014

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Expenditures of Federal Awards and Notes – 2014

Our discussion and analysis of Snohomish County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2014. Please read it in conjunction with the transmittal letter at the front of this report, the County's financial statements and the notes to the financial statements, which follow.

FINANCIAL HIGHLIGHTS

- As of December 31, 2014, total assets plus deferred outflows of resources of the County exceeded total liabilities plus deferred inflows of resources by $1.3 billion (net position). $1.1 billion, or 85%, of this amount is net investment in capital assets.

- In 2014, the County's total net position increased by 5% or $61.5 million from the prior year. The governmental net position increased by 5% or $45 million from the prior year. The business type net position increased 8% or $16.5 million.

- As of December 31, 2014, the County's governmental funds reported combined ending fund balances of $246.8 million. Approximately 5% or $11.7 million is unassigned and available for spending at the government's discretion within the purposes specified for the County's funds.

- As of December 31, 2014, the County's business-type funds reported a combined net position of $226.3 million. Of that amount, 19% or $42.3 million is unrestricted.

- At the end of 2014, the general fund total assigned fund balance was $3.6 million and the unassigned fund balance was $11.7 million. The fund balance amounts to 7.2% of total general fund detail revenues for 2014. Total fund balance for the general fund decreased by 27.7% or $5.9 million for the year.

- No general obligation debt was issued during 2014. Total activity for all general obligation debt of the primary government during 2014 resulted in a net decrease of $23.2 million.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Basic Financial Statements include the Government-wide Financial Statements, Fund Financial Statements and Notes to the Financial Statements. Within the Government-wide financial Statements, the Statement of Net Position and the Statement of Activities provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund Financial Statements for governmental funds tell how these funds' services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the County's operations in more detail than the Government-wide Statements by providing information about the County's most significant funds. The remaining Basic Financial Statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the primary government.

The Comprehensive Annual Financial Report (CAFR) also includes a Supplemental Schedules section that provides more detailed information about the County.

Reporting the County as a Whole - Countywide Financial Statements

The Countywide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

Statement of Net Position and Statement of Activities

The **Statement of Net Position** presents information on all of the County's assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, with the difference reported as net position. The **Statement of Activities** presents information showing how the County's net position changed during the current year. These statements are prepared using the accrual basis of accounting similar to the accounting method used by private sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses, regardless of when the cash is received or paid.

These two statements report the County's net position and changes in it. Over time, increases or decreases in the County's net position may be one indicator of whether its financial health is improving or deteriorating. Readers of these statements should also consider other non-financial factors, such as changes in the County's property tax base and the condition of the County's roads, to assess the overall health of the County.

Within the Statement of Net Position and the Statement of Activities, the County's financial information is divided into three types of activities:

Governmental Activities:

Most of the County's functions are reported here, including general government, judicial, public safety, physical environment, transportation, health and human services, economic environment, and culture and recreation. Governmental activities are primarily supported by property taxes, charges for services, sales taxes, federal and state grants, and state shared revenues.

Business-Type Activities:

These functions are intended to recover all, or a significant portion of, their costs through user fees and charges to external users of goods and services. User fees are charged for surface water management, solid waste disposal, and the Paine Field Airport.

Discretely Presented Component Units:

The County's financial statements include financial information of the Pilchuck Development Corporation (PDC) and the Snohomish County Public Facilities District (PFD). These component units are described in the notes to the financial statements. The component units are separate legal entities that may buy, sell, lease, and mortgage property in their own name and can sue or be sued in their own name.

Reporting the County's Most Significant Funds

Fund Financial Statements:

The fund financial statements provide detailed information about the most significant funds. Some funds are required to be established by state law or by bond covenants. The County Council establishes funds to help it control and manage money for particular purposes (an example would be the Snohomish County

Road Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other funding sources (an example would be grants received from the federal government for various services provided by the Human Services Department). The County's governmental and proprietary funds use different accounting methods, which are described in the following sections.

Governmental funds:

Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information assists in determining if fewer financial resources can be spent in the near future to finance the County's programs. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Reconciliation Statements are provided to describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds. The County's major governmental funds are the General Fund, the Special Revenue Fund, the County Road Fund, the Human Services Fund and the Capital Projects Fund. Individual fund data for each of the non-major funds is provided in the form of combining statements in the supplemental schedules section.

Proprietary funds:

Proprietary funds are generally used to account for services for which the County charges customers a fee. Proprietary funds are reported using the accrual method of accounting, which is the same method used for reporting the Statement of Net Position and the Statement of Activities. The proprietary fund statements provide additional types of information as compared to the governmental fund statements, such as cash flow information.

Reporting the County's Fiduciary Responsibilities:

The County is the trustee, or fiduciary, for several entities such as fire districts. All of the County's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and, for the external investment pool, a Statement of Changes in Fiduciary Net Position. These activities are excluded from the County's other financial statements because the County cannot use the assets to finance its operations.

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.

Other Information – Combining Statements

The combining statements, which provide detail information for non-major governmental funds, internal service funds, component units, and agency funds, are presented in the supplemental schedules section.

FINANCIAL ANALYSIS

As noted earlier, the County's net assets, when reviewed over time, may serve as a useful indicator of the County's financial position. The following schedule provides a summary of the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the County.

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2014	2013 [a]	2014	2013 [a]	2014	2013 [a]
Assets						
Current	$ 357,593,007	$ 389,715,049	$ 66,373,527	$ 61,953,521	$ 423,966,534	$ 451,668,570
Noncurrent	20,877,093	18,832,518	-	-	20,877,093	18,832,518
Capital Assets	1,107,302,420	1,049,887,854	287,803,943	290,156,112	1,395,106,363	1,340,043,966
Total Assets	1,485,772,520	1,458,435,421	354,177,470	352,109,633	1,839,949,990	1,810,545,054
Deferred Outflow of Resources	5,904,805	6,464,194	820,066	935,130	6,724,871	7,399,324
Liabilities						
Current Liabilities	88,183,699	90,340,998	19,827,872	21,092,766	108,011,571	111,433,764
Noncurrent Liabilities	375,437,780	390,995,631	108,845,316	122,157,729	484,283,096	513,153,360
Total Liabilities	463,621,479	481,336,629	128,673,188	143,250,495	592,294,667	624,587,124
Deferred Inflow of Resources	3,076,085	3,516,492	38,611	43,437	3,114,696	3,559,929
Net Position						
Net Investment in Capital Assets	885,863,850	829,507,434	182,709,274	180,545,578	1,068,573,124	1,010,053,012
Restricted	222,088,115	238,184,591	1,311,850	1,568,590	223,399,965	239,753,181
Unrestricted	(82,972,204)	(87,645,531)	42,264,613	27,636,663	(40,707,591)	(60,008,868)
Total Net Position	$ 1,024,979,761	$ 980,046,494	$ 226,285,737	$ 209,750,831	$ 1,251,265,498	$ 1,189,797,325

a) 2013 Governmental Activities have been restated to reflect addition of the Snohomish County Law Library fund that was previously reported as an Agency Fund. See Note 8 Adjustments to Equity for additional information.

Snohomish County's overall financial position improved for 2014. For the year ended December 31, 2014, net position changed as follows:

Total Net Position of the County increased by $61.5 million or 5% from the prior year. Governmental Activities' Total Net Position increased by $45 million or 5% from the prior year. The increase was primarily due to increases in revenues derived from property taxes, operating grants and contributions, sales taxes and real estate excise taxes. Although those revenue sources increased, they did not keep pace with the rate of expenditure increases in several of the functional categories. Business-Type Activities' Total Net Position increased by $16.5 million or 8% from the prior year. The increase was primarily due to increases in charges for services and operating grants and contributions.

Total assets plus deferred outflows of resources of the County exceeded total liabilities plus deferred inflows of resources by $1.3 billion (net position). The increase in net position in 2014 reflects the County's ability, on an annual basis, to meet its current obligations in those activities including debt service requirements. The unrestricted net position for governmental activities was ($83) million and for business-type activities was $42 million. A factor in the balance of unrestricted net position is long-term

commitments that are greater than currently available resources. Specifically, the County's governmental activities include general obligation debt for which no corresponding capital assets are currently recorded but for which future revenues are obligated. Governmental activities restricted net position was $222.1 million. The restricted net position of business-type activities was $1.3 million. Amounts reported in restricted net position are subject to external legal or contractual restrictions, such as those imposed by the Revised Code of Washington or by contractual agreements with parties outside the County.

The County's total assets were $1.8 billion as of December 31, 2014. Capital assets represent $1.4 billion of this amount. As required by GASB Statement No. 34, the County reports its infrastructure assets as a component of total capital assets; infrastructure assets amounted to $605 million, net of depreciation, at December 31, 2014. The County's current assets consist of $339.2 million of cash and investments, $82.7 million of receivables, net of allowance for uncollectible accounts, and miscellaneous other current assets of $2.1 million. Total non-current assets include $7 million for the County's equity interest in the Snohomish Emergency Radio System joint venture and $13.9 million for notes/contracts receivable.

The largest portion of the County's net position, $1.1 billion, or 85.4%, reflects its investment in capital assets (e.g., land and improvements, buildings and building improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets for operations and to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

At December 31, 2014, the County had total outstanding liabilities of $592.3 million. General obligation bonds and other long-term loans payable were $452.2 million, of which $22.7 million was due within one year. Other current liabilities consist of accounts payable of $21.3 million, due to other governments in the amount of $14.7 million, unearned revenues of $25.9 million, accrued liabilities of $13.4 million and current portion of landfill closure costs of $388.5 thousand. A liability of $13.5 million is recorded for general liability and workers' compensation claims, of which $3.7 million was due within one year. Other significant non-current liabilities include compensated absences of $20 million, other post-employment benefits of $4.7 million and future landfill closure costs of $3 million.

The following schedule provides a summary of the changes in net position:

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2014	2013 [a]	2014	2013 [a]	2014	2013 [a]
Revenues						
Program Revenues						
Charges for Services	$ 101,161,507	$ 101,301,076	$ 100,936,950	$ 88,625,051	$ 202,098,457	$ 189,926,127
Operating Grants and Contributions	71,660,169	62,275,495	8,600,020	2,247,978	80,260,189	64,523,473
Capital Grants and Contributions	84,714,098	94,449,750	4,655,515	11,619,988	89,369,613	106,069,738
Total Program Revenues	257,535,774	258,026,321	114,192,485	102,493,017	371,728,259	360,519,338
General Revenues						
Property Taxes	141,207,602	133,188,342	-	-	141,207,602	133,188,342
Sales/Use Taxes	60,863,484	57,110,374	-	-	60,863,484	57,110,374
Real Estate Excise Tax	13,112,059	11,959,344	-	-	13,112,059	11,959,344
Business and Other Taxes	14,829,349	14,830,188	-	-	14,829,349	14,830,188
Intergovernmental Revenues	8,043,279	14,051,907	-	-	8,043,279	14,051,907
Interest and Investment Earnings	8,441,024	8,444,502	227,990	296,818	8,669,014	8,741,320
Miscellaneous Revenues	96,671	189,050	194,934	1,445,328	291,605	1,634,378
Total General Revenues	246,593,468	239,773,707	422,924	1,742,146	247,016,392	241,515,853
Total Revenues	504,129,242	497,800,028	114,615,409	104,235,163	618,744,651	602,035,191
Expenses						
General Government	64,632,409	55,307,790	-	-	64,632,409	55,307,790
Judicial	35,749,154	34,443,731	-	-	35,749,154	34,443,731
Public Safety	150,837,794	131,369,498	-	-	150,837,794	131,369,498
Physical Environment	8,133,255	852,604	-	-	8,133,255	852,604
Transportation	80,326,747	73,688,939	-	-	80,326,747	73,688,939
Health and Human Services	61,790,410	61,530,041	-	-	61,790,410	61,530,041
Economic Environment	22,931,238	19,131,295	-	-	22,931,238	19,131,295
Culture and Recreation	18,137,794	17,853,084	-	-	18,137,794	17,853,084
Interest on Long-Term Debt	13,763,202	17,025,812	-	-	13,763,202	17,025,812
Airport	-	-	21,962,701	22,983,754	21,962,701	22,983,754
Solid Waste	-	-	59,761,747	47,686,132	59,761,747	47,686,132
Surface Water	-	-	19,250,027	17,811,418	19,250,027	17,811,418
Total Expenses	456,302,003	411,202,794	100,974,475	88,481,304	557,276,478	499,684,098
Excess (Deficiency) Before Transfers	47,827,239	86,597,234	13,640,934	15,753,859	61,468,173	102,351,093
Transfers In (Out)	(2,893,972)	(1,485,311)	2,893,972	1,485,311	-	-
Change in Net Position	44,933,267	85,111,923	16,534,906	17,239,170	61,468,173	102,351,093
Net Position, Beginning of Year	$ 980,046,494	$ 894,934,571	$ 209,750,831	$ 192,511,661	$ 1,189,797,325	$ 1,087,446,232
Net Position, End of Year	$ 1,024,979,761	$ 980,046,494	$ 226,285,737	$ 209,750,831	$ 1,251,265,498	$ 1,189,797,325

a) 2013 Governmental Activities have been restated to reflect addition of the Snohomish County Law Library fund that was previously reported as an Agency Fund. See Note 8 Adjustments to Equity for additional information.

The Total Change in Net Position was an increase of 5% or $61.5 million from the prior year. Of that total, Governmental Activities most significant revenue increase was reported in property taxes. Governmental Activities' expense increased from the prior year by 11%, resulting in an Excess Before Transfers of $47.8 million. In total, governmental activities net position increased $44.9 million or 5% from the prior year. Business-type Activities' net position increased $16.5 million or 8% from the prior

year primarily due to increases in the Solid Waste fund's intergovernmental revenues, charges for services and a change in accounting estimate for post closure costs.

Total 2014 revenues for the County were $618.7 million. Of the total County revenues, governmental activities provided 81.5%, or $504.1 million, while business-type activities provided 18.5%, or $114.6 million.

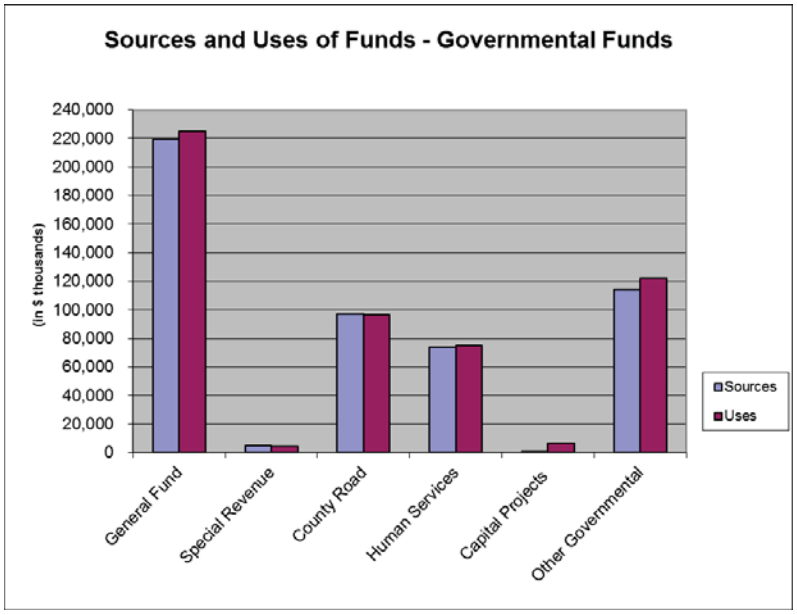
The majority of revenues for governmental activities were derived from property taxes, charges for services, capital grants and contributions, operating grants and contributions, and sales/use taxes. Together those revenue sources accounted for 91% of total governmental activity revenues. Property taxes provided 28% or $141.2 million, charges for services provided 20% or $101 million, capital grants and contributions provided 17% or $84.7 million, operating grants and contributions provided 14% or $71.7 million, and sales/use taxes provided 12% or $60.9 million of total governmental activity revenues. Most of the governmental activities' resources were spent for Public Safety, 33%, Transportation, 18%, Health and Human Services, 14%, General Government, 14%, and Judicial, 8%. Interest on long-term debt and amortization of debt related items totaled $13.8 million, which was 3% of governmental activities expenses for 2014.

Revenues for business-type activities consisted primarily of charges for services of $101 million, which were 88% of total business-type activities revenues. Operating expenses for Solid Waste Management represented 59% of total expenses for business-type activities, Airport expenses were at 22% and Surface Water Management expenses were at 19%.

FUND FINANCIAL INFORMATION

Governmental Funds

The General Fund, Special Revenue Fund, County Road Fund, Human Services Fund and Capital Projects Fund are the County's 2014 major funds. These funds account for 67.9% of total governmental fund assets and 64.7% of total governmental fund balances. Governmental funds' total assets amounted to $312.6 million and total liabilities were $60.4 million. The governmental funds' uses of funds exceeded the sources of funds, resulting in a net decrease in fund balance of $20.4 million. This was largely due to expenditures of over $16.6 million for response to the Highway 530 slide incident (offset by FEMA grant proceeds of $9.1 million), $11.6 million increase of conservation futures expenditures for purchase of park lands and use of bond proceeds for various capital projects. The total fund balance for all governmental funds at December 31, 2014 was $246.8 million.



General Fund

The County's General Fund is the primary operating fund of the County and is used to account for all financial resources other than the resources that are required to be accounted for separately. As of December 31, 2014, total assets were $28.6 million, total liabilities were $9.2 million and deferred inflows of resources were $4.2 million. The ending fund balance of $15.3 million represents approximately 6.8% of the 2015 budgeted uses of funds for the 2015 fiscal year.

The net change in fund balance for the general fund in 2014 was a decrease of $5.9 million or 27.7%. Detail revenues increased $5.3 million and detail expenditures increased $8.8 million. The revenue increase was primarily due to increased tax revenues. The most significant increases in general fund expenditures were (1) in Public Safety primarily for expenditures related to the County's response to the Highway 530 slide incident, and (2) in transfers out that were increased $2.5 million from the original budget in response to the Highway 530 slide incident.

Significant General Fund Balance Sheet Changes:

Description	2014	2013	$ Change	% Change
Total Assets	$ 28,635,450	$ 33,608,685	$ (4,973,235)	(14.8%)
Total Liabilities	$ 9,176,414	$ 6,371,990	$ 2,804,424	44%
Fund Balance	$ 15,308,706	$ 21,174,874	$ (5,866,168)	(27.7%)

Significant General Fund Revenue Increases:

Description	2014	2013	$ Change	% Change
Property Tax	$ 81,244,482	$ 74,240,843	$ 7,003,639	9.4%
Sales/Use Tax	$ 48,021,289	$ 45,024,350	$ 2,996,939	6.7%

Significant General Fund Expenditure Increases:

Description	2014	2013	$ Change	% Change
Public Safety	$ 115,793,330	$ 110,325,219	$ 5,468,111	5%
Transfers Out	$ 11,778,404	$ 8,281,919	$ 3,496,485	42%

The Special Revenue Fund

The Special Revenue Fund accounts for various revenues that are restricted for specific purposes and are either small in amount or are for projects that have a limited life. The single largest source of project assets currently reported in the Special Revenue Fund is Brightwater Mitigation fees received from King County in prior years. Brightwater assets, which consist primarily of cash and investments, total $17.2 million and account for 77.2% of the fund's total assets. Current unearned revenues related to Brightwater mitigation fees amount to $10.4 million and account for 98% of the fund's total liabilities. During 2014, $3 million of the prior year's $13.4 million unearned revenue balance was obligated and expended for allowable parks, roads and surface water management projects. The fund reported insignificant revenue and expense for other projects.

The County Road Fund

The County Road Fund accounts for the construction, maintenance and inspection of county streets, roads, and bridges and other countywide public works projects. The fund reported total assets of $40.4 million, total liabilities of $2.8 million and an ending fund balance of $36.7 million, an increase of $283 thousand or .8% from the prior year. Detail revenues increased by 1.6% or $1.4 million and expenditures increased by 4.7% or $4 million during 2014.

Significant Road Fund Balance Sheet Changes:

Description	2014	2013	$ Change	% Change
Total Assets	$ 40,407,023	$ 42,155,993	$ (1,748,970)	(4.2%)
Total Liabilities	$ 2,774,541	$ 3,926,046	$ (1,151,505)	(29.3%)
Fund Balance	$ 36,732,750	$ 36,449,297	$ 283,453	.8%

The most significant change in total assets resulted from a decrease of $1.5 million in cash and investment balances due to the utilization of bond proceeds on construction projects.

Significant Road Fund Revenue Changes:

Description	2014	2013	$ Change	% Change
Charges for Services	$ 10,729,724	$ 7,973,492	$ 2,756,232	34.6%
Intergovernmental Revenues	$ 22,472,274	$ 25,214,990	$ (2,742,716)	(10.9%)

Revenue increases were the result of several small variations from the prior year. The most significant changes were (1) increased charges for services due to a 2013 delay of reimbursable overlay projects for local cities that resulted in completion of the equivalent of two years of projects during 2014, and (2) an overall decrease in grant revenues.

Significant Road Fund Expenditure Increases:

Description	2014	2013	$ Change	% Change
General Government	$ 8,334,872	$ 5,654,985	$ 2,679,887	47.4%
Public Safety	$ 2,175,812	-0-	$ 2,175,812	100%
Transportation	$ 77,519,814	$ 78,324,911	$ (805,097)	(1.1%)

Significant expenditure increases were the result of increased reimbursable activities, response to the Highway 530 slide incident, and increased transportation projects such as bridge replacements and road improvements.

The Human Services Fund

The Human Services Fund accounts for the administration, planning, development and provision of the following services: energy assistance; long term care and aging; developmental disabilities; mental health; alcohol and other drug treatments; community services; children and youth; veteran's relief; and other human services in Snohomish County. Total assets for this fund were $48 million and total liabilities were $23.8 million with ending fund balance of $24.2 million, a decrease of $1.3 million, or 5.2% from the prior year.

Significant Human Services Fund Balance Sheet Changes:

Description	2014	2013	$ Change	% Change
Total Assets	$ 48,040,356	$ 48,930,891	$ (890,535)	(1.8%)
Total Liabilities	$ 23,783,163	$ 23,323,228	$ 459,935	2%
Fund Balance	$ 24,237,709	$ 25,569,728	$ (1,332,019)	(5.2%)

Changes in total assets resulted from decreased cash and equivalents in the amount of $1.5 million or 6.1%, decreased grant receivables offset by an increase of $1.5 million in HUD housing loans receivable.

Significant Human Services Fund Revenue Increases:

Description	2014	2013	$ Change	% Change
Sales/Use Tax	$ 12,492,195	$ 11,736,024	$ 756,171	6.5%
Charges for Services	$ 16,269,597	$ 14,958,354	$ 1,311,243	8.8%

Significant changes in total detail revenues resulted from increases in mental health sales tax and various mental health charges for services.

Significant Human Services Fund Expenditure Increases:

Description	2014	2013	$ Change	% Change
Public Safety	$ 1,850,733	$ 433,933	$ 1,416,800	326.5%
Economic Environment	$ 7,305,741	$ 4,966,921	$ 2,338,820	47.1%

Significant increases in Public Safety expenditures resulted primarily from (1) the County response to the Highway 530 slide incident in an amount of $458 thousand and (2) increased Corrections expenditures that were eligible for mental health sales tax funding in the amount of $1 million. Significant increases in Economic Environment expenditures resulted primarily from a $2.1 million increase in County's Home Investment Partnership program expenditures.

The Capital Projects Fund

The Capital Projects Fund accounts for major building construction projects throughout the County. It does not include construction projects related to proprietary fund programs. The current major project, still in the design phase, is a new courthouse. The funding source is primarily bond proceeds received in 2013. During 2014, assets and fund balance both decreased and expenditures increased all due to expenditures related to the new courthouse. Other revenue and expenditure classifications reported insignificant changes for the year.

Other Governmental Funds

The County has 24 other special revenue funds, three debt service funds and four other capital projects funds. These funds reported total assets of $100.5 million, total liabilities of $13.1 million and fund balances of $87 million. $72 million of the ending fund balance was restricted and $15 million was committed.

Proprietary Funds

The County reported three major enterprise funds that represent the business-type activities in the government-wide financial statements. Eight internal service funds account for the operation of services provided to the different departments of the County. The principal users of internal service fund services are the County's governmental activities; therefore, the internal service funds are consolidated into the governmental column in the Government-wide Financial Statements.

Net Position - Proprietary Funds

	Solid Waste		Airport		Surface Water		Total Enterprise Funds		Internal Service Funds	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Assets										
Current Assets	$ 33,032,168	$ 31,424,402	$ 10,313,943	$ 13,584,173	$ 23,027,416	$ 20,944,946	$ 66,373,527	$ 65,953,521	$ 47,597,484	$ 48,249,146
Capital Assets	63,129,274	65,148,569	174,839,872	176,550,693	49,834,797	48,456,850	287,803,943	290,156,112	37,745,227	38,093,471
Total Assets	96,161,442	96,572,971	185,153,815	190,134,866	72,862,213	69,401,796	354,177,470	356,109,633	85,342,711	86,342,617
Deferred Outflow of Resources	-	-	384,938	437,840	435,128	497,290	820,066	935,130	11,288	15,051
Liabilities										
Current Liabilities	6,657,262	6,489,759	8,733,313	14,452,235	4,437,297	4,150,772	19,827,872	25,092,766	15,615,988	14,070,082
Noncurrent Liabilities	29,577,627	38,143,090	71,185,229	74,739,227	8,082,460	9,275,412	108,845,316	122,157,729	20,700,305	19,414,934
Total Liabilities	36,234,889	44,632,849	79,918,542	89,191,462	12,519,757	13,426,184	128,673,188	147,250,495	36,316,293	33,485,016
Deferred Inflow of Resources	38,611	43,437	-	-	-	-	38,611	43,437	-	-
Net Position										
Net Investment in Capital Assets	36,564,335	36,067,667	103,903,434	104,552,889	42,241,505	39,925,022	182,709,274	180,545,578	33,062,178	33,040,104
Restricted	-	-	-	-	1,311,850	1,568,590	1,311,850	1,568,590	10,372,714	9,138,515
Unrestricted	23,323,607	15,829,018	1,716,777	(3,171,645)	17,224,229	14,979,290	42,264,613	27,636,663	5,602,814	10,694,033
Total Net Position	$ 59,887,942	$ 51,896,685	$ 105,620,211	$ 101,381,244	$ 60,777,584	$ 56,472,902	$ 226,285,737	$ 209,750,831	$ 49,037,706	$ 52,872,652

Changes in Net Position – Proprietary Funds

	Solid Waste		Airport		Surface Water		Total Enterprise Funds		Internal Service Funds	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Operating Income (Loss)	$ (4,906,806)	$ 1,806,945	$ 3,611,137	$ 3,850,579	$ (1,129,365)	$ (58,256)	$ (2,425,034)	$ 5,599,268	$ (680,134)	$ 5,512,759
Non-Operating Revenues (Expenses)	12,898,063	486,468	(2,103,736)	(1,594,957)	616,127	(356,909)	11,410,454	(1,465,398)	(95,524)	670,151
Contributions and Transfers	-	-	2,731,566	9,358,253	4,817,920	3,747,047	7,549,486	13,105,300	(3,059,288)	(775,337)
Changes in Net Position	$ 7,991,257	$ 2,293,413	$ 4,238,967	$ 11,613,875	$ 4,304,682	$ 3,331,882	$ 16,534,906	$ 17,239,170	$ (3,834,946)	$ 5,407,573

Statement of Cash Flow – Proprietary Funds

	Solid Waste		Airport		Surface Water		Total Enterprise Funds		Internal Service Funds	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Cash Flow from Operating Activities	$ (1,598,195)	$ 4,454,213	$ 7,787,783	$ 13,205,170	$ 967,198	$ 2,422,000	$ 7,156,786	$ 20,081,383	$ 6,674,358	$ 11,050,198
Cash Flow from Capital and Related Financing Activities	(4,784,881)	(3,469,180)	(8,667,066)	(39,493,751)	(2,480,344)	(7,583,444)	(15,932,291)	(50,546,375)	(5,041,249)	(3,417,582)
Cash Flow from Non-Capital Financing Activities	574,457	1,293,324	1,420,580	1,487,799	3,191,493	2,252,336	5,186,530	5,033,459	(2,967,442)	(195,357)
Cash Flow from Investing Activities	(1,916,205)	988,957	(7,458,402)	4,049,111	(6,508,223)	(3,923,122)	(15,882,830)	1,114,946	(18,412,657)	112,800
Net Increase (Decrease) in Cash and Cash Equivalents	$ (7,724,824)	$ 3,267,314	$ (6,917,105)	$ (20,751,671)	$ (4,829,876)	$ (6,832,230)	$ (19,471,805)	$ (24,316,587)	$ (19,746,990)	$ 7,550,059
Cash and Cash Equivalents, January 1	18,104,877	14,837,563	12,221,421	32,973,092	13,200,587	20,032,817	43,526,885	67,843,472	46,252,894	38,702,835
Cash and Cash Equivalents, December 31	$ 10,380,053	$ 18,104,877	$ 5,304,316	$ 12,221,421	$ 8,370,711	$ 13,200,587	$ 24,055,080	$ 43,526,885	$ 26,505,904	$ 46,252,894
Non-Cash Investing, Capital and Related Financing Activities	$ -	$ -	$ -	$ -		$ 29,720	$ -	$ 29,720	$ 115,960	$ 298,297

Solid Waste Management Fund

This fund is used to account for solid waste disposal operations, capital improvements and debt service. Restricted investments in the amount of $3.4 million represent funds set aside to finance long-term landfill post-closure care costs. Total assets as of December 31, 2014 were $96.2 million, total liabilities were $36.2 million, and net position was $59.9 million. Net Position increased $8 million or 15% from the prior year primarily due to increased charges for services revenue of 12% or $5.7 million. The largest increase in operating expense was for contractual services, which were 45% or $11.5 million more than the prior year due primarily to the County's response to the Highway 530 slide incident. The response also resulted in an operating loss of $4.9 million, a decrease of $6.7 million as compared to last year's operating income. Change in Net Position was $8 million largely due to a $6 million reduction in an accounting estimate for post closure costs.

Airport Fund

This fund is used to account for the operation, capital improvements and debt service of Paine Field, Snohomish County's Airport. Total assets were $185.2 million, total liabilities were $79.9 million, and net position was $105.6 million. Operating income was $3.6 million, a decrease of $239,442 as compared to the prior year. Decrease in charges for services was 14.5% or $1 million less than the prior year. Total operating expenses in various classifications decreased .5% or $88,638 in the current year as compared to the prior year.

Surface Water Management Fund

This fund accounts for the operations of the Surface Water Management Division. The purpose of this division is to protect and enhance water quality and aquatic habitats, and to minimize damage from flooding and erosion. Total assets as of December 31, 2014 were $72.9 million, total liabilities were $12.5 million, and net position was $60.8 million. Surface Water's 2014 operating loss of $1.1 million was an increase of $1 million from last year's operating loss. The 2014 decrease in operating income was largely due to relatively flat assessment fees offset by increased contractual service expenditures of 21% or $692,879 primarily for various infrastructure projects and increased intergovernmental payment expenses of 12% or $566,185 for various infrastructure projects.

Internal Service Funds

The County's internal service funds are used to provide fleet management, information services, risk management, road surface materials (pits and quarries), employee benefits, facility services, employee training and security services. Total assets as of December 31, 2014 were $85.3 million, total liabilities were $36.3 million and net position was $49 million. Internal service funds' operating loss of $680 thousand was a decrease of 112% or $6.2 million from the prior year's operating income. The decrease in total internal service funds operating income was primarily the result of increased expenses for contractual services of 13% or $7.7 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

The 2014 General Fund budget was crafted with the anticipation that departments would continue to manage tightly within their budgets and achieve a level of vacancy savings. The General Fund's fund balance decreased as a result of lower than anticipated revenue during 2014 predominately in the law and justice arena. This coupled with the Highway 530 slide incident resulted in a reduction of fund balance in 2014.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The following schedule provides a summary of the County's capital assets activity. Snohomish County's total investment in capital assets, including construction in progress and intangibles, amounts to $1.4 billion. Infrastructure assets, net of accumulated depreciation, represent $604.6 million of capital assets. More detailed information on the County's capital assets can be found in this report in Note 3D.

	Capital Assets					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Capital Assets						
Land	$ 246,966,640	$ 227,204,512	$ 43,604,368	$ 43,205,629	$ 290,571,008	$ 270,410,141
Building and Structures, Net	171,151,398	176,869,299	104,822,495	107,086,980	275,973,893	283,956,279
Other Improvements, Net	62,180,000	64,464,529	50,610,697	53,955,865	112,790,697	118,420,394
Machinery and Equipment, Net	40,367,681	41,292,421	5,019,883	2,969,144	45,387,564	44,261,565
Infrastructure Assets, Net	529,775,703	494,110,284	74,783,805	73,815,025	604,559,508	567,925,309
Construction in Progress	43,525,330	31,918,651	7,773,392	7,759,932	51,298,722	39,678,583
Intangibles, Net	13,335,668	14,028,158	1,189,302	1,363,537	14,524,970	15,391,695
Total Capital Assets	$ 1,107,302,420	$ 1,049,887,854	$ 287,803,942	$ 290,156,112	$ 1,395,106,362	$ 1,340,043,966

Governmental Activities - Capital Assets

Governmental Activities reported an overall increase of $57.4 million, or 5.5%, in capital assets primarily due to design costs of a new courthouse, land purchased/donated for parks and right of way projects, and infrastructure improvements.

Business-Type Activities - Capital Assets

Business-type activities reported an overall decrease in capital assets of $2.4 million, or .8%, primarily due to depreciation expense exceeding capital investments for the year.

Governmental Activities – Debt

No new general obligation debt was issued during 2014. Principal payments made during 2014 for governmental activities' debt totaled $16.1 million, which included $15 million for general obligation bond debt, $130 thousand for special assessment debt and $923 thousand for loans. Interest expense for 2014 was $14.4 million.

See Note 3F to the financial statements for additional information on long-term debt.

Business-Type Activities – Debt

No new general obligation debt was issued during 2014. Total principal payments made during 2014 for business-type activities were $7.1 million, of which $5.9 million was used for general obligation bond debt and $1.2 million was used to re-pay loans. Interest expense for 2014 was $3.8 million.

See Note 3F to the financial statements for additional information on long-term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

National and local data suggest that economic conditions in 2015 continue to be positive, but growth in Snohomish County is expected to be less dynamic than the pace seen in previous years. In its advance estimate of real gross domestic product (GDP), the U.S. Bureau of Economic Analysis showed that GDP increased at an annual rate of 2.6 percent in the fourth quarter of 2014, reflecting positive contributions from personal expenditures, exports, investments, and state and local government spending. Consistent with the data at the national level, the Washington economy has continued to grow. In December 2014, the state's unemployment rate was 6.3 percent, compared to 6.7 percent in December of the prior year. Locally, Snohomish County's employment rate was better than the state, estimated to be 4.5 percent. At the close of 2014, Snohomish County was one of only two counties in the state with an unemployment rate below 5 percent. Compared to a year ago, there are fewer aerospace manufacturing jobs in Snohomish County. However, the decline is offset by other sectors reporting increased employment, including trade, retail, and the federal government.

The preliminary look at 2015 to date and the 2016 budget, anticipates some of the 2014 revenue shortfalls in the law and justice arena will continue. This coupled with a slow economic recovery and continued expense pressures will make for a challenging 2016 budget process.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT TEAM

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, at the following address: Snohomish County, 3000 Rockefeller, M/S 610, Everett, WA 98201 or by calling 425-388-3401 or by visiting our website: http://snohomishcountywa.gov/.

Snohomish County Washington

Snohomish County, WA
Statement of Net Position
December 31, 2014

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and Equivalents	$ 111,786,905	$ 22,503,316	$ 134,290,221	$ -
Cash and Equivalents, Restricted	77,385,716	1,551,766	78,937,482	616,246
Investments	86,059,499	22,523,291	108,582,790	-
Investments, Restricted	13,996,250	3,366,266	17,362,516	-
Taxes Receivables	4,278,161	-	4,278,161	-
Other Receivables, Net	16,007,837	5,131,470	21,139,307	-
Interest Receivable	9,616,969	85,123	9,702,092	-
Due from Other Governments	36,337,923	11,212,295	47,550,218	-
Inventories	2,123,747	-	2,123,747	-
Total Current Assets	357,593,007	66,373,527	423,966,534	616,246
Non-Current Assets				
Notes/Contracts Receivable	13,873,097	-	13,873,097	-
Investment in Joint Venture	7,003,996	-	7,003,996	-
Land	246,966,640	43,604,368	290,571,008	-
Buildings and Structures, Net	171,151,398	104,822,496	275,973,894	-
Other Improvements, Net	62,180,000	50,610,697	112,790,697	-
Machinery and Equipment, Net	40,367,681	5,019,883	45,387,564	-
Infrastructure Assets, Net	529,775,703	74,783,805	604,559,508	-
Construction in Progress	43,525,330	7,773,392	51,298,722	-
Intangible Assets, Net	13,335,668	1,189,302	14,524,970	-
Total Non-Current Assets	1,128,179,513	287,803,943	1,415,983,456	-
Total Assets	1,485,772,520	354,177,470	1,839,949,990	616,246
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Refunding	5,904,805	820,066	6,724,871	-
Total Deferred Outflows of Resources	5,904,805	820,066	6,724,871	-
LIABILITIES				
Current Liabilities				
Accounts Payable	14,929,868	6,389,176	21,319,044	13,487
Payable from Restricted Assets	-	179,626	179,626	-
Claims and Judgments Payable	3,664,474	-	3,664,474	-
Due to Other Governments	14,691,740	-	14,691,740	-
Accrued Liabilities	10,072,594	3,318,193	13,390,787	-
Unearned Revenue	23,753,717	2,151,602	25,905,319	-
Employee Benefits Payable	4,483,139	17,121	4,500,260	-
Bonds, Notes and Loans Payable	16,588,167	7,383,655	23,971,822	-
Landfill Closure Costs	-	388,499	388,499	-
Total Current Liabilities	88,183,699	19,827,872	108,011,571	13,487

The notes to the financial statements are an integral part of this statement.

Snohomish County Washington

Snohomish County, WA
Statement of Net Position
December 31, 2014

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Non-Current Liabilities				
Employee Benefits Payable	22,764,145	1,694,972	24,459,117	-
Special Assessment Debt w/ Govt Commitment	135,000	-	135,000	-
Bonds, Notes and Loans Payable	342,750,050	104,172,577	446,922,627	-
Claims and Judgments Payable	9,788,585	-	9,788,585	-
Landfill Closure Costs	-	2,977,767	2,977,767	-
Total Non-Current Liabilities	375,437,780	108,845,316	484,283,096	-
Total Liabilities	463,621,479	128,673,188	592,294,667	13,487
DEFERRED INFLOWS OF RESOURCES				
Deferred Service Concession Arrangement Receipts	2,595,044	-	2,595,044	-
Grants Received in Advance	481,041	-	481,041	-
Deferred Gain on Refunding	-	38,611	38,611	-
Total Deferred Inflows of Resources	3,076,085	38,611	3,114,696	-
NET POSITION				
Net Investment in Capital Assets	885,863,850	182,709,274	1,068,573,124	-
Restricted for:				
General Government	11,126,486	-	11,126,486	-
Judicial	1,340,462	-	1,340,462	-
Public Safety	7,224,909	-	7,224,909	-
Physical Environment	16,428,216	1,311,850	17,740,066	-
Transportation	45,812,946	-	45,812,946	-
Health and Human Services	24,237,709	-	24,237,709	-
Economic Environment	11,188,507	-	11,188,507	488,061
Culture and Recreation	4,068,263	-	4,068,263	114,698
Capital Purposes	100,396,917	-	100,396,917	-
Debt Service	263,700	-	263,700	-
Total Restricted Net Position	222,088,115	1,311,850	223,399,965	602,759
Unrestricted	(82,972,204)	42,264,613	(40,707,591)	-
Total Net Position	**$ 1,024,979,761**	**$ 226,285,737**	**$ 1,251,265,498**	**$ 602,759**

The notes to the financial statements are an integral part of this statement.

Snohomish County Washington

SNOHOMISH COUNTY
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2014

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position – Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units
Governmental activities:									
General Government	$ 69,093,664	$ (4,461,255)	$ 22,872,614	$ 5,213,143	$ -	$ (36,546,652)	$ -	$ (36,546,652)	$ -
Judicial	35,639,585	109,569	11,326,801	1,996,891	-	(22,425,462)	-	(22,425,462)	-
Public Safety	150,671,350	166,444	24,972,248	20,617,628	-	(105,247,918)	-	(105,247,918)	-
Physical Environment	8,110,778	22,477	15,108	32,347	-	(8,085,800)	-	(8,085,800)	-
Transportation	79,057,626	1,269,121	5,236,980	1,278,440	83,998,617	10,187,290	-	10,187,290	-
Health and Human Services	60,944,596	845,814	15,597,943	35,190,425	-	(11,002,042)	-	(11,002,042)	-
Economic Environment	22,796,840	134,398	12,079,317	6,858,331	-	(3,993,590)	-	(3,993,590)	-
Culture and Recreation	18,063,141	74,653	9,060,496	472,964	715,481	(7,888,853)	-	(7,888,853)	-
Interest on Long-Term Debt	13,763,202	-	-	-	-	(13,763,202)	-	(13,763,202)	-
Total governmental activities	458,140,782	(1,838,779)	101,161,507	71,660,169	84,714,098	(198,766,229)	-	(198,766,229)	-
Business-type activities:									
Airport	21,451,895	510,806	23,022,355	407,402	2,408,572	-	3,875,628	3,875,628	-
Solid Waste Management	59,008,781	752,966	60,211,208	7,291,518	-	-	7,740,979	7,740,979	-
Surface Water Management	18,675,020	575,007	17,703,387	901,100	2,246,943	-	1,601,403	1,601,403	-
Total business-type activities	99,135,696	1,838,779	100,936,950	8,600,020	4,655,515	-	13,218,010	13,218,010	-
Total primary government	557,276,478	-	202,098,457	80,260,189	89,369,613	(198,766,229)	13,218,010	(185,548,219)	-
Component units:									
Component Units	2,036,582	-	-	-	-	-	-	-	(2,036,582)
Total component units	2,036,582	-	-	-	-	-	-	-	(2,036,582)
			General revenues:						
			Property taxes			141,207,602	-	141,207,602	-
			Sales/Use Tax			60,863,484	-	60,863,484	2,227,910
			Real Estate Excise Tax			13,112,059	-	13,112,059	-
			Business and Other Taxes			14,829,349	-	14,829,349	-
			Intergovernmental Revenues			8,043,279	-	8,043,279	-
			Interest and Investment Earnings			8,441,024	227,990	8,669,014	316
			Miscellaneous Revenues			96,671	194,934	291,605	-
			Total General Revenues			246,593,468	422,924	247,016,392	2,228,226
			Transfers			(2,893,972)	2,893,972	-	-
			Total General Revenue and Transfers			243,699,496	3,316,896	247,016,392	2,228,226
			Change in net position			44,933,267	16,534,906	61,468,173	191,644
			Net position - Beginning			980,046,494	209,750,831	1,189,797,325	411,115
			Net position - Ending			$ 1,024,979,761	$ 226,285,737	$ 1,251,265,498	$ 602,759

The notes to the financial statements are an integral part of this statement.

Snohomish County
Washington

Snohomish County, WA
Balance Sheet
Governmental Funds
December 31, 2014

	General Fund	Special Revenue Fund	County Road Fund	Human Services	Capital Projects Fund	Other Governmental Funds	Total
ASSETS							
Cash and Cash Equivalents	$ 5,408,579	$ 9,773,646	$ 15,961,162	$ 11,537,589	$ 3,071,810	$ 39,603,924	$ 85,356,710
Cash and Cash Equivalents, Restricted	-	-	3,637,529	-	51,147,597	22,524,875	77,310,001
Investments	-	9,372,173	13,787,230	11,249,036	-	33,072,010	67,480,449
Investments Restricted	-	-	-	-	13,996,250	-	13,996,250
Taxes Receivable	2,388,661	-	1,735,921	47,252	-	106,327	4,278,161
Other Receivables, Net	7,840,431	2,878	99,894	3,330	-	536,018	8,482,551
Interest Receivable	231,896	21,592	43,835	538,282	139,048	140,264	1,114,917
Due From Other Funds	-	3,000,000	-	-	4,344,392	-	7,344,392
Due From Other Governments	12,765,883	155,351	5,141,452	10,791,770	-	4,501,138	33,355,594
Notes / Contracts Receivable	-	-	-	13,873,097	-	-	13,873,097
Total Assets	$ 28,635,450	$ 22,325,640	$ 40,407,023	$ 48,040,356	$ 72,699,097	$ 100,484,556	$ 312,592,122
LIABILITIES							
Accounts Payable	2,398,670	209,044	1,987,229	5,247,623	299,725	1,812,729	11,955,020
Due To Other Funds	3,000,000	-	-	-	-	4,344,392	7,344,392
Due To Other Governments	25,670	-	-	14,279,755	-	386,317	14,691,742
Accrued Liabilities	3,716,588	8,302	785,662	347,460	4,054	1,510,934	6,373,000
Unearned Revenue	35,486	10,394,078	1,650	3,908,325	630,246	5,072,495	20,042,280
Total Liabilities	9,176,414	10,611,424	2,774,541	23,783,163	934,025	13,126,867	60,406,434
DEFERRED INFLOWS OF RESOURCES							
Service Concession Arrangement Receipts	2,595,044	-	-	-	-	-	2,595,044
Unavailable Revenue-Property Taxes	1,067,009	-	828,941	19,484	-	222,408	2,137,842
Unavailable Revenue	7,236	-	70,791	-	-	109,329	187,356
Grants Received in Advance	481,041	-	-	-	-	-	481,041
Total Deferred Inflows of Resources	4,150,330	-	899,732	19,484	-	331,737	5,401,283
FUND BALANCES							
Restricted	-	11,612,383	32,038,406	24,237,709	71,742,842	72,084,058	211,715,398
Committed	-	101,833	4,694,344	-	22,230	14,941,894	19,760,301
Assigned	3,582,519	-	-	-	-	-	3,582,519
Unassigned	11,726,187	-	-	-	-	-	11,726,187
Total Fund Balance	15,308,706	11,714,216	36,732,750	24,237,709	71,765,072	87,025,952	246,784,405
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 28,635,450	$ 22,325,640	$ 40,407,023	$ 48,040,356	$ 72,699,097	$ 100,484,556	$ 312,592,122

The notes to the financial statements are an integral part of this statement.

Snohomish County Washington

Reconciliation
Governmental Funds Balance
Sheet to the Statement of Net Position
December 31, 2014

Total fund balance as shown on the Governmental Funds Balance Sheet	$ 246,784,405
Amounts reported for governmental activities in the statement of activities are different because:	
Capital Assets used in governmental activities are not financial resources and are therefore not reported in the fund statement. This includes Investment in Joint Venture of $7 million.	1,076,561,188
Long-term debt is not due and payable in the current period and is therefore not reported in the fund statement. This includes the current and non-current portion of the long-term debt and accrued interest payable.	(349,240,342)
Internal service funds are used by the County to charge the costs of certain activities, like insurance and fleet services, to individual funds. The assets, deferred outflow of resources, liabilities, and deferred inflow of resources of these funds are included in governmental activities in the Statement of Net Position.	49,037,706
Full accrual adjustments to the governmental funds, such as to record long term compensated absences payable, to record allowance for doubtful accounts, and to reclassify unearned revenues for property taxes.	1,836,804
Net Position of Governmental Activities as shown on the Statement of Net Position	$ 1,024,979,761

The notes to the financial statements are an integral part of this statement.

Snohomish County
Washington

Snohomish County, WA
Statement of Revenues, Expenditures and Changes In Fund Balances
Governmental Funds
For the Year Ended December 31, 2014

	General Fund	Special Revenue Fund	County Road Fund	Human Services	Capital Projects Fund	Other Governmental Funds	Total
Detailed Revenues							
Property Taxes	$ 81,244,482	$ -	$ 56,482,490	$ 1,702,242	$ -	$ 3,504,467	$ 142,933,681
Sales/Use Taxes	48,021,289	-	-	12,492,195	-	350,000	60,863,484
Real Estate Excise Taxes	-	-	-	-	-	13,112,059	13,112,059
Business and Other Taxes	3,062,606	1,078,548	1,020,027	21,130	-	10,725,585	15,907,896
Licenses and Permits	4,117,809	-	-	-	-	-	4,117,809
Charges for Services	40,458,412	191,977	10,729,724	16,269,597	214,840	23,634,344	91,498,894
Operating Assessments	21,982	-	4,650	-	-	-	26,632
Intergovernmental Revenues	14,367,060	3,163,509	22,472,274	39,969,477	-	19,767,769	99,740,089
Fines and Forfeitures	5,918,778	-	-	69,160	-	906,829	6,894,767
Interest and Investment Earnings	8,075,088	72,873	119,001	84,517	410,626	407,513	9,169,618
Rents, Leases, and Concessions	4,730,488	-	161,942	-	-	5,535,542	10,427,972
Contributions and Donations	6,195	216,165	-	281,292	-	525,612	1,029,264
Miscellaneous Revenues	1,902,753	1,775	452,267	126,389	1,408	300,578	2,785,170
Total Detail Revenues	211,926,942	4,724,847	91,442,375	71,015,999	626,874	78,770,298	458,507,335
Detailed Expenditures							
Current							
General Government	53,882,205	128,278	8,334,872	1,220,890	-	6,596,221	70,162,466
Judicial	27,234,881	101,073	-	2,543,847	6,347,334	662,964	36,890,099
Public Safety	115,793,330	62,755	2,175,812	1,850,733	-	29,753,519	149,636,149
Physical Environment	-	-	-	-	-	12,754,463	12,754,463
Transportation	-	-	77,519,814	-	-	33,197	77,553,011
Health and Human Services	3,258,167	-	-	58,502,337	-	-	61,760,504
Economic Environment	4,024,844	547,477	-	7,305,741	-	11,922,396	23,800,458
Culture and Recreation	9,367,528	136,280	-	1,447,444	-	5,775,180	16,726,432
Debt Service							
Principal Payments	-	-	695,584	-	-	15,002,751	15,698,335
Interest and Other Charges	21,068	-	37,470	-	-	14,193,617	14,252,155
Total Detail Expenditures	213,582,023	975,863	88,763,552	72,870,992	6,347,334	96,694,308	479,234,072
Excess (deficiency) of revenues over (under) expenditures	(1,655,081)	3,748,984	2,678,823	(1,854,993)	(5,720,460)	(17,924,010)	(20,726,737)
Other Financial Sources (Uses)							
Disposition Of Capital Assets	14,297	-	22,024	-	-	52,563	88,884
Transfers In	7,553,020	4,793	5,385,636	2,933,813	-	35,185,851	51,063,113
Transfers Out	(11,778,404)	(3,072,133)	(7,803,030)	(2,410,839)	(260,000)	(25,495,691)	(50,820,097)
Total Other Financial Sources (Uses)	(4,211,087)	(3,067,340)	(2,395,370)	522,974	(260,000)	9,742,723	331,900
Net Change in Fund Balance	(5,866,168)	681,644	283,453	(1,332,019)	(5,980,460)	(8,181,287)	(20,394,837)
Fund Balance - Beginning	21,174,874	11,032,572	36,449,297	25,569,728	77,745,532	95,207,239	267,179,242
Fund Balance - Ending	$ 15,308,706	$11,714,216	$ 36,732,750	$24,237,709	$ 71,765,072	$ 87,025,952	$ 246,784,405

The notes to the financial statements are an integral part of this statement.

Reconciliation
Governmental Funds Statement
Of Revenues, Expenditures, and
Changes in Fund Balances to the
Statement of Activities
For the Year Ended December 31, 2014

Net change in fund balances of Governmental Funds	$ (20,394,837)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and is reported as depreciation expense.	(5,492,067)
Capital contributions, donations, and equity adjustment to the investment in joint venture do not provide current financial resources and therefore are not reported as revenues in governmental funds.	63,382,221
Repayment of bond principal are reported as expenditures in the fund statements and as a reduction of long-term liabilities in the statement of net position.	15,698,335
Accrued interest expense is not recorded on the fund statements.	321,881
Internal service funds are used by the County to charge the costs of certain activities, such as insurance and fleet management services, to individual funds. The net cost of the internal service funds are reported as governmental activities in the statement of activities.	(3,834,946)
Some expenses and revenues reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures and revenues in governmental funds.	(4,747,320)
Change in net position of governmental activities on the statement of activities	$ 44,933,267

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2014

Snohomish County Washington

	Budgeted Amounts			
	Original	Final	Actual	Variance
Budgeted Fund Balance, January 1	$ 2,657,410	$ 6,550,431	$ 21,174,874	$ 14,624,443
Resources (in-flows)				
Property Taxes	$ 80,563,937	$ 80,563,937	$ 81,244,482	$ 680,545
Sales/Use Taxes	47,261,058	47,261,058	48,021,289	760,231
Business and Other Taxes	3,007,250	3,007,250	3,062,606	55,356
License and Permits	4,295,561	4,295,561	4,117,809	(177,752)
Charges for Services	46,214,918	46,707,098	40,458,412	(6,248,686)
Operating Assessments	20,923	20,923	21,982	1,059
Intergovernmental Revenues	14,626,300	14,701,300	14,367,060	(334,240)
Fines and Forfeitures	7,488,992	7,488,992	5,918,778	(1,570,214)
Interest and Investment Earnings	9,435,410	9,435,410	8,075,088	(1,360,322)
Rents, Leases, and Concessions	4,235,548	4,235,548	4,730,488	494,940
Miscellaneous Revenues	1,130,445	1,130,445	1,902,753	772,308
Transfers In	7,556,212	7,518,020	7,553,020	35,000
Disposition of Capital Assets	-	-	14,297	14,297
Contributions and Donations	-	-	6,195	6,195
Total Resources (in flows)	$ 225,836,554	$ 226,365,542	$ 219,494,259	$ (6,871,283)
Amounts Available for Appropriation	228,493,964	232,915,973	240,669,133	7,753,160
Charges to Appropriations (out flows)				
Executive				
Administration	1,890,764	1,897,764	1,892,575	5,189
Economic Development	321,433	324,433	322,680	1,753
Legislative				
Legislative Svs.	4,080,325	3,947,018	3,765,193	181,825
Performance Auditing	146,552	56,683	14,577	42,106
Human Services				
Human Services Administration	926,139	918,839	900,863	17,976
Human Services Support	2,821,813	2,821,813	2,821,813	-
Planning and Development Services				
County Fire Marshal	555,346	555,346	554,593	753
Long Range Planning	2,968,551	2,955,419	2,766,976	188,443
Code Enforcement	919,654	919,654	878,123	41,531
Hearing Examiner				
Board Of Equalization	-	174,720	108,934	65,786
Hearing Examiner/BRB	1,056,215	824,214	822,897	1,317

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2014

Snohomish County Washington

	Budgeted Amounts			
	Original	Final	Actual	Variance
Parks and Recreation				
Division Management	652,125	652,125	647,356	4,769
Parks Maintenance	2,192,564	2,192,564	2,190,152	2,412
Fair Administration General	2,643,454	2,643,454	2,636,822	6,632
Fairgrounds Maintenance	1,315,929	1,315,929	1,224,747	91,182
Fair Operations General	598,577	598,577	550,310	48,267
Routine Maint & Operation	2,623,757	2,623,757	2,619,820	3,937
Assessor				
Tax Assessments	7,200,477	7,200,477	7,062,702	137,775
Auditor				
Administration	608,953	550,969	533,754	17,215
Records Services	1,030,003	977,998	934,430	43,568
Licensing	2,656,636	2,546,736	2,287,810	258,926
Election Services	2,327,913	2,343,143	2,336,824	6,319
Voter Registration Service	984,285	949,615	901,468	48,147
Finance				
Budget And Systems Service	829,708	790,627	783,910	6,717
Finance Operations	2,403,301	2,408,111	2,386,843	21,268
Purchasing Services	630,938	630,938	601,556	29,382
Human Resources				
Administration	2,021,127	2,021,127	1,982,013	39,114
Equal Employ Opportunity	157,880	157,880	124,202	33,678
Nondepartmental				
Public Health	2,253,200	2,253,200	2,253,200	-
Miscellaneous	16,809,317	14,099,791	9,262,335	4,837,456
Treasurer				
Administration	3,218,409	3,205,431	3,052,079	153,352
District Court				
District Court	7,543,225	7,543,225	7,474,949	68,276
Probation & Parole Services	1,347,612	1,347,612	1,288,578	59,034
Dispute Resolution Center	150,000	150,000	133,275	16,725
Sheriff				
Administration	2,956,848	3,178,894	3,178,627	267
Administrative Services	1,125,642	770,433	770,157	276
Field Operations	4,918,224	5,196,724	5,195,573	1,151
Technical Operations	927,818	685,818	684,974	844
Investigation	4,751,973	4,703,414	4,702,812	602
Patrol	17,289,361	18,306,837	18,305,812	1,025
Narcotics Enforcement	1,018,410	1,107,437	1,105,958	1,479
Civil	378,991	392,689	392,052	637
Law Enforcement - Contract	7,063,523	7,962,889	7,961,563	1,326

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2014

Snohomish County Washington

	Budgeted Amounts			
	Original	Final	Actual	Variance
Training	596,227	655,296	653,129	2,167
Traffic Policing	2,893,931	2,191,558	2,191,542	16
Communication	4,151,000	4,084,500	4,083,708	792
Technical Services	1,623,954	1,858,268	1,856,874	1,394
Evidence	687,969	719,633	718,796	837
Search And Rescue	568,708	664,835	663,605	1,230
Prosecuting Attorney				
Administration	718,718	718,718	698,267	20,451
Criminal	11,587,098	11,587,098	11,122,794	464,304
Civil	2,841,790	2,841,790	2,707,987	133,803
10* Permanent Transfer Out	42,617	42,617	42,617	-
Office of Public Defense				
Office of Public Defense	7,469,309	7,469,309	7,368,176	101,133
Medical Examiner				
Medical Examiner Services	2,256,749	2,461,467	2,380,286	81,181
Superior Court				
Juvenile Court Operations	10,220,511	10,500,822	10,495,403	5,419
Superior Court Operations	6,652,231	6,981,855	6,980,440	1,415
Administrative Services	4,760,915	4,775,980	4,774,191	1,789
Clerk				
Administration	1,654,541	1,658,189	1,646,811	11,378
Judicial Acctg/Judgmts &	752,075	751,568	721,336	30,232
Case Management	1,056,748	1,109,233	1,106,872	2,361
Document Control	575,018	586,000	576,704	9,296
Courtroom Operations	1,820,660	1,764,543	1,749,774	14,769
Customer Service	932,339	926,006	899,013	26,993
Corrections				
Administration	6,057,925	6,479,341	6,478,332	1,009
Special Detention	1,453,021	1,693,317	1,692,457	860
Detention	30,966,441	32,895,513	32,875,039	20,474
Food Service	1,690,868	1,466,753	1,465,407	1,346
Medical Services	4,983,020	5,403,985	5,379,035	24,950
Department of Emergency Management				
DEM Operations	1,162,609	3,723,455	3,615,945	107,510
Amount Charged to Appropriations (out flows)	228,493,964	232,915,973	225,360,427	7,555,546
Budgeted Fund Balance, December 31	**$ -**	**$ -**	**$ 15,308,706**	**$ 15,308,706**

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Special Revenue Fund
For the Year Ended December 31, 2014

	Budgeted Amounts			
	Original	Final	Actual	Variance
Budgeted Fund Balance, January 1	$ 13,137,730	$ 13,324,596	$ 11,032,572	$ (2,292,024)
Resources (in-flows)				
Business and Other Taxes	$ 1,054,000	$ 1,054,000	$ 1,078,548	$ 24,548
Charges for Services	345,000	345,000	191,977	(153,023)
Intergovernmental Revenues	-	-	3,163,509	3,163,509
Interest and Investment Earnings	379,165	379,165	72,873	(306,292)
Contributions and Donations	373,300	674,300	216,165	(458,135)
Miscellaneous Revenues	200,000	200,000	1,775	(198,225)
Transfers In	4,793	4,793	4,793	-
Total Resources (in flows)	$ 2,356,258	$ 2,657,258	$ 4,729,640	$ 2,072,382
Amounts Available for Appropriation	15,493,988	15,981,854	15,762,212	(219,642)
Charges to Appropriations (out flows)				
Executive				
Economic Development	1,348,565	1,348,565	683,761	664,804
Parks and Recreation				
Division Management	147,000	448,000	2,055	445,945
Auditor				
Licensing	5,000	5,000	4,211	789
Nondepartmental				
Trial Court Improvement	244,500	244,500	82,593	161,907
Brightwater Mitigation	13,375,596	13,375,596	2,972,133	10,403,463
Sheriff				
Patrol	134,069	134,069	14,285	119,784
Prosecuting Attorney				
Community Impact	72,358	259,224	224,067	35,157
Superior Court				
Investigations/Diagnosis	75,000	75,000	44,679	30,321
Juvenile Court Operations	31,900	31,900	19,082	12,818
Superior Court Operations	60,000	60,000	1,130	58,870
Amount Charged to Appropriations (out flows)	15,493,988	15,981,854	4,047,996	11,933,858
Budgeted Fund Balance, December 31	**$ -**	**$ -**	**$ 11,714,216**	**$ 11,714,216**

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
County Roads Fund
For the Year Ended December 31, 2014

	Budgeted Amounts			
	Original	Final	Actual	Variance
Budgeted Fund Balance, January 1	$ 3,017,800	$ 3,017,800	$ 36,449,297	$ 33,431,497
Resources (in-flows)				
Property Taxes	$ 56,251,748	$ 56,251,748	$ 56,482,490	$ 230,742
Business and Other Taxes	495,000	495,000	1,020,027	525,027
Charges for Services	11,797,706	11,797,706	10,729,724	(1,067,982)
Operating Assessments	-	-	4,650	4,650
Intergovernmental Revenues	20,091,561	20,091,561	22,472,274	2,380,713
Interest and Investment Earnings	80,500	80,500	119,001	38,501
Rents, Leases, and Concessions	130,000	130,000	161,942	31,942
Miscellaneous Revenues	-	-	452,267	452,267
Transfers In	11,773,570	11,773,570	5,385,636	(6,387,934)
Disposition of Capital Assets	250,000	250,000	22,024	(227,976)
Total Resources (in flows)	$ 100,870,085	$ 100,870,085	$ 96,850,035	$ (4,020,050)
Amounts Available for Appropriation	103,887,885	103,887,885	133,299,332	29,411,447
Charges to Appropriations (out flows)				
Public Works				
TES Operations	5,766,619	5,766,619	5,498,172	268,447
TES Maintenance	1,267,418	1,267,418	1,200,958	66,460
TES Capital	1,731,501	1,731,501	964,244	767,257
TES Reimbursables	731,013	731,013	475,558	255,455
RM Operations	1,336,291	1,336,291	1,005,836	330,455
RM Maintenance	25,453,827	25,953,827	25,716,529	237,298
RM Capital	3,483,000	2,783,000	2,565,157	217,843
RM Reimbursables	2,807,769	3,007,769	2,902,300	105,469
ES Operations	3,818,403	3,818,403	3,480,667	337,736
ES Maintenance	685,813	835,813	817,854	17,959
ES Capital	29,890,651	28,040,651	25,088,113	2,952,538
ES Reimbursables	3,693,761	5,393,761	4,971,651	422,110
Administration	350,000	350,000	-	350,000
Admin Operations	22,736,023	22,736,023	21,782,655	953,368
Admin Operations Capital	135,796	135,796	96,888	38,908
Amount Charged to Appropriations (out flows)	103,887,885	103,887,885	96,566,582	7,321,303
Budgeted Fund Balance, December 31	**$ -**	**$ -**	**$ 36,732,750**	**$ 36,732,750**

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Human Services Fund
For the Year Ended December 31, 2014

Snohomish County Washington

	Budgeted Amounts			
	Original	Final	Actual	Variance
Budgeted Fund Balance, January 1	$ 4,954,890	$ 6,386,625	$ 25,569,728	$ 19,183,103
Resources (in-flows)				
Property Taxes	$ 1,513,931	$ 1,513,931	$ 1,702,242	$ 188,311
Sales/Use Taxes	12,340,847	12,340,847	12,492,195	151,348
Business and Other Taxes	14,219	14,219	21,130	6,911
Charges for Services	16,040,097	17,387,939	16,269,597	(1,118,342)
Intergovernmental Revenues	46,068,516	46,445,616	39,969,477	(6,476,139)
Fines and Forfeitures	90,264	90,264	69,160	(21,104)
Interest and Investment Earnings	97,474	97,474	84,517	(12,957)
Contributions and Donations	229,080	229,080	281,292	52,212
Miscellaneous Revenues	6,154,444	4,469,502	126,389	(4,343,113)
Transfers In	2,933,813	2,933,813	2,933,813	-
Total Resources (in flows)	$ 85,482,685	$ 85,522,685	$ 73,949,812	$ (11,572,873)
Amounts Available for Appropriation	90,437,575	91,909,310	99,519,540	7,610,230
Charges to Appropriations (out flows)				
Human Services				
CAP/CSBG	212,110	212,110	192,703	19,407
Children's Administration	196,720	196,720	190,648	6,072
Family Support Services	280,858	280,858	280,000	858
Community Information Line	19,600	19,600	19,600	-
Agriculture	466,709	466,709	423,560	43,149
Youth Services	375,681	375,681	335,425	40,256
Natural Resources	95,013	144,013	118,783	25,230
Family Living	115,467	115,467	111,785	3,682
Investing in Futures	262,603	262,603	256,595	6,008
DUI Countermeasure	180,145	180,145	151,881	28,264
Access to Recovery	451,050	451,050	313,128	137,922
ECEAP Administration	395,909	366,236	356,035	10,201
ECEAP Operations	769,620	864,620	743,985	120,635
Early Head Start Admin	165,650	195,323	195,284	39
Early Head Start Ops	932,048	1,004,429	976,558	27,871
Energy Administration	161,601	161,601	159,734	1,867
Energy Program Support	279,793	329,793	329,485	308
Energy Consumer Education	177,954	127,954	118,385	9,569
Energy Dir Svcs - EAP/ECIP	2,149,888	2,149,888	1,976,628	173,260
Weatherization Administration	198,930	198,930	183,000	15,930
Weatherization Program Support	821,047	821,047	794,028	27,019
Weatherization Labor	1,021,175	1,021,175	962,854	58,321
Veterans Relief	851,531	851,531	795,800	55,731

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Human Services Fund
For the Year Ended December 31, 2014

Snohomish County Washington

	Budgeted Amounts			
	Original	Final	Actual	Variance
Mental Health Administration	822,064	1,499,064	1,447,484	51,580
Housing, Homeless, Comm Dev	4,565,810	4,667,810	4,119,886	547,924
Housing, Homeless Services	4,295,850	4,295,850	3,099,479	1,196,371
Involuntary Treatment Admin	1,958,332	1,926,332	1,838,106	88,226
Resource Management	232,356	264,356	255,613	8,743
Aging Administration	753,532	774,932	721,773	53,159
Transportation	110,000	110,000	110,000	-
Information & Assistance	30,328	30,328	30,328	-
Case Management	6,175,908	6,322,085	6,025,856	296,229
Adult Day Health	7,000	7,000	6,180	820
Home Delivered Meals	20,000	20,000	20,000	-
Recreational	60,000	60,000	56,322	3,678
Long-term Care Ombudsman	245,411	245,411	212,438	32,973
Senior Center Operations	465,500	465,500	465,500	-
Alcohol & Other Drugs	971,244	971,244	824,653	146,591
Dev Dis Program Admin	1,461,436	1,474,464	1,195,982	278,482
Infant Toddler Early Intervent	487,763	531,447	523,811	7,636
Chem Dependcy/Mental Hlth Srvs	11,737,174	12,437,174	9,875,333	2,561,841
Pass-Through Grants	40,803,202	39,583,532	29,460,895	10,122,637
Sheriff				
Training	38,814	38,814	21,718	17,096
Detention	300,000	1,071,735	1,017,395	54,340
Prosecuting Attorney				
Criminal	388,252	388,252	325,074	63,178
Civil	81,944	81,944	79,008	2,936
TAP	451,718	451,718	447,057	4,661
Office of Public Defense				
Office of Public Defense	378,347	378,347	369,751	8,596
District Court				
District Court - MH Court	49,513	49,513	37,648	11,865
Superior Court				
Superior Court Operations	2,739,241	2,739,241	2,482,923	256,318
Clerk				
Courtroom Operations	225,734	225,734	225,734	-
Amount Charged to Appropriations (out flows)	90,437,575	91,909,310	75,281,831	16,627,479
Budgeted Fund Balance, December 31	**$ -**	**$ -**	**$ 24,237,709**	**$ 24,237,709**

The notes to the financial statements are an integral part of this statement.

Snohomish County Washington

Snohomish County, WA
Statement of Net Position
Proprietary Funds
December 31, 2014

	Business Type Activities				Governmental Activities
	Solid Waste	Airport	Surface Water	Total Enterprise	Internal Service Funds
ASSETS					
Current Assets					
Cash and Cash Equivalents	$ 10,200,427	$ 3,969,010	$ 8,333,879	$ 22,503,316	$ 26,430,190
Cash and Cash Equivalents, Restricted	179,626	1,335,307	36,833	1,551,766	75,714
Investments	8,415,678	3,517,613	10,590,000	22,523,291	18,579,051
Investments, Restricted	3,366,266	-	-	3,366,266	-
Other Receivables, Net	3,507,354	986,702	637,414	5,131,470	39,479
Interest Receivable	43,235	13,083	28,805	85,123	62,933
Due From Other Governments	7,319,582	492,228	3,400,485	11,212,295	286,369
Inventories	-	-	-	-	2,123,748
Total Current Assets	33,032,168	10,313,943	23,027,416	66,373,527	47,597,484
Non-Current Assets					
Capital assets					
Land	11,502,351	22,108,409	9,993,608	43,604,368	392,678
Buildings and Structures, Net	21,628,767	83,193,729	-	104,822,496	10,371,991
Other Improvements, Net	26,498,571	-	24,112,126	50,610,697	2,111,536
Machinery and Equipment, Net	3,106,671	1,786,992	126,220	5,019,883	24,845,895
Infrastructure Assets, Net	379,311	63,863,163	10,541,331	74,783,805	-
Construction in Progress	13,603	2,698,277	5,061,512	7,773,392	4,406
Intangibles, Net	-	1,189,302	-	1,189,302	18,721
Total Non-Current Assets	63,129,274	174,839,872	49,834,797	287,803,943	37,745,227
Total Assets	96,161,442	185,153,815	72,862,213	354,177,470	85,342,711
DEFERRED OUTFLOW OF RESOURCES					
Deferred Loss on Refunding	-	384,938	435,128	820,066	11,288
Total Deferred Outflow of Resources	-	384,938	435,128	820,066	11,288

The notes to the financial statements are an integral part of this statement.

Snohomish County Washington

Snohomish County, WA
Statement of Net Position
Proprietary Funds
December 31, 2014

	Business Type Activities				Governmental Activities
	Solid Waste	Airport	Surface Water	Total Enterprise	Internal Service Funds
LIABILITIES					
Current Liabilities:					
Accounts Payable	$ 2,814,520	$ 1,950,421	$ 1,624,235	$ 6,389,176	$ 2,974,853
Claims and Judgments Payable	-	-	-	-	3,664,474
Accrued Liabilities	397,612	2,638,461	282,120	3,318,193	529,803
Unearned Revenue	50,056	702,279	1,399,267	2,151,602	3,711,437
Employee Benefits Payable	7,391	4,205	5,525	17,121	4,319,005
Bonds, Notes and Loans Payable	2,819,558	3,437,947	1,126,150	7,383,655	416,416
Landfill Closure Costs	388,499	-	-	388,499	-
Payable from Restricted Assets	179,626	-	-	179,626	-
Total Current Liabilities	6,657,262	8,733,313	4,437,297	19,827,872	15,615,988
Non-Current Liabilities					
Employee Benefits Payable	731,667	416,285	547,020	1,694,972	6,514,947
Landfill Closure Costs	2,977,767	-	-	2,977,767	-
Bonds, Notes, and Loans Payable	25,868,193	70,768,944	7,535,440	104,172,577	4,396,773
Claims and Judgments Payable	-	-	-	-	9,788,585
Total Non-Current Liabilities	29,577,627	71,185,229	8,082,460	108,845,316	20,700,305
Total Liabilities	36,234,889	79,918,542	12,519,757	128,673,188	36,316,293
DEFERRED INFLOW OF RESOURCES					
Deferred Gain on Refunding	38,611	-	-	38,611	-
Total Deferred Inflow of Resources	38,611	-	-	38,611	-
NET POSITION					
Net Investment in Capital Assets	36,564,335	103,903,434	42,241,505	182,709,274	33,062,178
Restricted for:					
Capital Purposes	-	-	-	-	10,372,714
Physical Environment	-	-	1,311,850	1,311,850	-
Total Restricted Net Position	-	-	1,311,850	1,311,850	10,372,714
Unrestricted	23,323,607	1,716,777	17,224,229	42,264,613	5,602,814
Total Net Position	$ 59,887,942	$ 105,620,211	$ 60,777,584	$ 226,285,737	$ 49,037,706

The notes to the financial statements are an integral part of this statement.

Snohomish County Washington

Snohomish County, WA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2014

	Business Type Activities				Governmental Activities
	Solid Waste	Airport	Surface Water	Total Enterprise Funds	Internal Service Funds
Operating Revenues					
Charges for Services	$ 53,550,333	$ 6,015,962	$ 733,952	$ 60,300,247	$ 96,805,821
Special Assessments	-	-	17,360,340	17,360,340	-
Rents, Leases, and Concessions	645,159	17,356,902	-	18,002,061	11,359,415
Total Operating Revenues	54,195,492	23,372,864	18,094,292	95,662,648	108,165,236
Operating Expenses					
Personnel Services	11,245,988	5,580,565	7,666,086	24,492,639	23,061,045
Supplies	609,826	745,732	330,344	1,685,902	8,659,587
Interfund-Intergovernmental Payments for Service	6,944,592	1,385,278	5,293,536	13,623,406	6,157,940
Depreciation	3,357,940	6,715,710	1,899,527	11,973,177	4,465,365
Miscellaneous Expenses	-	-	-	-	100
Contractual Services	36,943,952	5,334,442	4,034,164	46,312,558	66,501,333
Total Operating Expenses	59,102,298	19,761,727	19,223,657	98,087,682	108,845,370
Operating Income (Loss)	(4,906,806)	3,611,137	(1,129,365)	(2,425,034)	(680,134)
Non-Operating Revenues (Expenses)					
Intergovernmental Revenues	7,291,518	407,402	901,100	8,600,020	49,123
Interest and Investment Earnings	150,566	62,796	77,423	290,785	173,875
Miscellaneous Revenues	99,712	44,354	54,881	198,947	337,501
Disposition of Capital Assets	19,805	(91)	-	19,714	(407,149)
Interest and Other Charges	(677,100)	(2,618,197)	(417,277)	(3,712,574)	(248,874)
Change in Accounting Estimate	6,013,562	-	-	6,013,562	-
Total Non-Operating Revenues (Expenses)	12,898,063	(2,103,736)	616,127	11,410,454	(95,524)
Income (Loss) Before Contributions and Transfers	7,991,257	1,507,401	(513,238)	8,985,420	(775,658)
Capital Contributions	-	2,408,572	2,246,943	4,655,515	10,000
Transfers In	-	324,016	3,054,106	3,378,122	122,202
Transfers Out	-	(1,022)	(483,129)	(484,151)	(3,191,490)
Change in Net Position	7,991,257	4,238,967	4,304,682	16,534,906	(3,834,946)
Net Position, Beginning	51,896,685	101,381,244	56,472,902	209,750,831	52,872,652
Net Position, Ending	$ 59,887,942	$ 105,620,211	$ 60,777,584	$ 226,285,737	$ 49,037,706

The notes to the financial statements are an integral part of this statement.

Snohomish County, WA
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014

Snohomish County Washington

	Business Type Activities				Governmental Activities
	Solid Waste	Airport	Surface Water	Total	Internal Service Funds
Cash Flows from Operating Activities					
Receipts from Operations	$ 53,721,428	$ 22,158,663	$ 18,103,058	$ 93,983,149	$ 108,395,052
Payments to Employees	(11,191,271)	(5,556,688)	(7,692,834)	(24,440,793)	(22,367,898)
Payments of Claims	(37,183,760)	(7,428,914)	(4,149,490)	(48,762,164)	(73,194,856)
Internal Activity - Payment to Other Funds	(6,944,592)	(1,385,278)	(5,293,536)	(13,623,406)	(6,157,940)
Total Cash Flows from Operating Activities	$ (1,598,195)	$ 7,787,783	$ 967,198	$ 7,156,786	$ 6,674,358
Cash Flows from Capital and Related Financing Activities					
Capital Acquisition and Construction	$ (1,338,646)	$ (5,005,315)	$ (3,277,475)	$ (9,621,436)	$ (5,069,355)
Capital Grants	-	2,230,964	2,246,943	4,477,907	10,000
Capital Contributions	-	177,608	-	177,608	-
Sale of Capital Assets	19,805	332	-	20,137	661,043
Principal Paid on Loans	(2,643,736)	(3,425,259)	(1,045,924)	(7,114,919)	(385,150)
Interest Paid on Loans	(822,304)	(2,645,396)	(403,888)	(3,871,588)	(257,787)
Total Cash Flows from Capital and Related Financing Activities	$ (4,784,881)	$ (8,667,066)	$ (2,480,344)	$ (15,932,291)	$ (5,041,249)
Cash Flows from Non-Capital Financing Activities					
Intergovernmental Revenue	$ 474,745	$ 1,053,231	$ 565,635	$ 2,093,611	$ (119,695)
Miscellaneous Revenue	99,712	44,354	54,881	198,947	337,501
Transfers	-	322,995	2,570,977	2,893,972	(3,185,248)
Total Cash Flows from Non-Capital Financing Activities	$ 574,457	$ 1,420,580	$ 3,191,493	$ 5,186,530	$ (2,967,442)
Cash Flows from Investing Activities					
Interest on Investments	$ 163,093	$ 59,211	$ 81,777	$ 304,081	$ 166,394
Purchase of Investments	(2,079,298)	(3,517,613)	(10,590,000)	(16,186,911)	(18,579,051)
Loan to Other Fund	-	(4,000,000)	4,000,000	-	-
Total Cash Flows from Investing Activities	$ (1,916,205)	$ (7,458,402)	$ (6,508,223)	$ (15,882,830)	$ (18,412,657)
Net Increase (Decrease) in Cash and Cash Equivalents	$ (7,724,824)	$ (6,917,105)	$ (4,829,876)	$ (19,471,805)	$ (19,746,990)
Cash and Cash Equivalents, January 1, 2014	18,104,877	12,221,421	13,200,587	43,526,885	46,252,894
Cash and Cash Equivalents, December 31, 2014	$ 10,380,053	$ 5,304,316	$ 8,370,711	$ 24,055,080	$ 26,505,904
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities					
Net Operating Income (loss)	$ (4,906,806)	$ 3,611,137	$ (1,129,365)	$ (2,425,034)	$ (680,134)
Depreciation Expense	3,357,940	6,715,710	1,899,527	11,973,177	4,465,365
Changes in Receivables, Net	(449,048)	(771,505)	4,118	(1,216,435)	2,762
Changes in Inventories	-	-	-	-	(342,736)
Changes in Accounts Payable & Other Liabilities	399,719	(1,767,559)	188,270	(1,179,570)	3,229,101
Changes in Prepaid Items and Operating Assessments	-	-	4,648	4,648	-
Net Cash Provided (Used) by Operating Activities	$ (1,598,195)	$ 7,787,783	$ 967,198	$ 7,156,786	$ 6,674,358
Non-Cash Investing, Capital and Related Financing Activities:					
Contributions of Capital Assets	-	-		-	115,960

The notes to the financial statements are an integral part of this statement.

Snohomish County Washington

Snohomish County, WA
Statement of Net Position
Fiduciary Funds
December 31, 2014

	Agency Funds	Investment Trust Fund
ASSETS		
Current Assets		
Deposits and Investments with County Treasurer	$ 523,581,372	$ 254,449,806
Taxes Receivable	24,379,047	-
Other Receivables, Net	2,165,936	-
Interest Receivable	117,794	489,488
Total Assets	550,244,149	254,939,294
LIABILITIES		
Current Liabilities		
Due to Other Governments	550,244,149	-
Total Liabilities	$ 550,244,149	$ -
NET POSITION		
Held in Trust for External Pool Participants		$ 254,939,294

The notes to the financial statements are an integral part of this statement.

Snohomish County Washington

Snohomish County, WA
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2014

	Investment Trust Fund
ADDITIONS:	
Contributions	$ 215,547,804
Interest	1,415,241
Total Additions	216,963,045
DEDUCTIONS:	73,884,231
Change in Net Position	143,078,814
Net Position - January 1, 2014	111,860,480
Net Position - December 31, 2014	$ 254,939,294

The notes to the financial statements are an integral part of this statement.

Note 1 Summary of Significant Accounting Policies

General

The County of Snohomish, Washington (the "County"), was incorporated in 1861 and operates under the laws of the State of Washington applicable to a home rule charter county. The charter was adopted by a vote of the citizens of Snohomish County in 1979 and was amended through the charter review process effective January 1, 1997 and January 1, 2007. The executive branch of the county government is elected at large and consists of the county executive, the prosecuting attorney, the sheriff, the auditor, the clerk, the treasurer, and the assessor. Fifteen superior court judges and eight district court judges are also elected at large. A five-member council, elected by district, constitutes the legislative body.

Snohomish County is a general-purpose government and provides services such as public safety, fire prevention, road construction and maintenance, parks and recreation, judicial administration, health and social programs and general administration. The County also operates an airport, a fairground, is responsible for the disposal of solid waste, and the control of surface water runoff.

The County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The County implemented the provisions of the following Governmental Accounting Standards Board (GASB) Statement for 2014: GASB Statement No. 70, Nonexchange Financial Guarantees, which creates new standards to ensure that nonexchange financial guarantees extended or received by governments are reflected in the financial statements and notes. GASB 70 has no impact in the current year regarding liability recognition, however, additional disclosure has been provided in Note 4C Commitments, Contingencies, and Legal Matters.

1.A Reporting Entity

These financial statements present the County (the primary government) and its component units, the Pilchuck Development Corporation ("PDC") and Snohomish County Public Facilities District ("PFD"). The component units are combined and presented in a single column on the government-wide financial statements.

In determining the financial reporting entity, the County complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity," GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units," and GASB Statement No. 61 "The Financial Reporting Entity: Omnibus". Accordingly, the County reports as component units those entities where the County appointed a voting majority of the board of directors, and the County is either able to impose its will, or where a financial benefit or burden relationship exists.

The County created the PDC in 1983 to promote and finance industrial development. The Snohomish County Council appoints the Corporation's board of directors. The Corporation may issue industrial revenue bonds to finance industrial development

facilities upon approval of the County Council; however, the County has no financial responsibility for such bonds.

Snohomish County established the PFD in July 2001 for the sole purpose of pursuing joint ownership, financing, or operational relationships with any other public agency within the County for the development of regional center projects and/or with a nonprofit entity for the development of a regional center project at Paine Field. A five-member board of directors appointed by the County Council governs the PFD.

The PFD has formalized support for four regional centers: the City of Everett Public Facilities District's Arena and Parking Garage, the South Snohomish County Public Facilities District's Regional Convention Center in Lynnwood, the City of Edmonds Public Facilities District's remodel of the Puget Sound Christian College for use as a Performing Arts and Convention Center, and the Future of Flight in conjunction with Snohomish County Paine Field Airport.

Financial statements for the Pilchuck Development Corporation and Snohomish Public Facilities District can be obtained by writing to the Snohomish County Finance Department, MS 610, 3000 Rockefeller Ave., Everett, WA 98201.

1.B Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The *statement of net position* and *statement of activities* present financial information about the County as a whole on a full accrual basis with an economic resource measurement focus. They include all funds except for the agency funds and external investment pool, which are reported separately. The statements distinguish between governmental and business-type activities. *Governmental activities* generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. *Business-type activities* are financed in whole or in part by fees charged to external parties for goods or services. Program revenues as reported on the statement of activities include charges to customers and users of goods or services provided by that program, and grants or contributions that are restricted for use by that program. Taxes and other revenues that are not specific to a particular program are reported as general revenues.

The expenses and program revenues of governmental activities are reported on the statement of activities by function/program. Fund financial statements also report governmental fund expenditures by function/program. The County reports the following functions/programs:

General Government - Legislative and administrative services, including expenses for recording and elections, financial services, legislative, personnel administration, administration and facility management.

Judicial - Court system for civil, criminal, and juvenile cases, including jury and witness fees and other judicial and legal costs.

Public Safety - Protection and safety of the citizenry at large, including expenses for law enforcement, fire protection services, inspections and regulatory enforcements, detention and corrections, emergency services and juvenile services.

Physical Environment - Conservation and preservation of the environment.

Transportation - Programs to ensure safe and adequate flow of vehicles and pedestrians in the County, including costs for road and street preservation, construction, and maintenance.

Health and Human Services - Programs that provide prevention, intervention, and rehabilitative human services for County citizens with an emphasis on serving those most in need. They include costs associated with programs such as veterans' services, mental health, substance abuse prevention and treatment, public health, services for the disabled and aging, homeless services, children's services, and other general welfare and assistance.

Economic Environment - Community planning and development services, housing programs, and promotion of tourism.

Culture and Recreation - Costs primarily associated with the maintenance and general operations of County parks, trails, natural land and recreational facilities, and fairgrounds, along with other educational and recreational activities for youth, families, and seniors.

Interfund Activity

Interfund activity can be classified into two general categories:

- *Reciprocal* interfund activities are transfers similar to exchange and exchange-like transactions (quasi-external). Interfund services provided and used are reported as revenues in the seller funds and expenditures/expenses in the purchaser funds.
- *Nonreciprocal* interfund activities are nonexchange transactions – no equivalent value is received for the assets transferred and there is no requirement for repayment. They include interfund transfers and interfund reimbursements. Interfund transfers have been eliminated within the governmental activities and business-type activities categories. Transfers between these two activities are reported on the statement of activities. Interfund reimbursements have been eliminated from the statement of activities. See Note 3I for details of interfund balances and transfers.

Fund Financial Statements

The fund financial statements individually present major funds and present non-major funds in total. A fund is considered major if it is the primary operating fund of the entity or if its assets plus deferred outflows, liabilities plus deferred inflows, revenues, or expenditures/expenses equal at least 10% of the corresponding total for all funds of that category or type, and at least 5% of the corresponding total for all governmental

and enterprise funds combined. Separate financial statements are provided for governmental, proprietary, and fiduciary funds.

The governmental fund financial statements are prepared using a modified accrual accounting basis with a current financial resources measurement focus. The modified accrual basis differs from the full accrual basis in the following ways:

- Purchases of capital assets are considered expenditures.
- Redemptions of long-term debt are considered expenditures when due.
- Proceeds from long-term debt are considered "other financing sources" when received.
- Revenues are recognized only when they become both measurable and available to finance expenditures of the current period. Revenues are considered available if received within 60 days.
- Interest on long-term debt is not accrued, but is recorded as an expenditure when due.
- Accumulated unpaid vacation, sick pay, and other employee benefits are considered expenditures when paid.

The *governmental funds* are accounted for with a flow of current financial resources measurement focus, which emphasizes the current sources and uses of resources. The County reports the following governmental funds:

The **general fund** is the primary operating fund of the County. It is used to account for all financial resources except those funds required to be accounted for separately.

Special revenue funds account for revenues which are to be utilized for specific purposes and/or expenditures incurred in the performance of specific activities. Major special revenue funds include the Special Revenue Fund, County Road Fund and the Human Services Fund.

- The Special Revenue Fund accounts for various revenues that are restricted or committed for a specific purpose and are either small in amount or are for projects that have a limited life. Revenue streams and associated expenditures are appropriately segregated and tracked within the fund. Revenue/expenditure streams currently recorded within the fund include Animal Benefit Bequests, Blanche Miller Juvenile Court funds, Parks Donations, Trial Court Improvement funds, Brightwater Mitigation fees, Community Impact funds, Superior Court Donations, Historic Preservation, Animal Shelter, Superior Court Drug Court, Information Technology Advisory Committee Support, and Tourism Promotion Area.

- The County Road Fund accounts for the construction, maintenance, and inspection of county streets, roads, and bridges and the design and coordination of countywide public works projects. Revenue is primarily from road and other taxes and from state and federal grants.

- The Human Services Fund is for the administration, planning, development, and provision of the following services: energy and weatherization assistance, long-term care and aging, developmental disabilities, mental health, alcohol and other drug treatment, community services, children and family, housing, homelessness and community development, and veteran's relief. Revenue comes from liquor and other taxes, state and federal grants, state and county mandated charges for services, general County revenues, as well as from a tax levy for mental health, developmental disabilities, and veterans' assistance.

The **debt service funds** account for the accumulation of resources for the payment of general and special assessment long-term debt.

Capital projects funds account for the resources and expenditures relating to the acquisition and development of capital improvements other than those accounted for in the proprietary funds.

- The Capital Projects Fund is a major fund for 2014 and accounts for major building construction projects that are done throughout the County. Current major projects are the new courthouse, a new Sheriff's precinct, and a security overhaul at the jail. Revenues are primarily obtained from bond proceeds.

Proprietary funds are accounted for with a flow of economic resources measurement focus, which emphasizes the measurement of costs and determination of net income. They consist of *enterprise fund types* and *internal service fund types*. All assets and all liabilities are reported on the balance sheet. Revenues and expenses are reported on a full accrual basis - revenues are recorded when earned, expenses are recorded when a measurable liability has been incurred. Proprietary funds disclose the composition of cash flows on a separate statement of cash flows. Operating income for the proprietary funds includes all revenues derived in the normal course of operations except for interest and investment earnings, gain or loss on the sale of capital assets, capital grants and contributions, and some miscellaneous non-recurring revenues which are accounted for as non-operating. Operating expenses include all expenses derived in the normal course of operation. Non-operating expenses include interest expense and any other expenses not incurred as a result of the normal operation and purpose of the fund.

Enterprise funds account for operations of business-type activities, which are financed primarily by user charges. The accounting focus is on the measurement of costs and the determination of net income. The County maintains three enterprise funds: solid waste management, airport operation and maintenance, and surface water management.

- The Solid Waste Management Fund, administered by the department of public works, accounts for the operations, capital improvements, and debt service of the County's solid waste facilities. Revenue comes from the collection of fees at the facilities.

- The Airport Fund accounts for the operations, capital improvements, and debt service of Paine Field, Snohomish County's airport. The fund is supported by

fees for services. Additional capital funding is received from federal grants, and bond issues may be used to finance capital improvements.

- The Surface Water Management Fund, administered by the department of public works, accounts for operations relating to the management of storm drainage and surface water. Revenue comes from the collection of charges to property owners.

Internal service funds account for centralized operations related to providing goods or services to various County departments on a cost-reimbursement basis. The County's internal service funds are presented in the proprietary fund financial statements. In the government-wide financial statements, interfund transactions relating to internal service fund activity have been eliminated. Any residual activity and net position are reported as governmental activities. The County maintains eight internal service funds: equipment rental and revolving fund, information services fund, Snohomish County insurance fund, pits and quarries fund, employee benefit fund, facility services fund, training fund, and the security services fund.

Fiduciary Funds

Snohomish County has two major classifications of agency funds: (1) those used with the operations of county government such as clearing accounts; and (2) those which account for cash received and disbursed in the County's capacity as *ex officio* treasurer or collection agent for special districts and other governments such as school districts, water and sewer districts, and fire districts.

Investment Trust Fund is used to report investment activity conducted by the Snohomish County Investment Pool on behalf of legally separate entities that are not part of the County's primary government.

1.C Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include funds held by the County Treasurer, the Washington State Treasurer's Local Government Investment Pool, and bank accounts not administered by the County Treasurer. These are primarily depository accounts, revolving accounts, and change funds. The Washington State Treasurer's Local Investment Pool is considered to be cash equivalent as funds held within the pool can be liquidated on demand to meet daily cash flow needs.

The County Investment Pool is classified as investments as the pools average maturity is greater than a year. Investments are recorded at cost, which is materially equivalent to fair value. Additional cash and investment disclosures are presented in Note 3A.

Interfund Receivables and Payables

Occasionally, transactions for goods and services between County funds may result in amounts which are due but not yet paid. These are reported as "due to/from other funds" on the balance sheet. Short-term interfund loans are reported as "due to/from other funds." Long-term interfund loans (non-current portion) are reported as "advances to/ from other funds."

Receivables

Property taxes levied for the current year are recorded as taxes receivable and deferred inflow. As tax payments are collected, the taxes receivable and deferred inflow balances are reduced and revenue is recognized in the fund statements. Other receivables include amounts due from private individuals and organizations for goods or services rendered.

Amounts reported as due from other governments represent receivables from other governments for goods and services rendered, grant reimbursements or entitlements. Amounts due for grant reimbursements are recorded in the period in which the authorized disbursements are made.

Inventories and Prepaid Items

Governmental funds use the purchase method whereby inventory items are considered expenditures when purchased. Proprietary funds value inventories using average cost method. Certain other purchases representing costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets are recorded at actual cost. Donated capital assets are recorded at estimated fair market value on the date of donation. Capital costs in the governmental funds are reported as expenditures of the current period in the fund financial statements and as assets in the government-wide financial statements. Individual assets (except infrastructure and software) with a total cost of less than $5,000 are reported as expenses in the period in which they were incurred. Infrastructure expenditures (roads, bridges, traffic signals, and other public property) and software expenditures in excess of $100,000 are capitalized and depreciated over their useful life in the government-wide financial statements.

Depreciation of capital assets is reported as an allocated expense in the statement of activities. Depreciation is calculated using the straight-line method based on the estimated useful life of the asset. Generally, buildings and other land improvements are assigned estimated useful lives of 5 to 50 years, machinery and equipment 3 to 20 years, and infrastructure 5 to 60 years. Intangible software has been determined to have an indefinite useful life unless reasonably estimable.

Restricted Assets and Liabilities

Restricted assets include cash and investments that are subject to legal restrictions and other assets which are considered to be restricted for a particular purpose such as debt service payments and unspent bond proceeds. Related liabilities are reported as payable from restricted assets.

Investment in Joint Ventures

Snohomish County Emergency Radio Systems (SERS), a public nonprofit corporation, was established via an interlocal agreement between the County, nine cities, and a fire district located within the county. Each entity provides a voting member to the SERS

board of directors. The purpose of SERS is to develop and maintain a countywide public safety communications system. The County financed its original investment in SERS with general obligation bond proceeds. SERS operations are based on annual assessments from each of its members.

In accordance with generally accepted accounting principles, the investment balance was increased by $127,345 for the 2014 year to reflect the County's share of SERS revenues and expenditures. SERS financial statements are subject to audit by the Washington State Auditor's Office and can be obtained by writing to the Snohomish County Finance Department, MS 610, 3000 Rockefeller Ave., Everett, WA 98201.

AHA – Alliance for Housing Affordability: In September 2013, Snohomish County joined the cities of Edmonds, Everett, Granite Falls, Lake Stevens, Lynnwood, Marysville, Mill Greek, Mountlake Terrace, Mukilteo, Snohomish, and the Town of Woodway to establish the Alliance for Housing Affordability (AHA). The agreement was amended in May 2014 to add the City of Arlington and in June 2014 to add the City of Stanwood.

The purpose of AHA is to cooperatively formulate affordable housing goals and policies and to foster efforts to provide affordable housing by providing expertise and information to member jurisdictions. Operating funding is provided by the members.

AHA is governed by a Joint Board composed of an elected official from each member. The Joint Board is responsible for review and approval of all budgetary, financial, policy, and contractual matters. The Board is assisted by an administrative staff housed at the Housing Authority for Snohomish County. Fiscal agent duties are performed by the City of Mountlake Terrace.

Each member is responsible for contributing operating revenues as determined from the AHA annual budget. Contributions from the members are based on each member's population. A grant from the Gates Foundation provided $50,000 to assist with the first three years of organizational start-up. Snohomish County's equity share for 2014 is:

Fiscal Year 7/1/14-6/30/15	AHA's Total Fiscal Year Budget	Snohomish County's Share of Budget	Snohomish County's Share as % of Total AHA Budget
2014	$92,543	$17,840	19.28%

Members withdrawing from the agreement relinquish all rights to any reserve funds, equipment, or material purchased. Upon dissolution, the agreement provides for distribution of net assets among the members based on the percentage of the total annual contributions during the period of the Agreement paid by each member.

Additional financial information can be obtained from City of Mountlake Terrace, 6100 219th Street SW, Mountlake Terrace WA 98043.

Snohomish County Police Staff and Auxiliary Services Center (SNOPAC), a special purpose district, was established via an interlocal agreement between Snohomish County, local police, and fire entities (currently 37 members) to jointly establish, maintain and operate a support communications center. SNOPAC takes 911 calls, and performs emergency dispatch services for local governmental agencies including police, fire and medical aid. Control of SNOPAC is with an 11 member Board of Directors consisting of a representative from Snohomish County, the Snohomish County Sheriff, the Everett Police Chief, the Everett Fire Chief, one member from the Fire and Emergency Medical Services Technical Advisory Committee, three members of the Police Technical Advisory Committee and one citizen at large as specified in the Interlocal Agreement. Annual assessments to each of its members are made to cover operational costs.

In the event of the dissolution of SNOPAC, any remaining equity shall be returned to the parties to this Agreement in proportion to their contribution during the fiscal year of dissolution. Had SNOPAC dissolved in 2014 Snohomish County's share would have been $5.5 million.

Complete financial statements for SNOPAC can be obtained from SNOPAC's administrative office at 1121 SE Everett Mall Way, Suite 200, Everett, WA 98208.

Deferred Outflows

A deferred outflow of resources is a consumption of net assets that is applicable to a future reporting period. Deferred outflows include Deferred Loss on Refunding.

Long-Term Debt

Long-term debt incurred by the governmental funds is not reported as a liability in the governmental fund financial statements, but is reported in the government-wide statement. The debt proceeds (including any bond premium) are reported as other financing sources and payment of principal, interest, and debt issuance costs are reported as expenditures. Proprietary fund debt is reported on the same basis in both the government-wide and fund financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds.

Employee Benefits Payable

The County's policies regarding vacation, sick leave and compensatory time permit employees to be compensated for earned but unused vacation leave, compensatory time, and a portion of their sick leave. The liability for such compensated absences in governmental funds is recorded as long-term debt in the government-wide statements. Proprietary fund reporting is the same in both the fund statements and the government-wide statements. The current portion of this debt is estimated based on historical trends.

Unearned Revenue

Unearned revenues are recorded for certain grant related advances and prepaid revenues.

Deferred Inflows
A deferred inflow of resources is an acquisition of net assets that is applicable to a future reporting period. Deferred inflows are recorded for property taxes and special assessments. There are differences between certain deferred inflows reported on the fund statements and those reported on the entity-wide statements. Deferred inflows for property taxes and special assessments are reclassified to revenue on the entity-wide statements.

Equity Classifications
The government-wide financial statements present equity as net position and are displayed in three components:

- Net investment in capital assets: Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position: Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, and contributors; or (2) legal restrictions resulting from constitutional provisions or enabling legislation.
- Unrestricted net position: All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

The governmental funds' financial statements present equity as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Unless otherwise directed by the County Council, County Executive, or Director of Finance and committed to writing, resources shall be utilized in the following order: restricted, committed, assigned, and unassigned. Committed fund balance is committed for a specific purpose pursuant to constraints imposed by a formal action such as a County ordinance adopted by the County's highest level of decision-making authority, the County Council with approval of the County Executive. Similar formal action is required to create, modify, or rescind an ordinance. Assigned fund balance is assigned for a specific purpose pursuant to constraints imposed by a formal action such as a County ordinance adopted by the County's highest level of decision-making authority, the County Council with approval of the County Executive. No formal action is required to reallocate assigned fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

Note 2 Stewardship, Compliance, And Accountability

2.A Budgetary Data

Budget Policies and Controls
In accordance with the Snohomish County Charter, the County Council is required to adopt annual budgets for all budgeted funds for the next fiscal year no later than thirty days prior to the end of the current fiscal year. Each quarter during the fiscal year, the Executive must submit a written report to the Council explaining the relationship between the estimated income and expenses and actual income and expenses to date. If

income is estimated to be less than anticipated, the Council may reduce appropriations as necessary to keep expenditures within income. The County Council may also modify the budget on an emergency basis by appropriating contingency funds, revenues received in excess of budgeted revenues, or funds from any other legally available source. All appropriations lapse at the end of the year with the exception of project-length budgets for capital project funds.

The legal level of budgetary control, the level at which expenditures may not legally exceed appropriations, is at the fund/department/program level for all budgeted funds. For example, the Sheriff's Office's budget that is included in the General Fund may have multiple programs that cannot be individually exceeded.

Two special revenue funds and one debt service fund were not budgeted for the fiscal year ended December 31, 2014. Per RCW 84.56.020, no budget is required for the *Treasurer's Operations and Maintenance Special Revenue Fund*. The *Law Library* was previously classified as an agency fund and therefore does not have a County Council approved budget. This will change beginning in 2015. Additionally, *the Sno Co Road Improvement Guarantee Fund* was not budgeted as there were no expenditures anticipated for 2014.

Basis of Budgeting

Annual appropriated budgets are adopted for the general, special revenue, debt service, and proprietary funds on the modified accrual basis of accounting. Budgets for capital project funds are adopted at the level of the individual project for fiscal periods that correspond to the lives of the projects. Annual appropriated budgets are adopted at the program level within each fund ("appropriation unit").

Encumbrances

An encumbrance system is maintained to account for commitments resulting from approved purchase orders and contracts. All appropriations lapse at the end of the year with the exception of *Capital Project Funds*. Accordingly, encumbrances outstanding at year-end must be absorbed within budget appropriations for the next year.

2.B Deficit Fund Equity

Insurance Fund

At December 31, 2014, the insurance fund (an internal service fund) reported a deficit net position of $7,471,059. This represents a $3,539,356 increase in the deficit from the prior year. The deficit resulted from major claims that were settled. Adjustments to rates charged to departments are being made to address this deficit.

Note 3 Detail Notes on Transaction Classes/Accounts

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

3.A Deposits and Investments

Deposits

The County's deposits and certificates of deposit are covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Comission (PDPC). The PDPC provides protection for public treasurer deposits that exceed the amount insured by FDIC.

Investments

It is the policy of the Snohomish County Treasurer (Treasurer) to invest funds in accordance with governing statutes to obtain the highest return possible consistent with the safety and liquidity objectives outlined in investment policy and conforming to all state/local statutes governing the investment of public funds. Among the authorized investments (but not limited to) are U.S. Treasury securities, U.S. Agency Securities, Certificates of Deposit with qualified public depositories, and Washington State Local Government Investment Pool (LGIP). The LGIP is an unrated 2a-7 like pool which has an average maturity which does not exceed 90 days.

Custodial Credit Risk: This is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All County securities are held for safekeeping by the Bank of New York Mellon, as the County's agent, in the County's name.

Interest rate risk: In accordance with its investment policy, the County manages its exposure to investments that are highly sensitive to changes in fair value due to interest rate change by limiting the weighted average of maturity of its investments. In accordance with the policy, twenty percent of the portfolio is comprised of investments maturing within a year. The remainder of the portfolio will not exceed five years in maturity. The average maturity of the portfolio shall not exceed three years.

Investments are reported at cost which is materially equivalent to fair value. It includes monies invested by individual funds and residual cash invested for the benefit of the general fund. As of December 31, 2014, the County held the following investments:

Investment Type	Fair Value	Carrying Value	Weighted Average Maturity (Years)
U.S. Agencies	$326,305,968	$326,551,408	.62
U.S. Treasury Notes	157,216,036	157,383,738	.27
Local Government Investment Pool	522,240,093	522,240,093	
Municipal Investor Account	20,513,371	20,513,371	
Certificate of Deposit	27,500,000	27,500,000	.03
Municipal Bond	2,421,295	2,464,026	
Total Fair Value	$1,056,196,763	$1,056,652,636	

Portfolio Weighted Average Maturity	.92

Credit risk: Credit risk is related to quality ratings of investments held by the County. State law and County Investment Policy limit the type of investments the County can hold. At year end, the county held obligations of the U.S. Government, U.S. agency issues, the Washington State Local Government Investment Pool, and time certificates of deposit with authorized Washington State banks. The ratings as of December 31, 2014 are:

Investment	Fair Value	S&P Rating
Local Government Investment Pool	$522,240,093	Not subject
Municipal Investor	20,513,371	Not subject
Certificate of Deposit	27,500,000	Not subject
Municipal Bonds	2,421,295	Not subject
US Treasury	157,216,036	Exempt
Federal Agency-FFCB	6,940,720	AAA
Federal Agency-FHLB	127,287,851	AAA
Federal Agency-FHLMC	141,303,686	AAA
Federal Agency-FNMA	50,773,711	AAA
Total	$1,056,196,763	

Concentration of credit risk: Concentration risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County limits its exposure to concentration risk by requiring diversification of its investments by type and institution. The County limits 25% of the portfolio to a single security type or amount deposited with a single financial institution, with the exception of U.S. Treasury, Agency Securities, and the Local Government Investment Pool.

Investment	Fair Value	Percent of Portfolio
Local Government Investment Pool	$522,240,093	49.45%
Municipal Investor	20,513,371	1.94%
Certificate of Deposit	27,500,000	2.60%
Federal Agencies	326,305,968	30.89%
US Treasury	157,216,036	14.89%
Municipal Bond	2,421,295	.23%
Total	$1,056,196,763	100.00%

Investment Pool

The Snohomish County Investment Pool, SCIP, is not registered with the SEC. Investments are reported at fair value to pool participants. It includes participating funds from the county's primary government, funds from the districts where the County Treasurer serves as ex-officio treasurer and cities where the County Treasurer is the property tax collector. There are no involuntary participants in the SCIP. All participants have notified the Treasurer of their desire to participate in SCIP. The portion of the pool belonging to outside districts is reported in an Investment Trust Fund. SCIP investments are those allowed by County Investment Policy and include savings accounts, CD's and securities.

Fair value of securities is based on the market value reports provided by the county's custodial agent. The market values are uploaded into the county investment software monthly from the custodial agent. The fair value of each participants' investment is determined by calculating the ratio of total investments by pool participants divided into the total fair value of all SCIP underlying assets. Each pool participant can determine their fair value by taking their investment in SCIP times this ratio.

Pool participant shares are based on the dollars that they have invested in SCIP. The income is distributed based on interest rates on investments, amortization of premiums and discounts, and realized gains and losses for the month.

Pool oversight comes from the Snohomish County Finance Committee (SCFC). The SCFC consists of the County Treasurer, County Executive and Chairman of the County Council. SCFC approves investment policies for SCIP.

The Primary Government has $261,709,345 invested in the SCIP. The change in fair value of SCIP at December 31, 2014 is ($465,435).

Condensed Statement of Net Position	**External**	**Internal**	**Total**
Assets	254,939,294	261,709,345	516,648,639
Equity of pool participants	254,939,294	261,709,345	516,648,639

Condensed Statement of Changes in Net Position	**External**	**Internal**	**Total**
Net Position January 1, 2014	111,860,481	289,188,027	401,048,508
Net Change in Investments	143,078,813	(27,478,682)	115,600,131
Net Position December 31, 2014	254,939,294	261,709,345	516,648,639
FMV Change	(229,668)	(235,767)	(465,435)

3.B Taxes Receivable

Taxing Authority

The County is authorized to levy both "regular" property taxes and "excess" property taxes. Regular property taxes are subject to limitations as to rates and amounts, and are imposed for general municipal purposes, including the payment of debt service on limited tax general obligation bonds. The County also may impose "excess" property taxes that are not subject to limitation when authorized by a 60 percent majority popular vote, as provided in Article VII, Section 2, of the State Constitution and Revised Code of Washington (RCW), RCW 84.52.052. To be valid, such popular vote must have a minimum voter turnout of 40 percent of the number who voted at the last County general election, except that one-year excess tax levies also are valid if the turnout is not less than 24 percent of the number who voted at the last County general election. Excess levies may be imposed without a popular vote when necessary to prevent the impairment of the obligation of contracts.

Property Tax Rates and Limitations

The Washington State Constitution and Washington State law (RCW 84.55.010) allow counties to limit the rate of property taxes. A county may levy taxes at a maximum rate of $1.80 per $1,000 of assessed value against all real and personal property subject to

taxation for general county purposes. This includes payment of principal and interest on bonds issued by the County without a vote of the people, including limited tax general bond obligations (RCW 84.52). The County's regular levy for 2014 was $1.03 per $1,000 on an assessed valuation of $79.4 billion for a total regular tax levy of $82.2 million.

The County is also authorized to levy $2.25 per $1,000 of assessed valuation in unincorporated areas for road construction and maintenance. This levy is subject to the same limitations as the levy for general government services. The County's road levy for 2014 was $1.74 per $1,000 on assessed valuation of $32.4 billion for a total road levy of $56.4 million.

A county may increase its levy from $1.80 to $2.475 for general county purposes if the total levies for both county and road purposes do not exceed $4.05 per $1,000 of assessed value and no other taxing district has had its levy reduced as a result of the increased county levy.

The $1.80 per $1,000 limitation on the general purposes levy is exclusive of certain regular property taxes: (i) a voted levy for emergency medical services, limited to $0.50 per $1,000 (authorized by RCW 84.52.069); (ii) a voted levy to finance affordable housing for very low income households, limited to $0.50 per $1,000 (authorized by RCW 84.52.105); and (iii) a non-voted levy for conservation futures, limited to $0.0625 per $1,000 (authorized by RCW 84.34.230). The County currently is levying $0.04 per $1,000 for conservation futures.

Aggregate regular property tax levies by the State and all taxing districts except port districts and public utility districts are subject to a rate limitation of one percent of the true and fair value of property (or $10.00 per $1,000) by Article VII, Section 2 of the State Constitution and by RCW 84.52.050. Within the one percent limitation, aggregate regular property tax levies by all taxing districts except the State, port districts and public utility districts are subject to a rate limitation of $5.90 per $1,000 of assessed value (or 0.59%) by RCW 84.52.043(2). This limitation is exclusive of levies for emergency medical services, affordable housing for very low-income households and acquiring conservation futures. If aggregate regular property tax levies exceed the one percent or $5.90 per $1,000 limitations, levies requested by "junior" taxing districts within the area affected are reduced or eliminated according to a detailed prioritized list (RCW 84.52.010), in order to bring the aggregate levy into compliance. Junior taxing districts are defined by RCW 84.52.043 as all taxing districts other than the State, counties, cities, towns, road districts, port districts, and public utility districts.

Property Tax Calendar

The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. The following is an annual timeline for tax collections:

Property Tax Calendar	
January 1	Taxes are levied and become an enforceable lien against properties.
February 14	Tax bills are mailed.
April 30	First of two equal installment payments is due.
May 31	Assessed value of property established for next year's levy at 100 percent of market value.
October 31	Second installment is due.

Property taxes are recorded as a receivable and deferred inflow when levied. Property tax collections are recorded as a reduction of the receivable. Also, upon collection, the related deferred inflow is reclassified to revenue, on the modified accrual basis. For the statement of activities, property taxes are revenue in the year they are levied. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible. Prior year tax levies were recorded using the same principle, and delinquent taxes are evaluated annually.

Property Tax Levy Procedures

In the State of Washington, the county assessor (the "Assessor") determines the value of all real and personal property throughout the county that is subject to ad valorem taxation. The Assessor's duties and methods of determining value are prescribed and controlled by statute and by detailed regulations promulgated by the Department of Revenue of the State of Washington. For tax purposes, the assessed value of property is set at 100% of its actual value. All property is subject to revaluation every year. The Assessor lists the property on a tax roll at its current assessed value and the tax roll is filed in the Assessor's office.

The Assessor's determinations are subject to revision by the County Board of Equalization and, for certain property, subject to further revision by the State Board of Equalization. After all administrative procedures are completed, the County receives the Assessor's final certificate of assessed value of property within the county.

Property taxes are levied in specific amounts, and the rates for all taxes levied for all taxing districts in the county (including the County) are determined, calculated, and fixed by the Assessor based upon the assessed valuation of the property within the various taxing districts. The Assessor extends the taxes to be levied within each taxing district upon a tax roll, which contains the total amount of taxes to be levied and collected. The tax roll is delivered to the County Treasurer by January 15 of each year, and an abstract of the tax roll showing the total amount of taxes collectible in each of the taxing districts for the year, is delivered to the County Auditor at the same time. The Treasurer creates a tax account for each taxpayer and is responsible for the collection of taxes due on each account. All such taxes are due and payable on the 30th of April of each year, but if the amount due from a taxpayer exceeds $50, one-half may be paid then, and the balance no later than October 31 of that year.

The method of giving notice of payment of taxes due, the Treasurer's accounting for the money collected, the division of the taxes among the various taxing districts, notices of delinquency, and collection procedures are all covered by detailed statutes.

Tax Liens and Foreclosure

Property taxes, and all charges and expenses relating to the taxes, constitute a statutory lien on the property taxed. The lien attaches to the property, from and including January 1 in the year in which the tax is levied, and is discharged only when the taxes are paid. By law, the Treasurer may commence foreclosure of a tax lien on real property after three years have passed since the first delinquency. The County Treasurer may commence foreclosure proceedings in Superior Court upon all tax liens embraced by the certificate of delinquency. The County Treasurer must immediately sell the property to the highest and best bidder for cash upon entry of the order of foreclosure. The minimum bid allowable is the total amount of the taxes, interest, penalty, and costs due. To the extent property is stricken to the County at a foreclosure sale, that property is exempt from taxation for so long as the County holds it. A property owner may redeem their property at any time prior to the foreclosure sale by paying the County Treasurer the amount of the certificate of delinquency and all taxes, interest, and costs accruing after the certificate of delinquency is issued.

3.C Other Receivables

Other receivables consist primarily of customer accounts receivable. These are reported net of allowance for uncollectible accounts as follows:

Other Receivables
As of December 31, 2014

	Governmental Activities	Business-type Activities	Total Primary Government
Other Receivables	$ 64,805,280	$ 5,272,414	$ 70,077,694
Allowance for Uncollectibles	(48,797,443)	(140,944)	(48,938,387)
Other Receivables, Net	$ 16,007,837	$ 5,131,470	$ 21,139,307

3.D Capital Assets

The following is a summary of changes in capital assets for the County primary government:

CAPITAL ASSETS
For the year ended December 31, 2014

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not depreciated:				
Land	$ 227,204,511	$ 19,794,456	$ (32,327)	$ 246,966,640
Construction in progress	31,918,650	21,766,906	(10,160,226)	43,525,330
Total capital assets not depreciated	259,123,161	41,561,362	(10,192,553)	290,491,970
Other capital assets:				
Buildings	278,617,471	1,264,618	(425,302)	279,456,787
Other improvements	101,728,713	2,526,807	(340,925)	103,914,595
Equipment	91,154,601	6,430,523	(5,304,166)	92,280,958
Infrastructure	896,575,417	65,029,574	(768,007)	960,836,984
Intangible assets	16,098,620	45,423	-	16,144,043
Total other capital assets at historical cost	1,384,174,822	75,296,945	(6,838,400)	1,452,633,367
Less accumulated depreciation for:				
Buildings	(101,748,172)	(6,774,551)	217,335	(108,305,388)
Other improvements	(37,264,186)	(4,766,951)	296,542	(41,734,595)
Equipment	(49,862,178)	(6,274,710)	4,223,610	(51,913,278)
Infrastructure	(402,465,132)	(28,961,524)	365,376	(431,061,280)
Intangible assets	(2,070,462)	(737,914)	-	(2,808,376)
Total accumulated depreciation	(593,410,130)	(47,515,650)	5,102,863	(635,822,917)
Other capital assets, net	790,764,692	27,781,295	(1,735,537)	816,810,450
Governmental activities capital assets, net	$ 1,049,887,853	$ 69,342,657	$ (11,928,090)	$ 1,107,302,420
Business-type Activities				
Capital assets not depreciated:				
Land	$ 43,205,629	$ 398,739	$ -	$ 43,604,368
Construction in progress	7,759,932	2,749,498	$ (2,736,038)	7,773,392
Total capital assets not depreciated	50,965,561	3,148,237	(2,736,038)	51,377,760
Other capital assets:				
Buildings	147,247,666	1,588,605	-	148,836,271
Other improvements	90,575,696	-	-	90,575,696
Equipment	8,356,645	2,574,610	(33,004)	10,898,251
Infrastructure	159,120,871	5,024,334	-	164,145,205
Intangible assets	3,366,479	21,683	-	3,388,162
Total other capital assets at historical cost	408,667,357	9,209,232	(33,004)	417,843,585
Less accumulated depreciation for:				
Buildings	(40,160,686)	(3,853,088)	-	(44,013,774)
Other improvements	(36,619,833)	(3,345,167)	-	(39,965,000)
Equipment	(5,387,499)	(523,449)	32,580	(5,878,368)
Infrastructure	(85,305,846)	(4,055,554)	-	(89,361,400)
Intangible assets	(2,002,941)	(195,919)	-	(2,198,860)
Total accumulated depreciation	(169,476,805)	(11,973,177)	32,580	(181,417,402)
Other capital assets, net	239,190,552	(2,763,945)	(424)	236,426,183
Business-type activities capital assets, net	$ 290,156,113	$ 384,292	$ (2,736,462)	$ 287,803,943

Changes to assets and accumulated depreciation may appear skewed due to reclassification of assets between categories.

Depreciation

Amounts posted in the accumulated depreciation account include retirement of assets sold or transferred and current period depreciation expense. Amounts of depreciation expense charged to capital assets by function are as follows:

Depreciation Expense
For the Year Ended December 31, 2014

Governmental Activities		
General Government	$	7,961,303
Judicial		2,785,131
Public Safety		2,277,689
Physical Environment		132,640
Transportation		30,819,207
Health and Human Services		23,512
Economic Environment		5,007
Culture and Recreation		3,511,161
Total Governmental Activities		47,515,650
Business-type Activities		
Airport		6,715,710
Solid Waste Management		3,357,940
Surface Water Management		1,899,527
Total Business-type Activities		11,973,177
Total Primary Government	**$**	**59,488,827**

3.E Short-Term Debt

The County had no short-term debt during or at the end of 2014.

3.F Long-Term Debt

The County's long-term debt consists primarily of general obligation bonds, Washington State public works trust fund loans, Community Economic Revitalization Board loans, and special assessment bonds for Road Improvement District (RID) 24A.

RID 24A bonds were issued in 1997 for $3.9 million as special limited obligation bonds. These are payable solely from assessments levied on property owners. As of December 31, 2014, there were $102,269 in delinquent assessments, including interest and penalties. Bonds are due in 2019 and are redeemed each year based on paid assessments. RID guaranty funds are required by state law and are reflected by restricted assets of $169,082 recorded as of December 31, 2014. State law also requires that county road funds be used to make up for any insufficiencies in monies available to make debt payments.

The County did not issue any bonds in 2014.

In prior years, the County defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for defeased bonds are not included in the County's financial statements. At December 31, 2014, $1,520,000 of bonds outstanding are considered defeased.

The following table summarizes the long-term debt issued and outstanding as of December 31, 2014:

2014 Schedule of Long Term Debt

	Purpose	Original Issue Amount *	Beginning Outstanding Balance	Ending Outstanding Balance	Scheduled Payoff Date	2015 Redemption	Interest Rate
Governmental Activities							
1997 Bond Issue	Memorial Stadium Series B	1,134,775	1,134,775	1,134,775	2026	-	4.5-6.0%
2005A Bond Issue	County New Administration Building	2,926,055	2,243,783	2,143,869	2030	102,769	3.0-4.4%
	Existing Administration Building Remodel	3,110,324	2,385,086	2,278,879	2030	109,240	3.0-4.4%
	Mission Building	487,688	373,974	357,321	2030	17,129	3.0-4.4%
	County Campus Redevelopment - Jail	1,853,213	1,421,100	1,357,820	2030	65,088	3.0-4.4%
	Other Campus Remodel Projects	975,375	747,946	714,641	2030	34,257	3.0-4.4%
	Fairgrounds Property	507,195	388,931	371,612	2030	17,814	3.0-4.4%
	Sheriff Storage/Gun Range	390,150	299,179	285,857	2030	13,703	3.0-4.4%
	Memorial Stadium	435,000	435,000	435,000	2027	-	3.0-4.4%
	Total 2005A Issue	10,685,000	8,294,999	7,944,999		360,000	
2005B Bond Issue	GTE Building	1,191,659	547,202	421,629	2017	132,438	3.0-5.0%
	Conservation Futures	14,655,477	6,729,699	5,185,351	2017	1,628,777	3.0-5.0%
	Cathcart Athletic Fields	3,507,469	751,030	-	2014	-	3.0-5.0%
	Snohomish County Radio Project	2,820,390	1,794,180	1,527,500	2019	278,498	3.0-5.0%
	City of Edmonds Radio Project	940,929	598,568	509,599	2019	92,910	3.0-5.0%
	Fire District No. 1 Radio Project	883,434	561,993	478,461	2019	87,233	3.0-5.0%
	City of Lynnwood Radio Project	1,141,411	726,103	618,178	2019	112,706	3.0-5.0%
	City of Marysville Radio Project	761,119	484,182	412,215	2019	75,155	3.0-5.0%
	City of Mill Creek Radio Project	287,218	182,713	155,555	2019	28,361	3.0-5.0%
	City of Mountlake Terrace Radio Project	511,481	325,376	277,013	2019	50,505	3.0-5.0%
	City of Woodway Radio Project	38,580	24,541	20,893	2019	3,809	3.0-5.0%
	Snocom 800 MHz/Edmonds	257,509	163,813	139,465	2019	25,427	3.0-5.0%
	Snocom 800 MHz/Mountlake Terrace	137,265	87,322	74,343	2019	13,554	3.0-5.0%
	Snocom 800 MHz/Other	575,665	366,207	311,775	2019	56,843	3.0-5.0%
	Various County Remodel/Building Projects	415,000	415,000	415,000	2019	-	4.0%
	Total 2005B Issue	28,124,606	13,757,929	10,546,977		2,586,216	
2006 Bond Issue	Parks	2,650,000	930,000	635,000	2016	310,000	4.3-5.1%
	PW Cathcart Fleet/Road Maint Center	10,448,886	7,848,053	7,404,389	2026	466,447	4.3-5.1%
	Sheriff Gun Range/Impound Lot	1,855,410	1,393,582	1,314,801	2026	82,827	4.3-5.1%
	Roads	22,721,054	17,065,562	16,100,817	2026	1,014,286	4.3-5.1%
	Total 2006 Issue	37,675,350	27,237,197	25,455,007		1,873,560	
2009B Bond Issue	Animal Shelter	3,376,502	2,842,808	2,703,724	2028	145,654	2.0-5.0%
	Facilities HVAC	2,144,566	1,629,336	1,491,905	2023	141,625	2.0-5.0%
	Total 2009B Issue	5,521,068	4,472,144	4,195,629		287,279	
2010A Bond Issue	800 MHZ Radio Project Phase 2 - Refunding	8,708,214	6,713,725	5,977,528	2021	765,851	3.0-4.3%
	Parks - Refunding	4,102,635	3,162,982	2,816,142	2021	360,807	3.0-4.3%
	County Campus Redevelopment - Refunding	98,799,570	92,458,837	89,811,203	2035	2,750,440	3.0-4.3%
	Total 2010A Issue	111,610,419	102,335,544	98,604,873		3,877,098	
2010B Bond Issue	Roads	3,932,708	3,440,257	3,268,698	2030	173,436	1.0-5.9%
	Fairgrounds	7,058,844	6,435,072	6,213,717	2040	218,690	1.0-5.9%
	Emergeny Operations Center	2,218,448	2,014,671	1,942,585	2035	72,874	1.0-5.9%
	Total 2010B Issue	13,210,000	11,890,000	11,425,000		465,000	
2011A Bond Issue	Denny Youth Center - Refunding	7,280,000	3,430,000	1,755,000	2015	1,755,000	2.0-5.0%
	Medical Examiner - Refunding	620,000	290,000	150,000	2015	150,000	2.0-5.0%
	Memorial Stadium - Refunding	2,755,000	1,800,000	1,435,000	2018	355,000	2.0-5.0%
	Total 2011A Issue	10,655,000	5,520,000	3,340,000		2,260,000	

2014 Schedule of Long Term Debt

	Purpose	Original Issue Amount *	Beginning Outstanding Balance	Ending Outstanding Balance	Scheduled Payoff Date	2015 Redemption	Interest Rate
Governmental Activities, continued							
2011B Bond Issue	Auditor Equipment - Refunding	2,315,000	1,595,000	1,215,000	2017	390,000	2.0-5.0%
	Gun Range - Refunding	475,000	405,000	365,000	2022	40,000	2.0-5.0%
	County Campus Redevelopment - Refunding	37,875,000	37,555,000	37,395,000	2036	160,000	2.0-5.0%
	Total 2011B Issue	40,665,000	39,555,000	38,975,000		590,000	
2011C Bond Issue	Cathcart - Refunding	23,725,000	21,190,000	19,880,000	2025	1,325,000	0.5-3.6%
2012A Bond Issue	County Campus Redevelopment - Refunding	2,495,000	2,495,000	2,350,000	2027	145,000	2.0-4.0%
	Park Improvements/Willis Tucker Park - Rfndg	1,160,000	1,160,000	1,060,000	2023	105,000	2.0-4.0%
	Facilities Projects 12 yr	1,810,000	1,695,000	1,565,000	2024	135,000	2.0-4.0%
	Facilities Projects 20 yr	3,610,000	3,500,000	3,365,000	2032	135,000	2.0-4.0%
	Total 2012A Issue	9,075,000	8,850,000	8,340,000		520,000	
2013 Bond Issue	Justice Center	73,730,000	73,730,000	73,730,000	2043	-	3.0-5.0%
	Sheriff Precinct	2,765,000	2,765,000	2,695,000	2037	75,000	3.0-5.0%
	Conservations Futures	22,470,000	22,470,000	22,470,000	2032	-	3.0-5.0%
	Roads	4,710,000	4,710,000	4,535,000	2032	180,000	3.0-5.0%
	Parks	3,285,000	3,285,000	3,070,000	2032	230,000	3.0-5.0%
	Sheriff Laptops	925,000	925,000	750,000	2018	180,000	3.0-5.0%
	Total 2013 Issue	107,885,000	107,885,000	107,250,000		665,000	
	Total G.O. Bonds - Governmental Activities	399,966,218	352,122,588	337,092,260		14,809,153	
Public Works Trust Fund Loans	Relocate Road Away from River	500,000	135,087	108,069	2018	27,018	1.0%
	County Wide Payment Overlays	3,703,529	588,017	392,012	2016	196,005	1.0%
	Bridge Replacement Program Phase 111	1,000,000	105,848	52,924	2015	52,924	1.0%
	High Bridge Road Re-alignment	844,615	48,848	-	2014	-	3.0%
	88th. St. NE Road Improvements	45,000	2,369	-	2014	-	1.0%
	Granite Falls Alternate Route	7,000,000	5,526,316	5,157,895	2028	368,421	1.0%
	Total PWTF Loans	13,093,144	6,406,485	5,710,900		644,368	
Other Loans	Furniture, Fixtures and Equipment	1,973,000	344,601	117,028	2015	117,029	3.8%
	Airport CERB Loan	468,214	468,214	468,214	2030	-	0.0%
	Total Other Loans	2,441,214	812,815	585,242		117,029	
Special Assessment Bonds	Road Improvement District	3,856,632	265,000	135,000	2019	-	
	Total Debt - Governmental Activities	419,357,208	359,606,888	343,523,402		15,570,550	
Business-Type Activities							
2005B Bond Issue	Airport	4,982,863	2,288,098	1,763,020	2017	553,784	3.0-5.0%
	Airport C-3	500,235	107,112	-	2014	-	3.0-5.0%
	Airport C-5	382,296	81,858	-	2014	-	3.0-5.0%
	Total 2005B Issue	5,865,394	2,477,068	1,763,020		553,784	
2006 Bond Issue	Surface Water Projects	2,880,000	80,000	70,000	2021	10,000	4.3-5.1%
	Various Airport Projects	4,833,830	3,630,641	3,425,395	2026	215,786	4.3-5.1%
	Airport Runway/Ramp	1,953,063	1,466,927	1,383,999	2026	87,186	4.3-5.1%
	Airport Interfund Loan	1,757,757	1,320,234	1,245,599	2026	78,468	4.3-5.1%
	Total 2006 Issue	11,424,650	6,497,802	6,124,993		391,440	
2009A Bond Issue	Surface Water - 2001 Refunding	11,075,000	7,385,000	6,585,000	2021	835,000	3.0-5.0%
	Surface Water - 2006 Refunding	2,745,000	1,845,000	1,640,000	2021	205,000	3.0-5.0%
	Total 2009A Issue	13,820,000	9,230,000	8,225,000		1,040,000	
2009B Bond Issue	Solid Waste	4,204,079	3,194,052	2,924,640	2023	277,634	2.0-5.0%
	Airport - Private	2,331,885	1,947,569	1,835,956	2028	97,249	2.0-5.0%
	Airport - Public	297,968	251,237	238,777	2028	12,838	2.0-5.0%
	Total 2009B Issue	6,833,932	5,392,858	4,999,373		387,721	
2010A Bond Issue	Airport Debt Service 20 Year - Refunding	8,003,197	7,489,459	7,275,130	2035	222,902	3.0-4.3%
2010C Bond Issue	Airport 2009 BAN - Refunding	4,950,000	4,565,000	4,420,000	2035	145,000	2.0-4.4%
2011B Bond Issue	Paine Field Various - Refunding	1,775,000	1,685,000	1,635,000	2036	50,000	2.0-5.0%
	Solid Waste Facility Construction - Refunding	12,175,000	10,290,000	9,295,000	2022	1,025,000	2.0-5.0%
	Paine Field Museum - Refunding	20,555,000	19,515,000	18,960,000	2036	570,000	2.0-5.0%
	Total 2011B Issue	34,505,000	31,490,000	29,890,000		1,645,000	

2014 Schedule of Long Term Debt

	Purpose	Original Issue Amount *	Beginning Outstanding Balance	Ending Outstanding Balance	Scheduled Payoff Date	2015 Redemption	Interest Rate
Business-Type Activities, continued							
2012B Bond Issue	Airport	30,815,000	29,645,000	28,385,000	2032	1,290,000	2.0-3.6%
	Solid Waste	7,860,000	7,645,000	7,410,000	2037	240,000	2.0-3.6%
	Total 2012B Issue	38,675,000	37,290,000	35,795,000		1,530,000	
	Total G.O. Bonds - Business-Type Activities	124,077,173	104,432,187	98,492,516		5,915,847	
Public Works Trust Fund Loans	Recycling & Transfer Station Construction	10,000,000	4,764,706	4,235,294	2022	529,412	0.5%
	Recycling & Transfer Station Construction	1,000,000	421,052	368,420	2021	52,632	0.5%
	Recycling & Transfer Station Reconstruction	10,000,000	3,935,964	3,373,683	2020	562,281	1.0%
	Dry Creek Estates Drainage Improvements	225,000	23,685	11,843	2015	11,842	1.0%
	Storm Drainage System	355,875	57,248	38,167	2016	19,081	1.0%
	Total PWTF Loans	21,580,875	9,202,655	8,027,407		1,175,248	
Community Economic Revitalization Board	Airport CERB Loan	1,700,000	1,700,000	1,700,000	2030	-	2.0%
	Airport CERB Loan	496,257	496,257	496,257	2033	-	2.0%
	Total Other Loans	2,196,257	2,196,257	2,196,257		-	
	Total Debt - Business-Type Activities	147,854,305	115,831,099	108,716,180		7,091,095	

* Original issue amounts for PWTFL and CERB loans are adjusted to reflect additional loan draws

The following table summarizes the changes in long-term debt during 2014:

Changes in Long-term Debt
For the Year Ended December 31, 2014

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Non-Current Portion
Governmental Activities:						
General Obligation Bonds	$352,122,588	$ -	$ 15,030,328	$337,092,260	$14,809,153	$322,283,107
Special Assessment Bonds	265,000	-	130,000	135,000	-	135,000
Loans Payable	7,219,300	-	923,156	6,296,144	761,397	5,534,747
Total Bonds, Notes, and Loans Payable	**359,606,888**	**-**	**16,083,484**	**343,523,404**	**15,570,550**	**327,952,854**
Net Premiums/Discounts	**16,967,433**	**-**	**1,017,618**	**15,949,815**	**1,017,617**	**14,932,198**
Total Governmental Activities Debt	**376,574,321**	**-**	**17,101,102**	**359,473,219**	**16,588,167**	**342,885,052**
Business-type Activities:						
G.O. Bonds/Solid Waste	21,129,052	-	1,499,412	19,629,640	1,542,634	18,087,006
G.O. Bonds/Airport	73,993,135	-	3,425,259	70,567,876	3,323,213	67,244,663
G.O. Bonds/Surface Water	9,310,000	-	1,015,000	8,295,000	1,050,000	7,245,000
Loans Payable/Solid Waste	9,121,722	-	1,144,325	7,977,397	1,144,325	6,833,072
Loans Payable/Airport	2,196,257	-	-	2,196,257	-	2,196,257
Loans Payable/Surface Water	80,933	-	30,923	50,010	30,923	19,087
Total Bonds, Notes, and Loans Payable	**115,831,099**	**-**	**7,114,919**	**108,716,180**	**7,091,095**	**101,625,085**
Net Premiums/Discounts	**3,132,614**	**-**	**292,560**	**2,840,054**	**292,560**	**2,547,494**
Total Business-type Activities Debt	**118,963,713**	**-**	**7,407,479**	**111,556,234**	**7,383,655**	**104,172,579**
Total Primary Government:	**$495,538,034**	**$ -**	**$ 24,508,581**	**$471,029,453**	**$23,971,822**	**$447,057,631**

Debt service requirements at December 31, 2014 are as follows:

	Governmental Activities					
	General Obligation		Other Debt		Special Assessment	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	14,809,153	13,815,019	761,397	33,536	-	-
2016	13,373,855	13,219,276	622,658	26,718	-	-
2017	14,002,879	12,687,715	426,653	22,646	-	-
2018	13,160,665	12,193,625	426,653	20,533	-	-
2019	13,333,388	12,068,223	399,635	18,421	135,000	8,235
2020-2024	66,277,707	53,013,997	1,998,175	64,475	-	-
2025-2029	69,813,591	36,782,355	1,629,754	18,420	-	-
2030-2034	70,276,022	21,021,201	31,219	-	-	-
2035-2039	37,515,000	8,617,910	-	-	-	-
2040-2043	24,530,000	2,526,389	-	-	-	-
Total	$ 337,092,260	$ 185,945,710	$ 6,296,144	$ 204,749	$ 135,000	$ 8,235

	Business-Type Activities							
	Solid Waste		Airport		Surface Water		Other Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	1,542,634	714,719	3,323,213	2,532,284	1,050,000	360,473	1,175,248	57,255
2016	1,585,404	669,452	3,455,742	2,424,004	1,090,000	318,373	1,163,406	252,413
2017	1,641,315	613,388	3,565,806	2,305,831	1,135,000	274,673	1,250,747	73,689
2018	1,693,167	563,685	3,021,168	2,191,449	1,175,000	234,985	1,252,876	63,028
2019	1,755,494	501,059	3,112,537	2,095,890	1,220,000	192,210	1,255,047	106,581
2020-2024	6,641,626	1,465,444	17,228,112	8,846,284	2,625,000	198,500	3,020,745	179,214
2025-2029	1,600,000	735,350	18,212,323	5,589,840	-	-	826,137	78,029
2030-2034	1,875,000	449,245	15,178,975	2,288,970	-	-	279,458	9,843
2035-2037	1,295,000	97,125	3,470,000	194,200	-	-	-	-
Total	$ 19,629,640	$ 5,809,467	$ 70,567,876	$ 28,468,752	$ 8,295,000	$ 1,579,214	$ 10,223,664	$ 820,052

Debt Limitation

Voted Debt - The County may issue general obligation bonds for general county purposes in an amount not to exceed 2.5 percent of the assessed value of all taxable property. Unlimited tax general obligation bonds require an approving vote, and any election to validate general obligation bonds must have a voter turnout of at least 40 percent of those who voted in the last State general election. Of those voting, 60 percent must be in the affirmative. The principal and interest on voted general obligation bonds is payable from property taxes in excess of regular property taxes, without limitation as to rate or amount.

Non-voted Debt - The County Council may, by ordinance, authorize the issuance of limited tax general obligation bonds in an amount up to 1.5 percent of the assessed valuation within the County without authorization of the voters. No combination of limited and unlimited tax bonds may exceed 2.5 percent of the assessed valuation. The principal and interest on non-voted debt is payable from regular property tax levies or from other available revenues of the County.

The computation of the County's general obligation debt capacity is displayed in the statistical section of this report.

Arbitrage

The County issues tax-exempt bonds that are subject to IRS arbitrage regulations. The County contracts with a consultant to analyze arbitrage requirements. For the year ended December 31, 2014, there is no arbitrage liability.

3.G Compensated Absences

The compensated absences liability attributable to the governmental activities will be liquidated primarily by the general fund. Historically, approximately 60% has been paid by the general fund, 15% by the road fund, and the remainder by various other governmental and internal service funds.

Compensated Absences
For the Year Ended December 31, 2014

	Beginning Balance	Earned	Used	Ending Balance	Amounts Due Within One Year
Governmental Activities	$18,060,142	$19,366,803	$19,153,010	$18,273,935	$ 182,739
Business-type Activities					
Solid Waste	$ 695,042	$ 866,902	$ 822,886	$ 739,058	$ 7,391
Airport	421,820	546,698	548,029	420,489	4,205
Surface Water	574,338	640,917	662,710	552,545	5,525
Subtotal Business-type	1,691,200	2,054,517	2,033,625	1,712,092	17,121
Total Primary Government	$19,751,342	$21,421,320	$21,186,635	$19,986,027	$ 199,860

3.H Accrued Liabilities

The County's accrued liabilities include the following:

Accrued Liabilities
As of December 31, 2014

	Governmental Activities	Business-type Activities	Total Primary Government
Retainage Payable	$ 227,434	$ 1,514,787	$ 1,742,221
Interest Payable	3,189,668	513,808	3,703,476
Wages Payable	4,980,959	488,191	5,469,150
Taxes Payable	37,707	65,999	103,706
Customer Deposits	553,275	735,408	1,288,683
Custodial Accounts	1,083,551	-	1,083,551
Total	$ 10,072,594	$ 3,318,193	$ 13,390,787

3.I Interfund Balances and Transfers

An other governmental fund provided a $3 million liquidity loan to the General Fund. The Capital Projects Fund (a major fund) loaned $4 million to an other governmental fund for the purpose of Facilities capital projects.

Transfers represent subsidies and contributions provided to operating funds and capital project funds with no corresponding debt or promise to repay. Most recurring transfers are for the purpose of funding debt service payments. Transfers for general operating purposes and transfers of assets are also done on a routine basis. The following table summarizes the transfers made between funds and activities:

Schedule of Transfers
For the Year Ended December 31, 2014

Disbursing Funds	Receiving Funds											
	Governmental Funds						Proprietary Funds					
							Business-type Activities			Governmental Activities		
	General Fund	Special Revenue Fund	County Road Fund	Human Services Fund	Other Governmental Funds	Total Governmental Funds	Airport Fund	Surface Water Fund	Subtotal Business-type Activities	Internal Service Funds	Full Accrual Activity*	Total Fund Statements - Transfers Out
Governmental Funds												
General Fund	$ -	$ 4,793	$ 63,570	$ 2,821,813	$ 8,674,570	$ 11,564,746	$ 213,657	$ -	$ 213,657	$ -	$ -	$ 11,778,403
Special Revenue Fund	-	-	1,154,835	-	790,066	1,944,901	-	1,127,232	1,127,232	-	-	3,072,133
County Road Fund	4,317,569	-	-	112,000	2,852,246	7,281,815	-	521,215	521,215	-	-	7,803,030
Human Services Fund	2,410,212	-	-	-	627	2,410,839	-	-	-	-	-	2,410,839
Capital Projects Fund	-	-	-	-	260,000	260,000	-	-	-	-	-	260,000
Other Governmental Funds	372,110	-	4,137,231	-	19,580,691	24,090,032	-	1,405,659	1,405,659	-	-	25,495,691
Total Governmental Funds	7,099,891	4,793	5,355,636	2,933,813	32,158,200	47,552,333	213,657	3,054,106	3,267,763	-	-	50,820,096
Proprietary Funds												
Business-type Activities												
Airport Fund	-	-	-	-	1,022	1,022	-	-	-	-	-	1,022
Surface Water Fund	453,129	-	30,000	-	-	483,129	-	-	-	-	-	483,129
Subtotal Business-type Activities	453,129	-	30,000	-	1,022	484,151	-	-	-	-	-	484,151
Governmental Activities												
Internal Service Funds	-	-	-	-	3,026,629	3,026,629	110,359	-	110,359	44,197	10,305	3,191,490
Full Accrual Activity*	-	-	-	-	-	-	-	-	-	78,005	-	78,005
Total Fund Statements - Transfers In	**$ 7,553,020**	**$ 4,793**	**$ 5,385,636**	**$ 2,933,813**	**$ 35,185,851**	**$ 51,063,113**	**$ 324,016**	**$ 3,054,106**	**$ 3,378,122**	**$ 122,202**	**$ 10,305**	**$ 54,573,742**

*Due to the different basis of accounting and measurement focus between the governmental fund statements and the entity-wide statements, not all transfer activity, such as transfers of assets, are reflected in the governmental fund statements.

Total Transfers on Statement of Activities	
Governmental Activities	
Total transfers in-governmental funds	$ 51,063,113
Less total transfers out-governmental funds	(50,820,096)
Total transfers in-internal service funds	122,202
Less total transfers out-internal service funds	(3,191,490)
Full Accrual Activity*	(67,700)
Net transfers out to business-type activities	**$ (2,893,971)**
Business-type Activities	
Total transfers in	$ 3,378,122
Less total transfers out	(484,151)
Net transfers in from governmental activities	**$ 2,893,971**

3.J Governmental Fund Balance

The County reported $211.7 million in restricted fund balance in the governmental funds. Restricted fund balance/net position are subject to external restrictions such as those imposed by state and federal law or by contractual agreements with third parties. Committed fund balance is committed for a specific purpose pursuant to constraints imposed by a formal action such as a County ordinance adopted by the County's highest level of decision-making authority, the County Council with approval of the County Executive. Similar formal action is required to create, modify, or rescind an ordinance. Assigned fund balance are resources intended to be used for a specific purpose. Assignments are expressed by the governing body or an official authorized by the governing body. No formal action is required to reallocate assigned fund balance.

Unless otherwise directed by the County Council, County Executive, or Director of Finance and committed to writing, resources shall be utilized in the following order: restricted, committed, assigned, and unassigned.

The governmental fund balance is summarized below:

	General Fund	Special Revenue Fund	County Road Fund	Human Services	Capital Projects Fund	Other Governmental Funds	Total
Restricted Purpose:							
Animal Benefit	-	9,174	-	-	-	-	9,174
Artwork	-	-	-	-	-	283,173	283,173
Benefit National Forest	-	-	-	-	-	13,404	13,404
Capital Purposes	-	6,844,231	-	-	71,742,842	25,502,175	104,089,248
Court Purposes	-	1,873,449	-	-	-	-	1,873,449
Debt Service	-	16	-	-	-	263,684	263,700
Education and Training	-	-	-	-	-	3,640	3,640
Grants	-	-	-	-	-	848	848
Emergency Svcs Comm System	-	-	-	-	-	6,006,553	6,006,553
Facilitate victims/witnesses	-	-	-	-	-	6,444	6,444
Health & Human Services	-	-	-	24,237,709	-	-	24,237,709
Historical preservation	-	566,122	-	-	-	-	566,122
Inmate Benefit	-	-	-	-	-	283,935	283,935
Investigation/prosecution of antiprofiteering	-	-	-	-	-	79,176	79,176
Law Enforcement	-	109,922	-	-	-	287,872	397,794
Law Library	-	-	-	-	-	458,239	458,239
Parks	-	29,837	-	-	-	14,363,756	14,393,593
Program Administration/Enforcement	-	-	-	-	-	5,257,292	5,257,292
Prosecuting Attorney	-	129,432	-	-	-	-	129,432
Refunds	-	-	-	-	-	311,879	311,879
Roads	-	-	32,038,406	-	-	13,774,541	45,812,947
Tourism	-	2,050,200	-	-	-	4,053,796	6,103,996
Treasurer	-	-	-	-	-	1,133,651	1,133,651
Total Restricted Fund Balance	-	11,612,383	32,038,406	24,237,709	71,742,842	72,084,058	211,715,398
Committed Purpose:							
Capital Purposes	-	-	-	-	22,230	3,277,224	3,299,454
Court Purposes	-	-	-	-	-	167,868	167,868
Data Processing Systems	-	100,000	-	-	-	4,622,084	4,722,084
Debt Service	-	-	-	-	-	2,071,628	2,071,628
Education and Training	-	-	-	-	-	32	32
Facilitate victims/witnesses	-	-	-	-	-	14,055	14,055
Grants	-	-	-	-	-	971,905	971,905
Law Enforcement	-	1,833	-	-	-	21,436	23,269
Parks	-	-	-	-	-	126,739	126,739
Program Administration/Enforcement	-	-	-	-	-	3,581,161	3,581,161
Roads	-	-	4,694,344	-	-	-	4,694,344
Treasurer	-	-	-	-	-	59,899	59,899
Water Quality/Control	-	-	-	-	-	27,863	27,863
Total Committed Fund Balance	-	101,833	4,694,344	-	22,230	14,941,894	19,760,301
Assigned For:							
General Government	3,582,519	-	-	-	-	-	3,582,519
Total Assigned Fund Balance	3,582,519	-	-	-	-	-	3,582,519
Unassigned	11,726,187	-	-	-	-	-	11,726,187
Total Fund Balance	15,308,706	11,714,216	36,732,750	24,237,709	71,765,072	87,025,952	246,784,405

Note 4 Other Notes

4.A Employee Pension and Other Benefit Plans

Substantially all Snohomish 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 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; or it may be downloaded from the DRS website at www.drs.wa.gov

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

Plan Description
The Legislature established PERS in 1947. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts; employees of legislative committees; employees of district and municipal courts; and employees of local governments. Membership also includes higher education employees not participating in higher education retirement programs. Approximately 49 percent of PERS salaries are accounted for by state employment. PERS retirement benefit provisions are established in Chapters 41.34 and 41.40 RCW and may be amended only by the State Legislature.

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.

PERS members 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 exercised 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 Plan 3. The option must be exercised within 90 days of employment. Employees who fail to choose within 90 days default to Plan 3.

PERS is comprised of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members, and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 may legally be

used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

PERS Plan 1 and Plan 2 retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the PERS Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During DRS' Fiscal Year 2013, the rate was five and one-half percent compounded quarterly. Members in PERS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon, in lieu of any retirement benefit, upon separation from PERS-covered employment.

PERS Plan 1 members are vested after the completion of five years of eligible service. PERS Plan 1 members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with 25 years of service, or at age 60 with at least 5 years of service. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits.

The monthly benefit is 2 percent of the average final compensation (AFC) per year of service, but the benefit may not exceed 60 percent of the AFC. The AFC is the monthly average of the 24 consecutive highest-paid service credit months.

PERS Plan 1 retirement benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

Plan 1 members may 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. The benefit 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, at which time the benefit is converted to the member's service retirement amount.

A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the benefit 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. Plan 1 members may elect to receive an optional 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 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. The AFC is the monthly average of the 60 consecutive highest-paid service months. 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 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, if hired prior to May 1, 2013:

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

PERS Plan 2 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of 5 percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service.

PERS Plan 2 retirement benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component and member contributions finance a defined contribution component. As established by Chapter 41.34 RCW, employee contribution rates to the defined contribution component range from 5 percent to 15 percent of salaries, based on member choice. Members who do not choose a contribution rate default to a 5 percent rate. There are currently no requirements for employer contributions to the defined contribution component of PERS Plan 3.

PERS Plan 3 defined contribution retirement benefits are dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions. Any expenses incurred in conjunction with self-directed investments are paid by members. Absent a member's self-direction, PERS Plan 3 contributions are invested in the Retirement Strategy Fund that assumes the member will retire at age 65.

For DRS' Fiscal Year 2013, PERS Plan 3 employee contributions were $99.0 million, and plan refunds paid out were $69.4 million.

The defined benefit portion of PERS Plan 3 provides members a monthly benefit that is 1 percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit, and Plan 3 provides the same cost-of-living allowance as Plan 2.

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 by 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, and were hired before May 1, 2013, they have the choice of a benefit that is 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.

- If they have 30 service credit years, are at least 55 years old, and were hired after May 1, 2013, they have the option to retire early by accepting a reduction of 5 percent for each year before age 65.

PERS Plan 3 benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

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 members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a PERS member who dies 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 the member's covered employment, if found eligible by the Department of Labor and Industries.

From January 1, 2007 through December 31, 2007, judicial members of PERS were given the choice to elect participation in the Judicial Benefit Multiplier (JBM) Program enacted in 2006. Justices and judges in PERS Plan 1 and Plan 2 were able to make an 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 AFC.

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.

There are 1,176 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2013:

Retirees and Beneficiaries Receiving Benefits	85,328
Terminated Plan Members Entitled to but not yet Receiving Benefits	31,047
Active Plan Members Vested	150,706
Active Plan Members Non-vested	101,191
Total	368,272

Funding Policy

Each biennium, the state Pension Funding Council adopts PERS Plan 1 employer contribution rates, PERS Plan 2 employer and employee contribution rates, and PERS 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. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Plan 3 employee contribution rates range from 5 percent to 15 percent.

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.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2014, are as follows:

Contributor	PERS 1 Required	PERS 2 Required	PERS 3 Required	
Employer	9.21%	9.21%	9.21%	1/01/14-12/31/14
Employee	6.00%	4.92%	6 options- rates 5-15%	1/01/14-12/31/14
Total	**15.21%**	**14.13%**	N/A	

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

Year	PERS Plan 1	PERS Plan 2	PERS Plan 3
2014	$ 604,517	$ 17,396,439	$ 3,113,995
2013	677,687	15,444,312	2,724,262
2012	632,908	13,957,168	2,348,293

The required contribution rates, expressed as a percentage of covered payrolls, for the year ended December 31, 2014 were:

Contributor	PERS-JBM 1 Required	PERS-JBM 2 Required	PERS-JBM 3 Required	
Employer	9.21%	9.21%	9.21%	1/01/14-12/31/14
Employee	12.26%	12.30%	Minimum of 7.5%	1/01/14-12/31/14
Total	**21.47%**	**21.51%**	N/A	

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

Year	PERS-JBM Plan 1*	PERS-JBM Plan 2	PERS-JBM Plan 3*
2014	$ 0	$ 219,817	$ 0
2013	0	200,074	0
2012	27,559	159,742	0

*as of 12/31/2014 the County did not have any employees participating in PERS-JBM Plan 1 or 3

Law Enforcement Officers' And Fire Fighters' Retirement System (LEOFF)Plans 1 and 2

Plan Description

LEOFF was established in 1970 by the Legislature. Membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters and, as of July 24, 2005, emergency medical technicians. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers, who were first included effective July 27, 2003, being an exception. LEOFF retirement benefit provisions are established in chapter 41.26 RCW and may be amended only by the State Legislature.

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF members 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.

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.

LEOFF 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 legislative appropriations. Employee contributions to the LEOFF Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During DRS' Fiscal Year 2013, the rate was five and one-half percent compounded quarterly. Members in LEOFF Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest earnings, in lieu of any retirement benefit, upon separation from LEOFF-covered employment.

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 10 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 there is an eligible spouse, 50 percent of the FAS, plus 5 percent of the FAS for each eligible surviving child, with a limitation on the combined benefit of 60 percent of the FAS; or (2) If there is no eligible spouse, eligible children receive 30 percent of the FAS for the first child plus 10 percent for each additional child, subject to a 60 percent limitation of the FAS, divided equally.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a LEOFF Plan 1 member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

The LEOFF Plan 1 disability benefit 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 benefit or service retirement benefit.

LEOFF Plan 2 members are vested after the completion of five years of eligible service.

Plan 2 members are eligible for retirement at the age of 53 with five years of service, or at age 50 with 20 years of service. Plan 2 members receive a benefit of 2 percent of the FAS per year of service (the FAS is based on the highest consecutive 60 months), actuarially reduced to reflect the choice of a survivor option. Members who retire prior to the age of 53 receive reduced benefits. 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. Otherwise, the benefits are actuarially reduced 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 benefit amount is 2 percent of the FAS for each year of service. Benefits are reduced to reflect the choice of survivor option and for each year that the member's age is less than 53, unless the disability is duty-related. 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 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 catastrophically 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 benefit 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.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a LEOFF Plan 2 member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

Benefits to eligible surviving spouses and dependent children of LEOFF Plan 2 members killed in the course of employment include the payment of eligible health care insurance premiums.

Legislation passed in 2009 provides to the Washington state registered domestic partners of LEOFF Plan 2 members the same treatment as married spouses, to the extent that the treatment is not in conflict with federal laws.

LEOFF members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

There are 374 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2013:

Retirees and Beneficiaries Receiving Benefits	10,511
Terminated Plan Members Entitled to but not yet Receiving Benefits	699
Active Plan Members Vested	16,830
Active Plan Members Non-vested	1,600
Total	29,640

Funding Policy

Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plans. Starting on July 1, 2000, Plan 1 employers and employees contribute zero percent, as long as the plan remains fully funded. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For DRS' Fiscal Year 2014, the state contributed $55.6 million to LEOFF Plan 2.

The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.26 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2014, are as follows:

	Contributor	LEOFF 1 Required	LEOFF 2 Required
1/01/2014-12/31/2015	Employer	0.18%	5.23%
1/01/2014-12/31/2015	Employee	0.00%	8.41%
	Total	**0.18%**	**13.64%**

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

Year	LEOFF Plan 1	LEOFF Plan 2
2014	$ 181	$ 3,523,358
2013	286	3,380,571
2012	364	3,244,740

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

Plan Description
PSERS was created by the 2004 Legislature and became effective July 1, 2006. PSERS retirement benefit provisions have been established by Chapter 41.37 RCW and may be amended only by the State Legislature.

PSERS is a cost-sharing multiple-employer retirement system comprised of a single defined benefit plan, PSERS Plan 2.

PSERS membership includes:

- PERS 2 or 3 employees hired by a covered employer before July 1, 2006, who met at least one of the PSERS eligibility criteria and elected membership during the period of July 1, 2006 to September 30, 2006; and
- Employees, hired on or after July 1, 2006 by a covered employer, that meet at least one of the PSERS eligibility criteria.

Covered employers include:

- State of Washington agencies: Department of Corrections, Department of Natural Resources, Gambling Commission, Liquor Control Board, Parks and Recreation Commission, and Washington State Patrol;
- Washington State counties;
- Washington State cities except for Seattle, Spokane and Tacoma; and
- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

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

- Have 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; or
- Have primary responsibility to ensure the custody and security of incarcerated or probationary individuals; or
- Function as a limited authority Washington peace officer, as defined in RCW 10.93.020; or
- Have primary responsibility to supervise eligible members who meet the above criteria.

PSERS retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the plan accrue interest at a rate specified by the Director of DRS. During DRS' Fiscal Year 2014, the

rate was five and one-half percent compounded quarterly. Members in PSERS Plan 2 can elect to withdraw total employee contributions and interest thereon, in lieu of any retirement benefit, upon separation from PSERS-covered employment.

PSERS Plan 2 members are vested after completing five years of eligible service.

PSERS members may retire with a monthly benefit of 2 percent of the average final compensation (AFC) at the age of 65 with five years of service, or at the age of 60 with at least 10 years of PSERS service credit, or at age 53 with 20 years of service. The AFC is the monthly average of the member's 60 consecutive highest-paid service credit months. 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.

PSERS 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.

PSERS Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The monthly benefit is 2 percent of the AFC for each year of service. The AFC is based on the member's 60 consecutive highest creditable months of service. 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). 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.

PSERS members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

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

There are 75 participating employers in PSERS. Membership in PSERS consisted of the following as of the latest actuarial valuation date for the plan of June 30, 2013:

Retirees and Beneficiaries Receiving Benefits	43
Terminated Plan Members Entitled to but not yet Receiving Benefits	119
Active Plan Members Vested	4,513
Active Plan Members Nonvested	1,383
Total	**6,058**

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.

The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.37 and 41.45 RCW.

The required contribution rates, expressed as a percentage of covered payrolls, for the year ended December 31, 2014 were:

Contributor	PSERS 2 Required	
Employer	10.54%	1/01/14-12/31/14
Employee	6.36%	1/01/14-12/31/14
Total	**16.90%**	

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

Year	PSERS Plan 2
2014	$2,450,624
2013	2,065,993
2012	1,791,489

Other Post-Employment Benefit (OPEB) Plans Plan Description
In 1970, LEOFF was established by the Legislature under RCW Chapter 41.26. LEOFF members who joined the system by September 30, 1977 are Plan 1 members. For Plan 1 members, the necessary hospital, medical, and nursing care expenses not payable by workers' compensation, Social Security, etc, are covered.

Under Revised Code of Washington (RCW) Chapter 41.16, all medical, hospital, and nursing care as long as a disability exists are covered for any active member hired prior to March 1, 1970. For any retired member hired prior to March 1, 1970, medical, hospital, and nursing care are covered at the discretion of the Retirement Board. Members retired prior to 1961 for reasons other than duty disability are not eligible for medical benefits during retirement.

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

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 thirty years as of

January 1, 2007. 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 for LEOFF.

Annual Required Contribution (ARC)	12/31/2014
1. Annual Normal Cost (1/1/2014)	$ 69,032
2. Amortization of UAAL (1/1/2014)	1,665,678
3. Interest to 12/31/14 [(1)+(2)]x(i)*	65,052
4. ARC at 12/31/14 [(1)+(2)+(3)]	1,799,762
5. Interest on prior Net OPEB Obligation	141,100
6. Adjustment to ARC	238,104
7. Annual OPEB cost [(4)+(5)-(6)]	1,702,758
8. Employer Contributions	792,488
9. Change in Net OPEB Obligation [(7)-(8)]	910,270
10. Net OPEB Obligation at 1/1/14	3,762,680
11. Net OPEB Obligation at 12/31/14 [(9)+(10)]	$ 4,672,950

* 'i' the assumed interest rate is 3.75% in 2014.
(UAAL is defined as "Unfunded Actuarial Accrued Liability".)

The County's annual OPEB cost, the percentage of OPEB cost contributed to the plan, and the net change in OPEB obligation, as of December 31, were as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Ending Net OPEB Obligation
12/31/2014	$1,702,759	46.54%	$4,672,950
12/31/2013	$1,730,853	47.7%	$3,762,680
12/31/2012	$1,993,827	93.2%	$2,858,263

Funded Status and Funding Progress

As of January 1, 2013, the most recent actuarial valuation date, the plan was 0% funded. The accrued liability for benefits was $27,036,000, and the actuarial value of assets was $0, resulting in a UAAL of $27,036,000. The current year covered payroll (annual payroll of active employees covered by the plan) was $131,878. The unfunded actuarial accrued liability as a percentage of annual covered payroll is 20501%. Snohomish County's plan has fewer than 100 members and, as such, is required to have an actuarial valuation performed at least triennially. The next actuarial reevaluation of the County's OPEB obligation is scheduled for 2016.

Schedule of Funding Progress:

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio
01/01/2013	$ 0	$ 27,036,000	$ 27,036,000	0 %

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 County's OPEB liability is recorded in an internal service fund. As of December 31, 2014, the County had adequate fund balance to pay the full 2014 annual required contribution (ARC).

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 January 1, 2013 actuarial valuation, the entry age normal actuarial cost method was used. A single retirement age of 66 was assumed for all active members for the purpose of determining the AAL and normal cost. The Actuarial Accrued Liability (AAL) and Net OPEB Obligation (NOO) are amortized on a closed basis as a level dollar over 30 years. The following assumptions were used: annual growth in membership – 0%, return on investment earnings – 3.75%, inflation – 4.75%, and the long term medical inflation trend – 7.5%.

Prior to the January 1, 2013 actuarial valuation, the projected unit credit actuarial cost method was used.

See the Schedule of Funding Progress immediately following the notes to the financial statements.

4.B Risk Management

Snohomish County is exposed to various risks of loss, including theft, property damage, or destruction of assets, business interruption, errors and omissions, injuries to employees, and natural disasters.

The County uses two internal service funds to account for and finance property/casualty, worker's compensation, unemployment, and employee medical and dental benefits self-insurance programs. The County has a professional claims adjuster to adjudicate all general liability claims under $15,000, per County Code 2.90.060 and contracts with a third-party claim administrator to manage workers' compensation, and employee medical benefits claims. Unemployment claims are administered through Washington State Department of Employment Security. The Civil Division of the County's Prosecuting Attorney's office handles general liability claims over $15,000. The County is self-insured for $2 million, and procures excess insurance for damages and/or legal actions settled for more than $2 million. There were no settlements in excess of the insurance coverage in the past three years.

Claims settlements and loss expenses are reported in the Insurance Fund and the Employee Benefit Fund. These funds are responsible for collecting interfund premiums from insured funds and departments, for paying claims and settlements, and for purchasing certain excess insurance policies. Interfund premiums are assessed on the basis of claims experience, insurance policy purchases, and risk management programs. The County's established liabilities for probable losses for 2014 and 2013 are:

	Worker's Compensation		General Liability		Total	
	2014	2013	2014	2013	2014	2013
Claims Liability, Beginning of Year	$ 5,814,624	$ 6,279,830	$ 6,178,654	$ 6,757,696	$11,993,278	$13,037,526
Incurred Claims and Changes	1,850,849	1,990,133	6,211,583	2,431,279	8,062,432	4,421,412
Payments on Claims	(2,366,947)	(2,455,339)	(4,235,704)	(3,010,321)	(6,602,651)	(5,465,660)
Claims Liability, End of Year	$ 5,298,526	$ 5,814,624	$ 8,154,533	$ 6,178,654	$13,453,059	$11,993,278
Claims Liability, Current Portion	$ 1,687,034	$ 1,884,771	$ 1,977,440	$ 1,375,932	$ 3,664,474	$ 3,260,703
Claims Liability, Long term Portion	3,611,492	3,929,853	6,177,093	4,802,722	9,788,585	8,732,575
Claims Liability, End of Year	$ 5,298,526	$ 5,814,624	$ 8,154,533	$ 6,178,654	$13,453,059	$11,993,278

Insurance Fund

The Insurance Fund accounts for the County's property/casualty insurance program. Established in 1977, this fund accounts for the County's exposures to loss due to the tortuous conduct of the County and includes, but is not limited to, those damages which are commonly covered by commercial general liability, business/automobile liability, employment practices and public official errors and omissions policies. In addition to its general liability insurance coverages and excess liability policies, the County has specific liability insurance policies to cover some of its other exposures, and coverage for protection against other types of losses. The Insurance Fund also funds policy deductibles.

The fund also accounts for all Risk Management programs, including safety and worker's compensation. The County is self-insured for workers' compensation as certified under the Revised Code of Washington, Industrial Insurance Act, and Title 51. Additionally, the County purchases an Excess Workers' Compensation insurance policy with statutory limits.

General liability and worker's compensation claim estimates are based on an actuarial analysis prepared by AON Actuarial & Analytical Consulting in February of each year. The estimate includes all pending claim reserves and estimates for incurred, but not yet

received, claims (IBNR). The estimated liability for unpaid claims that are recorded at present value and discounted at 3.5% in the financial statements as of December 31, 2014 is $13 million.

Unemployment compensation benefits are expensed quarterly as claims are billed from the Washington State Department of Employment Security. All interfund premiums are assessed on loss history, and are reported as revenues in the Insurance Fund, and as expenses or expenditures by insured funds.

Employee Benefits Program Fund

The Employee Benefits Program Fund accounts for medical, dental, vision, life, accidental death and dismemberment, long-term-disability, and other benefits, including LEOFF retiree medical benefits. The benefits offered by the County include both self-insured medical and vision plans, which the County offers to employees, outside district subscribers, and COBRA subscribers. Snohomish County retirees may participate in a self-insured retiree medical insurance plan. In addition, the County offers a premium-based medical insurance plan to its employees, outside district subscribers, and COBRA subscribers. Interfund premiums are calculated on a per subscriber per month basis and charged to departments through composite rates that include expected claims, expenses, premiums, and administrative expenses. In most cases, employees contribute towards medical insurance premiums.

4.C Commitments, Contingencies, and Legal Matters

Snohomish County has recorded in its financial statements all material liabilities, including an estimate for situations not yet resolved, but where, based on available information, management believes it is probable that the County will have to make payment. All known or pending claims are properly recognized within the recorded liabilities of the Snohomish County insurance fund, or are covered by insurance policies.

Non-Financial Guarantees

The County has 5 Contingent Loan Agreements in place with 3 local entities that provide housing for low-income persons/families in Snohomish County. The Contingent Loan agreements were created to assist with debt service payments in the event that the entities are unable to meet their debt service obligation for certain bonds or loans named in the Contingent Loan Agreements. RCW 35.83.050 states that a County located in whole or part within the area of operation of a housing authority may lend or donate money to a housing authority or to agree to take such action. Each of these agreements remains in effect until the debt is paid in full or in some cases if the debt is defeased. The agreements note that if the County does make debt service payments on behalf of the entities that the entities are required to pay back the County. In the event that the entity doesn’t repay the County, the County has the option to call the bonds early or take over management of the project that the debt relates to.

The County does not anticipate that it will become necessary to fulfill these guarantees. Accordingly, no liability has been recorded for them. The Contingent Loan agreements are as follows:

Issuer	Debt Issue Year	Outstanding Principal at 12/31/14	Final Bond Maturity
Housing Authority of Snohomish County	1999	$ 1,835,000	10/1/2029
Housing Authority of Snohomish County	2007	$ 3,570,000	4/1/2037
Housing Authority of Snohomish County	2012	$ 9,770,000	5/1/2041
Everett Housing Authority and YWCA	2007	$ 12,195,000	6/1/2037
Washington State Housing Finance Commission (Senior Services of Snohomish County)	2010	$ 2,850,000	7/1/2045
		$ 30,220,000	

Contracts

Regional Disposal

In June 1992, Solid Waste Management entered into a waste export contract with Regional Disposal Company (RDC), also referred to as Rabanco, to transport Snohomish County's solid waste to RDC's Klickitat County, Washington, landfill. The County agrees to deliver 95% of its solid waste (net of recyclable and construction debris) or 150,000 tons per year, whichever is greater. The current contract ends May 15, 2017. At the end of 2014, Snohomish County was paying RDC $51.06 per ton for disposal of municipal solid waste delivered from the County transfer stations. The County paid RDC $25.7 million in 2014. Annual encumbrances related to this contract are established at the beginning of each year.

Future of Flight

Beginning December 15, 2005, Snohomish County leased a portion of the Future of Flight to the Boeing Company through June 15, 2030. The lease for the building has a set annual lease amount that ties to their pro-rated portion of debt service through the life of the lease. In addition, Boeing pays a land rent for their footprint of the building with rent adjusted to fair market value every 5 years.

The leased space is used for Boeing Tour Center related activities, including theater and conference presentations, special events, educational programs, and a gift shop. Boeing and Snohomish County agree to jointly market the facility.

Dreamlifter Operations Center

The Dreamlifter Operations Center was constructed in 2013 and funded with a 20 year bond. The facility is leased to the Boeing Company with a set annual lease amount at fair market value which funds the building's debt service. In addition, Boeing pays a land rent for the facility and additional ramp area, with rent adjusted to fair market value every 3 years.

Construction

At December 31, 2014, the County had pending construction project contracts in progress. The commitments related to the remaining contract balances are summarized as follows:

	Expended Through 12/31/2014	Remaining Commitment
Governmental Activities		
County Roads	$ 46,462,301	$ 5,875,945
Parks Construction	12,244,502	341,767
Facilities	1,881,431	12,596,309
Total Governmental Activities	60,588,234	18,814,021
Business-Type Activities		
Airport	3,543,483	3,979,387
Solid Waste	5,384,523	21,009
Surface Water	2,087,865	56,067
Total Business-type Activities	11,015,871	4,056,463
Total Primary Government	71,604,105	22,870,484

All significant encumbrances for construction contracts are included in the above amounts and are established at the beginning of each year.

Operating Leases

The County leases office buildings under cancellable operating leases. Total cost for such leases was $597,719 for the year ended December 31, 2014. The future minimum lease payments for these leases are as follows:

Year Ending December 31	Amount
2015	582,300
2016	534,805
2017	275,026
2018	203,607
2019	204,576
2020-2024	217,334
Total	$ 2,017,648

The County leases certain properties to various tenants under cancellable operating lease agreements. As one of its enterprise activities, the Airport Fund leases out buildings and grounds to various individuals and companies in the aviation field. The Solid Waste Fund leases out property to a company that provides operations related to the transshipment of solid waste for disposal at a landfill.

Property Under Long Term Lease	Enterprise Activities
Land	$ 15,581,580
Buildings	78,326,938
Less Depreciation	(21,667,796)
Total Property Leased to Others, Net	$ 72,240,722

Concession Agreements

Snohomish County currently has two concession arrangements, the Kayak Point Golf Course and the motor sport and multi event venue located at the Evergreen State Fairgrounds. Snohomish County entered into an agreement with Access Golf Management, LLC under which they will operate and collect user fees from the Kayak Point Golf Course until 2023. Access Golf Management, LLC will pay Snohomish County a monthly rent of $14,166. The present value of the future installment payments is $1.3 million. Access Golf Management, LLC is required to operate and maintain the golf course in accordance with the contract.

Snohomish County entered into an agreement with High Road Promotions LLC under which they will operate and collect user fees from the motor sport and multi-event venue located at the Evergreen State Fairgrounds until November 1, 2026. High Road Promotions LLC will pay Snohomish County a base installment payment six times each year. The present value of the future installment payments is $1.3 million. They will also pay Snohomish County a ticket revenue sharing payment monthly. Snohomish County reports a receivable and deferred inflow of resources in the amount of $2.6 million at year end pursuant to the service concession arrangements.

Grant Program Involvement

The County participates in various federal or state grant/loan programs. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability for reimbursement that may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Environmental Liabilities

Snohomish County maintains and monitors several landfills throughout the County. The level of attention for each landfill differs, but at a minimum all sites require visual inspections on a routine basis. These landfills, except for the Cathcart landfill were closed before October 4, 1988 and are not required to have financial assurance plans as identified in WAC 173-304-407 and 173-304-467, but still must be managed and monitored on a regular basis.

Snohomish County performs certain maintenance and monitoring functions to the closed Cathcart Landfill site as required by state, local, and federal laws and regulations. These functions are performed for a minimum of twenty years after closure or until the site is stabilized. The landfill was closed in 1992; therefore, we consider landfill capacity 100% used to date with zero years remaining landfill life. The 2007 post-closure plan update resulted in increased estimates in annual maintenance and monitoring costs as well as extended the date that required monitoring will cease. In 2011, the plan was adjusted to more currently reflect estimated interest income and expenses. In 2014, the plan was adjusted to more currently reflect estimated interest income and expenses. This adjustment resulted in a change in accounting estimate of $6 million. The restricted landfill post-closure investment account established for the purpose of paying the liability was decreased to $3,366,266 at December 31, 2014. The current portion of the post closure liability is $388,499. It is anticipated that future

inflation costs will be financed in part from earnings on the investment account. The actual cost of post-closure care may be further adjusted in the future due to inflation or deflation, changes in technology, or changes in applicable laws and regulations.

Landfill Post-Closure Estimates				
Year	Beginning Balance	Interest Income	Annual Expense	Ending Fund Balance
2014	$ 3,692,962	$ 52,809	$ 379,504	$ 3,366,266
2015	3,366,266	48,138	388,499	3,025,905
2016	3,025,905	43,270	397,706	2,671,470
2017	2,671,470	38,202	407,132	2,302,540
2018	2,302,540	32,926	416,781	1,918,685
2019	1,918,685	27,437	426,659	1,519,464
2020	1,519,464	21,728	436,770	1,104,422
2021	1,104,422	15,793	447,122	673,093
2022	673,093	9,625	457,719	225,000
	Interest Rate	1.43%		
	Inflation Rate	2.37%		

Litigation

The County is a party to various legal proceedings which normally occur in the course of governmental operations. The financial statements include actuarial accruals for loss contingencies that may result from these proceedings.

Note 5 Reconciliation of Government-Wide and Fund Financial Statements

5.A Explanation of Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

Total fund balances for the governmental funds balance sheet differs from net position of governmental activities as reported in the statement of net position due to the accounting methods used to prepare these statements. The governmental funds balance sheet is presented on a modified accrual basis and the statement of net position is presented on a full accrual basis. In addition, net internal service fund activity is included in government activities on the statement of net position. Details of the differences between these two presentations are as follows:

Capital Related Items

When capital assets that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net position included those capital assets among the assets of the County as a whole.

Costs of Capital Assets	$	1,667,189,131
Accumulated Depreciation		(597,631,939)
Capital Assets, Net		1,069,557,192
Investment in Joint Venture		7,003,996
Total Capital Assets Added	$	1,076,561,188

Long-Term Debt Transactions

Long-term liabilities and related deferred charges applicable to the County's governmental debt activities are not due and payable in the current period, and accordingly, are not reported at the fund level. All debt liabilities (both current and long-term) are reported in the statement of net position.

Unamortized Bond Premiums and Discounts	$	(9,996,874)
Interest Payable on Long-Term Debt (Accrued Liabilities)		(3,169,790)
Current Portion of Long-Term Debt		(15,165,205)
Noncurrent Portion of Long-Term Debt		(320,908,473)
Total Long-Term Debt	$	(349,240,342)

Internal Service Funds

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position because they primarily serve governmental activities of the County.

Internal Service Funds Total Current Assets	$	47,597,484
Internal Service Funds Total Non-Current Assets, Net		37,745,227
Internal Service Funds Total Assets		85,342,711
Internal Service Funds Total Deferred Outflow of Resources		11,288
Internal Service Funds Total Current Liabilities		(15,615,988)
Internal Service Funds Total Non-Current Liabilities		(20,700,305)
Internal Service Funds Total Liabilities		(36,316,293)
Internal Service Funds Net Position	$	49,037,706

Other Full Accrual Adjustments

Compensated Absences Payable	$	(16,413,332)
Offset to Unavailable Property Taxes		2,137,842
Interest and Penalties Receivable Property Tax		8,439,120
Offset to Unavailable Revenue		187,356
Accounts Receivable		50,063,087
Allowance for Bad Debts		(42,577,269)
Total	$	1,836,804

5.B Explanation of Differences between Governmental Fund Operating Statements and the Statement of Activities

Details of the differences between these two presentations are as follows:

Capital Related Items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charged for the year. In addition, assets donated or contributed to the County's governmental activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds.

Capital Related Expenditures	$ 37,558,218
Depreciation Expense	(43,050,285)
Subtotal	(5,492,067)
Contributions and Donations (Capital Donations)	63,960,506
Gain/Loss on Capital Assets	(705,630)
Equity Adjustment in Joint Venture	127,345
Subtotal	63,382,221
Increase (Decrease) in Net Position	$ 57,890,154

Internal Service Funds Revenues and Expenses

The revenues and expenses of the internal service funds are included in governmental activities in the statement of activities because they primarily serve governmental activities of the County.

Internal Service Funds Total Operating Revenues	$ 108,165,236
Internal Service Funds Total Operating Expenses	(108,845,370)
Internal Service Funds Total Non-Operating Revenue/Expenses	(95,524)
Internal Service Funds Net Transfers & Contributions	(3,059,288)
Internal Service Funds Net Income (Loss)	$ (3,834,946)

Other Full Accrual Adjustments

Some revenues and expenses reported in the statement of activities do not represent a change in current financial resources and, therefore, are not reported as revenues and expenditures in the governmental funds.

Adjustments to equity relating to long-term assets and liabilities do not require the use of current financial resources and, therefore, are not reported as expenditures or revenues in governmental funds.

Recognize Unavailable Property Taxes	$ (1,726,079)
Penalties and Interest on Property Taxes	(772,149)
Recognize Unavailable Revenue	(759,025)
Adjust Liability for Compensated Absences	(469,773)
Current portion of Other Governmental 800 MHz debt	(468,889)
Court Fines	1,670,031
Allowance for Uncollectible Court Fines	(2,221,436)
Total Increase (Decrease) to Net Position	$ (4,747,320)

Note 6 Pollution Remediation Obligations

The Roads Division of the County's Public Works Department currently has two adjacent parcels of land that may have pollution remediation impacts. The Washington State Department of Ecology (DOE) has given concurrence that no further remediation is needed on a portion of the property. However, at this time, it is unknown what, if any, remediation efforts DOE may require on the remaining property. DOE is reviewing the remaining property and will determine whether any further action is required to remediate the sites. There is currently no estimate for, nor means to estimate, the range of possible costs until DOE's review is complete.

Note 7 Related Party Transactions

Snohomish County entered into an interlocal agreement with Snohomish County Emergency Radio Systems (SERS) for accounting services including preparation of financial statements. Pursuant to this agreement, SERS pays the County an annual fee of $48,000. The County may also receive reimbursements for various minor miscellaneous expenses.

Snohomish County entered into an interlocal agreement with Snohomish County Public Facilities District (PFD) for accounting services including preparation of financial statements. Pursuant to this agreement, the PFD pays the County an annual fee of $24,000. The County may also receive reimbursements for various minor miscellaneous expenses.

Note 8 Adjustments to Equity

The Snohomish County Law Library was previously reported as an Agency Fund and is now reported as part of the Primary Government as a special revenue fund. As such, beginning equity has been restated as follows:

Statement of Net Position

		Governmental Activities
Beginning Net Position	$	979,522,124
Adjustment		524,370
Beginning Net Position, Restated	$	980,046,494

Balance Sheet

		Other Governmental Funds
Beginning Fund Balance	$	94,682,869
Adjustment		524,370
Beginning Fund Balance, Restated	$	95,207,239

Statement of Net Position

		Agency Funds
Beginning Due to Other Governments	$	412,817,787
Adjustment		(524,370)
Beginning Due to Other Governments, Restated	$	412,293,417

Note 9 Subsequent Events

9.A Contingent Loan Agreements

On February 23, 2015, the 1999 Contingent Loan Agreement with the Housing Authority of Snohomish County was terminated. The Housing Authority refunded its associated revenue debt and the new refunding note did not require a contingent loan guarantee.

On April 22, 2015, a Purchase and Sale Agreement was entered into between Senior Services of Snohomish County, Seller, and the Housing Authority of Snohomish County (HASCO), Purchaser, for the sale of Senior Services' Tall Firs Project. That project is covered by a 2010 Contingent Loan Agreement with Snohomish County. The sales transaction closed June 18, 2015. With the purchase of the property, HASCO assumed the obligations associated with the Contingent Loan Agreement. The Snohomish County Human Services executed a permanent financing loan that funded the acquisition of the property and the payoff of $1.5 million in bonds due on July 1, 2015. The County financing, along with a $2.6 million loan from the Washington Department of Commerce will allow the project to be renovated with needed improvements, and continue to operate as an affordable housing project, with net operating income sufficient to continue to pay down on the remaining bonds, which were assumed by HASCO with the purchase of the property.

9.B Disaster Funding

Through mid-July, the County has received $1.8 million from the State of Washington in relation to the 2014 mudslide that occurred in the rural northeast section of the county. Additional state funds are anticipated to be received at a later date.

Other Postemployment Benefits Plan (OPEB)
Schedule of Funding Progress

ACTUARIAL VALUATION DATE	ACTUARY VALUE OF ASSETS	AAL	UAAL	FUNDED RATIO	COVERED PAYROLL	UAAL AS A % OF COVERED PAYROLL
1/1/2013	$ -	$ 27,036,000	$ 27,036,000	0%	$ 176,123	15351%
1/1/2010	$ -	$ 19,461,733	$ 19,461,733	0%	$ 328,744	5920%
1/1/2007	$ -	$ 19,861,839	$ 19,861,839	0%	$ 606,217	3276%

FISCAL YEAR ENDED	ANNUAL OPEB COST	ACTUAL EMPLOYER CONTRIBUTION	PERCENTAGE CONTRIBUTED	NET OPEB OBLIGATION
12/31/2014	$ 1,702,759	$ 792,488	46.5%	$ 4,672,950
12/31/2013	$ 1,730,853	$ 826,436	47.7%	$ 3,762,680
12/31/2012	$ 1,993,827	$ 1,857,719	93.2%	$ 2,858,263

The actuarial cost method used in the valuation of the OPEB plan is the entry age normal actuarial method. Previously, the projected unit credit method was used. See note 4A in the Notes to the Financial Statements for the assumptions used in the calculations.

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures: From Pass-Through Awards	Expenditures: From Direct Awards	Expenditures: Total	Note
Aging Cluster							
Administration For Community Living, Department Of Health And Human Services (via WA State Department of Social and Health Services)	Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	1469-93700(1)	716,043	-	716,043	3
Administration For Community Living, Department Of Health And Human Services (via Multi-Service Center)	Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	LTCOP 1314-12	3,674	-	3,674	
			Total CFDA 93.044:	**719,717**	**-**	**719,717**	
Administration For Community Living, Department Of Health And Human Services (via WA State Department of Social and Health Services)	Special Programs for the Aging_Title III, Part C_Nutrition Services	93.045	1469-93700(1)	726,166	-	726,166	3
Administration For Community Living, Department Of Health And Human Services (via WA State Department of Social and Health Services)	Nutrition Services Incentive Program	93.053	1469-93700(1)	130,884	-	130,884	3
			Total Aging Cluster:	**1,576,767**	**-**	**1,576,767**	
CCDF Cluster							
Administration For Children And Families, Department Of Health And Human Services (via WA State Department of Early Learning)	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	14-1112-03	216,718	-	216,718	
			Total CCDF Cluster:	**216,718**	**-**	**216,718**	
CDBG - Entitlement Grants Cluster							
Office Of Community Planning And Development, Department Of Housing And Urban Development	Community Development Block Grants/Entitlement Grants	14.218	B-10-UC-53-0003	-	187,067	187,067	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Community Development Block Grants/Entitlement Grants	14.218	B-12-UC-53-0003	-	1,986,056	1,986,056	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Community Development Block Grants/Entitlement Grants	14.218	B-13-UC-53-0003	-	1,003,529	1,003,529	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Community Development Block Grants/Entitlement Grants	14.218	B-14-UC-53-0003	-	322,780	322,780	3
			Total CDBG - Entitlement Grants Cluster:	**-**	**3,499,432**	**3,499,432**	
CDBG - State-Administered CDBG Cluster							
Office Of Community Planning And Development, Department Of Housing And Urban Development (via WA State Department of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	08-F6401-018	18,563	-	18,563	3
Office Of Community Planning And Development, Department Of Housing And Urban Development (via WA State Department of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	11-67400-003	2,892	-	2,892	
			Total CDBG - State-Administered CDBG Cluster:	**21,455**	**-**	**21,455**	
Child Nutrition Cluster							
Food And Nutrition Service, Department Of Agriculture (via Office of Superintendent of Public Instruction)	School Breakfast Program	10.553	31-002-9790	12,210	-	12,210	
Food And Nutrition Service, Department Of Agriculture (via Office of Superintendent of Public Instruction)	School Breakfast Program	10.553	31-002-9790	6,218	-	6,218	
			Total CFDA 10.553:	**18,428**	**-**	**18,428**	
Food And Nutrition Service, Department Of Agriculture (via Office of Superintendent of Public Instruction)	National School Lunch Program	10.555	31-002-9790	21,860	-	21,860	

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures: From Pass-Through Awards	Expenditures: From Direct Awards	Expenditures: Total	Note
Food And Nutrition Service, Department Of Agriculture (via Office of Superintendent of Public Instruction)	National School Lunch Program	10.555	31-002-9790	11,232	-	11,232	
			Total CFDA 10.555:	**33,092**	**-**	**33,092**	
			Total Child Nutrition Cluster:	**51,520**	**-**	**51,520**	
Forest Service Schools and Roads Cluster							
Forest Service, Department Of Agriculture (via WA State Treasurer)	Schools and Roads - Grants to States	10.665	N/A	377,481	-	377,481	
			Total Forest Service Schools and Roads Cluster:	**377,481**	**-**	**377,481**	
Highway Planning and Construction Cluster							
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	BRM-2563(001)	74,762	-	74,762	
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	BROS-2031(106)	61,404	-	61,404	
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	BROS-2031(109)	258,698	-	258,698	
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	BROS-2031(111)	53,758	-	53,758	
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	BRS-V310(002)	80,641	-	80,641	
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	CM-2031(112)	479,003	-	479,003	
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	CM-9931(010)	70,404	-	70,404	
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	CM-9931(013)	152,684	-	152,684	
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	ER-0701(063)	133,643	-	133,643	
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	ER-0701(082)	14,582	-	14,582	
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	ER-1101(014)	36,532	-	36,532	
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	ER-1104 (016)	232,364	-	232,364	
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	HSIP-000S(294)	47,705	-	47,705	
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	HSIP-000S(295)	181,091	-	181,091	
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	STPUL-2553(003)	872,206	-	872,206	

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures: From Pass-Through Awards	Expenditures: From Direct Awards	Expenditures: Total	Note
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	STPUL-2576(005)	780,554	-	780,554	
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	STPUL-2576(006)	247,452	-	247,452	
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	STPUL-2601(001)	6,043,063	-	6,043,063	
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	STPUL-9931 (009)	346	-	346	
			Total Highway Planning and Construction Cluster:	**9,820,892**	**-**	**9,820,892**	
Highway Safety Cluster							
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via WA State Traffic Safety Commission)	State and Community Highway Safety	20.600	2013 WTSC	34,664	-	34,664	
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via WA State Traffic Safety Commission)	State and Community Highway Safety	20.600	DUI Emphasis (X52)13-14	13,439	-	13,439	
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via WA State Traffic Safety Commission)	State and Community Highway Safety	20.600	Impaired Driving 13-14	20,910	-	20,910	
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via WA State Traffic Safety Commission)	State and Community Highway Safety	20.600	Impaired Driving 14-15	8,979	-	8,979	
			Total CFDA 20.600:	**77,992**	**-**	**77,992**	
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via WA State Traffic Safety Commission)	Occupant Protection Incentive Grants	20.602	Seat Belts-CIOT 13-14	6,757	-	6,757	
			Total Highway Safety Cluster:	**84,749**	**-**	**84,749**	
JAG Program Cluster							
Bureau Of Justice Assistance, Department Of Justice	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DJ-BX-0010	-	71,270	71,270	
Bureau Of Justice Assistance, Department Of Justice	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-0468	-	4,546	4,546	
Bureau Of Justice Assistance, Department Of Justice (via WA State Department of Commerce)	Edward Byrne Memorial Justice Assistance Grant Program	16.738	M13-31440-015	44,882	-	44,882	
Bureau Of Justice Assistance, Department Of Justice (via WA State Department of Commerce)	Edward Byrne Memorial Justice Assistance Grant Program	16.738	M14-31440-015	66,131	-	66,131	
			Total JAG Program Cluster:	**111,013**	**75,816**	**186,829**	
Medicaid Cluster							
Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via WA State Department of Social and Health Services)	Medical Assistance Program	93.778	1369-78311	1,547,424	-	1,547,424	3
Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via WA State Department of Social and Health Services)	Medical Assistance Program	93.778	1469-14355	1,600,909	-	1,600,909	3
			Total Medicaid Cluster:	**3,148,333**	**-**	**3,148,333**	
Other Programs							

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures: From Pass-Through Awards	Expenditures: From Direct Awards	Expenditures: Total	Note
U.S. Executive Office of the President (via Educational Service District 105)	High Intensity Drug Trafficking Areas Program	07.999	9003000006	34,160	-	34,160	3
U.S. Executive Office of the President (via Educational Service District 105)	High Intensity Drug Trafficking Areas Program	07.999	9003000015	15,342	-	15,342	3
U.S. Executive Office of the President (via Educational Service District 105)	High Intensity Drug Trafficking Areas Program	07.999	9003000090	12,264	-	12,264	3
U.S. Executive Office of the President	High Intensity Drug Trafficking Areas Program	07.999	G13NW0001A	-	429,323	429,323	
U.S. Executive Office of the President	High Intensity Drug Trafficking Areas Program	07.999	G13NW0001APPD	-	2,250	2,250	
U.S. Executive Office of the President	High Intensity Drug Trafficking Areas Program	07.999	G14NW0001A	-	364,419	364,419	
			Total CFDA 07.999:	**61,766**	**795,992**	**857,758**	
Food And Nutrition Service, Department Of Agriculture (via WA State Department of Social and Health Services)	Senior Farmers Market Nutrition Program	10.576	1469-14535	17,334	-	17,334	3
National Oceanic And Atmospheric Administration (noaa), Department Of Commerce (via WA State Recreation and Conservation Office)	Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	11.438	10-1338R	260,333	-	260,333	
National Oceanic And Atmospheric Administration (noaa), Department Of Commerce (via WA State Recreation and Conservation Office)	Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	11.438	11-1417R	31,327	-	31,327	
National Oceanic And Atmospheric Administration (noaa), Department Of Commerce (via WA State Recreation and Conservation Office)	Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	11.438	12-1241P	167,567	-	167,567	
National Oceanic And Atmospheric Administration (noaa), Department Of Commerce (via WA State Recreation and Conservation Office)	Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	11.438	12-1276P	12,332	-	12,332	
National Oceanic And Atmospheric Administration (noaa), Department Of Commerce (via WA State Recreation and Conservation Office)	Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	11.438	12-1406R	33,033	-	33,033	
National Oceanic And Atmospheric Administration (noaa), Department Of Commerce (via WA State Recreation and Conservation Office)	Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	11.438	12-1436	32,290	-	32,290	
National Oceanic And Atmospheric Administration (noaa), Department Of Commerce (via WA State Recreation and Conservation Office)	Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	11.438	12-1490P	76,356	-	76,356	
National Oceanic And Atmospheric Administration (noaa), Department Of Commerce (via WA State Recreation and Conservation Office)	Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	11.438	13-1362P (Fed)	26,014	-	26,014	

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures: From Pass-Through Awards	Expenditures: From Direct Awards	Expenditures: Total	Note
National Oceanic And Atmospheric Administration (noaa), Department Of Commerce (via WA State Recreation and Conservation Office)	Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	11.438	13-1365P (Fed)	44,099	-	44,099	
			Total CFDA 11.438:	**683,351**	**-**	**683,351**	
National Oceanic And Atmospheric Administration (noaa), Department Of Commerce (via WA State Recreation and Conservation Office)	Habitat Conservation	11.463	09-1279R	677,879	-	677,879	
National Oceanic And Atmospheric Administration (noaa), Department Of Commerce (via WA State Recreation and Conservation Office)	Habitat Conservation	11.463	12-1251-CFDA 11.463	25,132	-	25,132	
National Oceanic And Atmospheric Administration (noaa), Department Of Commerce	Habitat Conservation	11.463	NA13NMF4630142	-	204,378	204,378	
			Total CFDA 11.463:	**703,011**	**204,378**	**907,389**	
Office Of Community Planning And Development, Department Of Housing And Urban Development (via WA State Department of Commerce)	Emergency Solutions Grant Program	14.231	14-46107-010	122,395	-	122,395	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Emergency Solutions Grant Program	14.231	E-11-UC-53-0004	-	86	86	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Emergency Solutions Grant Program	14.231	E-12-UC-53-0004	-	18,891	18,891	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Emergency Solutions Grant Program	14.231	E-13-UC-53-0004	-	117,982	117,982	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Emergency Solutions Grant Program	14.231	E-14-UC-53-0004	-	76,045	76,045	3
			Total CFDA 14.231:	**122,395**	**213,004**	**335,399**	
Office Of Community Planning And Development, Department Of Housing And Urban Development	Home Investment Partnerships Program	14.239	M-09-DC-53-0201	-	602,541	602,541	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Home Investment Partnerships Program	14.239	M-10-DC-53-0201	-	140,173	140,173	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Home Investment Partnerships Program	14.239	M-11-DC-53-0201	-	1,313,409	1,313,409	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Home Investment Partnerships Program	14.239	M-12-DC-53-0201	-	2,978	2,978	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Home Investment Partnerships Program	14.239	M-13-DC-53-0201	-	217,755	217,755	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Home Investment Partnerships Program	14.239	M-14-DC-53-0201	-	356,763	356,763	3
			Total CFDA 14.239:	**-**	**2,633,619**	**2,633,619**	

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures: From Pass-Through Awards	Expenditures: From Direct Awards	Expenditures: Total	Note
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0163L0T041205	-	60,095	60,095	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0163L0T041306	-	6,422	6,422	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0164L0T041205	-	8,550	8,550	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0166L0T041205	-	160,009	160,009	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0167L0T041205	-	54,141	54,141	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0172L0T041205	-	126,347	126,347	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0172L0T041306	-	21,787	21,787	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0174L0T041205	-	34,789	34,789	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0177L0T041205	-	16,600	16,600	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0177L0T041306	-	18,891	18,891	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0178L0T041205	-	19,244	19,244	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0180L0T041205	-	764,226	764,226	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0180L0T041306	-	1,626,951	1,626,951	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0182L0T041205	-	44,438	44,438	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0182L0T041306	-	40,319	40,319	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0210L0T041204	-	35,025	35,025	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0210L0T041305	-	48,117	48,117	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0211L0T041204	-	48,306	48,306	3

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures: From Pass-Through Awards	Expenditures: From Direct Awards	Expenditures: Total	Note
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0211L0T041305	-	76,136	76,136	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0219L0T041202	-	122,059	122,059	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0225L0T041203	-	49,279	49,279	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0225L0T041304	-	35,507	35,507	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0233L0T041201	-	73,595	73,595	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0233L0T041302	-	6,732	6,732	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0251L0T041201	-	113,192	113,192	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0251L0T041302	-	40,360	40,360	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0270L0T041200	-	64,469	64,469	
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0271L0T041200	-	46,538	46,538	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0272L0T041200	-	83,752	83,752	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0278L0T041300	-	5,466	5,466	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0279L0T041300	-	1,831	1,831	3
Office Of Community Planning And Development, Department Of Housing And Urban Development	Continuum of Care Program	14.267	WA0292L0T041205	-	2,972	2,972	3
			Total CFDA 14.267:	**-**	**3,856,145**	**3,856,145**	
Fish And Wildlife Service, Department Of The Interior	Coastal Program	15.630	F13AC00316	-	3,986	3,986	
U.S. Department of Justice (via Washington State Patrol)	Department of Justice Marijuana Eradication	16.000	C141444FED	6,108	-	6,108	
Office Of Juvenile Justice And Delinquency Prevention, Department Of Justice (via WA State Department of Social and Health Services)	Juvenile Accountability Block Grants	16.523	1363-81499-01	16,066	-	16,066	
Office Of Juvenile Justice And Delinquency Prevention, Department Of Justice (via WA State Department of Social and Health Services)	Juvenile Accountability Block Grants	16.523	1463-17304	2,950	-	2,950	
			Total CFDA 16.523:	**19,016**	**-**	**19,016**	

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures: From Pass-Through Awards	Expenditures: From Direct Awards	Expenditures: Total	Note
Office Of Juvenile Justice And Delinquency Prevention, Department Of Justice (via WA State Department of Social and Health Services)	Juvenile Justice and Delinquency Prevention_Allocation to States	16.540	I-501-00413	8,426	-	8,426	
Office Of Juvenile Justice And Delinquency Prevention, Department Of Justice (via WA State Department of Social and Health Services)	Juvenile Justice and Delinquency Prevention_Allocation to States	16.540	I-501-00614	799	-	799	
			Total CFDA 16.540:	**9,225**	**-**	**9,225**	
Bureau Of Justice Assistance, Department Of Justice	Drug Court Discretionary Grant Program	16.585	2010-DC-BX-0129	-	56,783	56,783	
Bureau Of Justice Assistance, Department Of Justice	Drug Court Discretionary Grant Program	16.585	2011-DC-BX-0005	-	78,215	78,215	
Bureau Of Justice Assistance, Department Of Justice	Drug Court Discretionary Grant Program	16.585	2011-DC-BX-0019	-	15,790	15,790	
			Total CFDA 16.585:	**-**	**150,788**	**150,788**	
Violence Against Women Office, Department Of Justice (via City of Everett)	Violence Against Women Formula Grants	16.588	DV STOP EPD	6,307	-	6,307	
Violence Against Women Office, Department Of Justice (via WA State Department of Commerce)	Violence Against Women Formula Grants	16.588	F13-31103-059	29,330	-	29,330	
			Total CFDA 16.588:	**35,637**	**-**	**35,637**	
Bureau Of Justice Assistance, Department Of Justice	State Criminal Alien Assistance Program	16.606	2014-H223-WA-AP	-	64,262	64,262	
Bureau Of Justice Assistance, Department Of Justice	Bulletproof Vest Partnership Program	16.607	2011	-	150	150	
Bureau Of Justice Assistance, Department Of Justice	Bulletproof Vest Partnership Program	16.607	2012	-	575	575	
			Total CFDA 16.607:	**-**	**725**	**725**	
Federal Aviation Administration (faa), Department Of Transportation	Airport Improvement Program	20.106	3-53-0028-50	-	100,455	100,455	
Federal Aviation Administration (faa), Department Of Transportation	Airport Improvement Program	20.106	3-53-0028-52	-	619,747	619,747	
Federal Aviation Administration (faa), Department Of Transportation	Airport Improvement Program	20.106	3-53-0028-53	-	627,558	627,558	
Federal Aviation Administration (faa), Department Of Transportation	Airport Improvement Program	20.106	3-53-0028-54	-	275,599	275,599	
Federal Aviation Administration (faa), Department Of Transportation	Airport Improvement Program	20.106	3-53-0028-55	-	335,044	335,044	
			Total CFDA 20.106:	**-**	**1,958,403**	**1,958,403**	
Environmental Protection Agency	Puget Sound Watershed Management Assistance	66.120	PO-00J09701	-	59,506	59,506	
Region 10, Environmental Protection Agency (via WA State Department of Commerce)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	12-63401-006	110,766	-	110,766	
Region 10, Environmental Protection Agency (via WA State Recreation and Conservation Office)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	13-1106R	3,904	-	3,904	
Region 10, Environmental Protection Agency (via Puget Sound Partnership)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	2013-39	66,666	-	66,666	
Region 10, Environmental Protection Agency (via Puget Sound Partnership)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	2015-09	8,114	-	8,114	

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures: From Pass-Through Awards	Expenditures: From Direct Awards	Expenditures: Total	Note
Region 10, Environmental Protection Agency (via WA State Department of Ecology)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	G1300126	74,392	-	74,392	
Region 10, Environmental Protection Agency (via WA State Department of Ecology)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	G1400647	211,980	-	211,980	
Region 10, Environmental Protection Agency (via WA State Department of Health)	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123	N20443	162,126	-	162,126	3
			Total CFDA 66.123:	**637,948**	**-**	**637,948**	
Office Of Water, Environmental Protection Agency (via WA State Department of Ecology)	National Estuary Program	66.456	G1400327	50,309	-	50,309	
Office Of Water, Environmental Protection Agency (via WA State Department of Ecology)	National Estuary Program	66.456	SEANWS-2014-SnCoPW-00005	11,620	-	11,620	
			Total CFDA 66.456:	**61,929**	**-**	**61,929**	
Office Of Water, Environmental Protection Agency (via WA State Recreation and Conservation Office)	Nonpoint Source Implementation Grants	66.460	10-1338 ECY-66.460	99,891	-	99,891	
Department Of Energy (via WA State Department of Commerce)	Weatherization Assistance for Low-Income Persons	81.042	F13-43103-422	213,864	-	213,864	
Department Of Energy	ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-EE0000850	-	200,000	200,000	5
U.S. Department of Energy (via WA State Department of Commerce)	BPA Weatherization Program	81.999	F13-43104-422	173,737	-	173,737	
Office Of Special Education And Rehabilitative Services, Department Of Education (via WA State Department of Early Learning)	Special Education-Grants for Infants and Families	84.181	14-1043	439,690	-	439,690	3
Office Of Special Education And Rehabilitative Services, Department Of Education (via WA State Department of Early Learning)	Special Education-Grants for Infants and Families	84.181	14-1278	411,290	-	411,290	3
			Total CFDA 84.181:	**850,980**	**-**	**850,980**	
U.S. Election Assistance Commission (via WA Secretary of State)	Help America Vote Act Requirements Payments	90.401	G-2853	2,329	-	2,329	
Office Of The Secretary, Department Of Health And Human Services (via National Assocation of County and City Health Officials)	Medical Reserve Corps Small Grant Program	93.008	MRC-13-174	6,517	-	6,517	
Office Of The Secretary, Department Of Health And Human Services (via National Assocation of County and City Health Officials)	Medical Reserve Corps Small Grant Program	93.008	MRC-14-0174	3,809	-	3,809	
			Total CFDA 93.008:	**10,326**	**-**	**10,326**	
Administration For Community Living, Department Of Health And Human Services (via WA State Department of Social and Health Services)	Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	1469-93700(1)	5,428	-	5,428	
Administration For Community Living, Department Of Health And Human Services (via Multi-Service Center)	Special Programs for the Aging_Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals	93.042	LTCOP 1314-12	32,318	-	32,318	

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures: From Pass-Through Awards	Expenditures: From Direct Awards	Expenditures: Total	Note
Administration For Community Living, Department Of Health And Human Services (via WA State Department of Social and Health Services)	Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services	93.043	1469-93700(1)	30,040	-	30,040	3
Administration For Community Living, Department Of Health And Human Services (via WA State Department of Social and Health Services)	National Family Caregiver Support, Title III, Part E	93.052	1469-93700(1)	242,368	-	242,368	3
Administration For Community Living, Department Of Health And Human Services (via WA State Department of Social and Health Services)	Medicare Enrollment Assistance Program	93.071	1369-92763	8,019	-	8,019	3
Administration For Community Living, Department Of Health And Human Services (via WA State Department of Social and Health Services)	Medicare Enrollment Assistance Program	93.071	1469-28372	1,917	-	1,917	3
			Total CFDA 93.071:	**9,936**	**-**	**9,936**	
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via WA State Department of Social and Health Services)	Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	1163-42217	23,665	-	23,665	
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services	Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	IH79TI020924-01	-	142,289	142,289	
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services	Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	IH79TI025498	-	3,589	3,589	
			Total CFDA 93.243:	**23,665**	**145,878**	**169,543**	
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via WA State Department of Social and Health Services)	Substance Abuse and Mental Health Services-Access to Recovery	93.275	1063-12901	319,386	-	319,386	
Administration For Community Living, Department Of Health And Human Services (via WA State Department of Social and Health Services)	Affordable Care Act – Aging and Disability Resource Center	93.517	1369-78493	28,550	-	28,550	3
Administration For Children And Families, Department Of Health And Human Services (via WA State Department of Social and Health Services)	Child Support Enforcement	93.563	0763-15105	211,572	-	211,572	
Administration For Children And Families, Department Of Health And Human Services (via WA State Department of Social and Health Services)	Child Support Enforcement	93.563	2110-80559	630,560	-	630,560	
Administration For Children And Families, Department Of Health And Human Services (via WA State Department of Social and Health Services)	Child Support Enforcement	93.563	2110-80559	2,164,204	-	2,164,204	
			Total CFDA 93.563:	**3,006,336**	**-**	**3,006,336**	
Administration For Children And Families, Department Of Health And Human Services (via WA State Department of Commerce)	Low-Income Home Energy Assistance	93.568	14-32106-081	1,962,183	-	1,962,183	
Administration For Children And Families, Department Of Health And Human Services (via WA State Department of Commerce)	Low-Income Home Energy Assistance	93.568	15-32606-081	413,722	-	413,722	

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures: From Pass-Through Awards	Expenditures: From Direct Awards	Expenditures: Total	Note
Administration For Children And Families, Department Of Health And Human Services (via WA State Department of Revenue)	Low-Income Home Energy Assistance	93.568	F13-43101-422	786,719	-	786,719	
			Total CFDA 93.568:	**3,162,624**	**-**	**3,162,624**	
Administration For Children And Families, Department Of Health And Human Services (via WA State Department of Commerce)	Community Services Block Grant	93.569	F13-32100-026	360,545	-	360,545	3
Administration For Children And Families, Department Of Health And Human Services (via WA State Department of Commerce)	Community Services Block Grant	93.569	F14-32100-026	94,843	-	94,843	3
			Total CFDA 93.569:	**455,388**	**-**	**455,388**	
Administration For Children And Families, Department Of Health And Human Services	Head Start	93.600	10CH0181/03	-	1,137,501	1,137,501	
Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via WA State Department of Social and Health Services)	Money Follows the Person Rebalancing Demonstration	93.791	1369-78311	11,996	-	11,996	
Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via WA State Department of Social and Health Services)	Money Follows the Person Rebalancing Demonstration	93.791	1469-14535	14,090	-	14,090	
			Total CFDA 93.791:	**26,086**	**-**	**26,086**	
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via WA State Department of Social and Health Services)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1163-27326	717,403	-	717,403	3
Department Of Homeland Security (via WA State Parks and Recreation Commission)	Boating Safety Financial Assistance	97.012	N/A	29,291	-	29,291	
Department Of Homeland Security (via WA State Military Department)	Flood Mitigation Assistance	97.029	E15-007	59,526	-	59,526	
Department Of Homeland Security (via WA State Military Department)	Flood Mitigation Assistance	97.029	E15-063	11,236	-	11,236	
Department Of Homeland Security (via WA State Military Department)	Flood Mitigation Assistance	97.029	E15-064	3,526	-	3,526	
			Total CFDA 97.029:	**74,288**	**-**	**74,288**	
Department Of Homeland Security (via WA State Military Department)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	D09-393R 1825-DR-WA	100	-	100	
Department Of Homeland Security (via WA State Military Department)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	D14-205	15,686,852	-	15,686,852	
Department Of Homeland Security (via WA State Military Department)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	E07-773P2 1671-DR-WA	17,975	-	17,975	
			Total CFDA 97.036:	**15,704,927**	**-**	**15,704,927**	
Department Of Homeland Security (via WA State Military Department)	Hazard Mitigation Grant	97.039	E11-286 (FED)	2,979	-	2,979	
Department Of Homeland Security (via WA State Military Department)	Hazard Mitigation Grant	97.039	E13-015(Fed)	3,519	-	3,519	
Department Of Homeland Security (via WA State Military Department)	Hazard Mitigation Grant	97.039	E14-023	44,746	-	44,746	
			Total CFDA 97.039:	**51,244**	**-**	**51,244**	
Department Of Homeland Security (via WA State Military Department)	Emergency Management Performance Grants	97.042	E14-134	23,487	-	23,487	
Department Of Homeland Security (via WA State Military Department)	Emergency Management Performance Grants	97.042	E15-184	30,000	-	30,000	

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures: From Pass-Through Awards	Expenditures: From Direct Awards	Expenditures: Total	Note
Department Of Homeland Security (via WA State Military Department)	Emergency Management Performance Grants	97.042	E15-188	125,452	-	125,452	
			Total CFDA 97.042:	**178,939**	**-**	**178,939**	
Department Of Homeland Security (via WA State Military Department)	Port Security Grant Program	97.056	2009-PU-T9-K044	91,071	-	91,071	
Department Of Homeland Security (via WA State Military Department)	Port Security Grant Program	97.056	2011-PU-K00268-SO1-34	20,320	-	20,320	
Department Of Homeland Security (via WA State Military Department)	Port Security Grant Program	97.056	IJ 64 AGENCY OT/BF DRILLS	2,425	-	2,425	
			Total CFDA 97.056:	**113,816**	**-**	**113,816**	
Department Of Homeland Security (via WA State Military Department)	Homeland Security Grant Program	97.067	E12-186	302,848	-	302,848	3
Department Of Homeland Security (via WA State Military Department)	Homeland Security Grant Program	97.067	E12-203	841,871	-	841,871	3
Department Of Homeland Security (via WA State Military Department)	Homeland Security Grant Program	97.067	E13-147	676,911	-	676,911	3
Department Of Homeland Security (via WA State Military Department)	Homeland Security Grant Program	97.067	E13-152	396,253	-	396,253	3
Department Of Homeland Security (via WA State Military Department)	Homeland Security Grant Program	97.067	E14-075	97,062	-	97,062	3
Department Of Homeland Security (via WA State Military Department)	Homeland Security Grant Program	97.067	E14-091	157,186	-	157,186	
Department Of Homeland Security (via WA State Military Department)	Homeland Security Grant Program	97.067	E15-082	27,170	-	27,170	3
Department Of Homeland Security (via WA State Military Department)	Homeland Security Grant Program	97.067	FY 13 UASI MACTAC	1,072	-	1,072	
			Total CFDA 97.067:	**2,500,373**	**-**	**2,500,373**	
Department Of Homeland Security (via City of Seattle)	Regional Catastrophic Preparedness Grant Program (RCPGP)	97.111	N/A	21,122	-	21,122	3
			Total Federal Awards Expended:	**45,851,303**	**14,999,435**	**60,850,738**	

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 - BASIS OF ACCOUNTING
The Schedule of Federal Awards is prepared on the same basis of accounting as the County's financial statements. The county uses the modified accrual basis for its governmental and fiduciary fund types and the accrual basis of accounting for the proprietary fund types.

NOTE 2 - PROGRAM COSTS
The amounts shown as current year expenditures represent only the federal portion of the program costs. Actual program costs, including the County's portion, may be more than shown.

NOTE 3 - AMOUNTS AWARDED TO SUBRECIPIENTS
Of the total amount expended, the following amounts were passed through to subrecipients that administered their own projects:

CFDA	Pass-Through Amount	CFDA	Pass-Through Amount	CFDA	Pass-Through Amount
07.999	24,568	66.123	30,552	93.071	9,936
10.576	17,334	84.181	504,321	93.517	28,550
14.218	2,687,271	93.043	30,040	93.569	358,060
14.228	18,563	93.044	463,992	93.778	51,457
14.231	315,460	93.045	653,549	93.959	475,314
14.239	2,459,947	93.052	217,651	97.067	1,648,209
14.267	3,740,683	93.053	130,884	97.111	7,444

NOTE 4 - FEDERAL EMERGENCY MANAGEMENT AGENCY
Expenditures are recognized in the year that the project worksheets are approved.

NOTE 5 - AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) of 2009
Expenditures for this program were funded by ARRA

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as fraud, state whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our website and through our free, electronic subscription service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

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