

# **Snohomish County, Washington**

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## **Comprehensive Annual Financial Report**

For The Year Ended December 31, 2005

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**Snohomish County, Washington**

**Annual Financial Report**  
**For The Year Ended December 31, 2005**

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Aaron Reardon  
**Snohomish County Executive**

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Roger Neumaier  
**Director of Finance**

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Sharyl L. Raines, CPA  
**Controller**

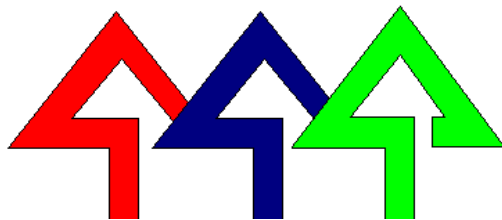
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Snohomish County Finance Department  
3000 Rockefeller Ave. MS 610  
Everett, WA 98201  
(425) 388-3401



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**Snohomish County, Washington**

**Introductory Section**

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Snohomish County  
Finance Department

AARON REARDON  
COUNTY EXECUTIVE

August 25, 2006

County Executive Aaron Reardon,  
Members of the Snohomish County Council, and  
Snohomish County Residents

I am pleased to transmit to you the Comprehensive Annual Financial Report (CAFR) of Snohomish County, Washington for the year ended December 31, 2005. The governmental financial reporting model provides a clear picture of the County as a single, unified entity, and also provides traditional fund-based financial statements. The two perspectives (government-wide and fund statements) enhance the County's accountability by providing readers a basis for comparison and the ability to assess long-term impacts of near-term financing decisions.

The CAFR consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, County management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls is designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

The County's financial statements have been audited by the Washington State Auditor's Office. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principals used and significant estimates made by management; and evaluating the overall financial statement presentation. Based on the results of these audit procedures, the auditor issued an unqualified ("clean") audit opinion. A copy of the auditor's opinion letter is presented at the beginning of the "Financial Section" of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements as related to the administration of federal awards. The County's Single Audit Report indicates the County complied in all material respects with applicable requirements. That report is issued separately and is available upon request.

The CAFR contains four major sections: Introductory, Financial, Statistical and Compliance. The Introductory Section is designed to provide basic background information about the County. The Financial Section includes “Management’s Discussion and Analysis” (MD&A), the financial statements, the notes to the financial statements and combining financial statements. The MD&A provides a narrative analysis of financial condition and operating results; it should be read in conjunction with this letter of transmittal. The Statistical Section provides economic and financial data for the last ten years. The Compliance Section includes schedules of expenditures of federal, state, and local awards (grants).

## **County Profile**

Snohomish County is located on Puget Sound, between Skagit County to the north and King County (and Seattle) to the south. Covering 2,090 square miles, it is geographically the 13<sup>th</sup> largest county in Washington. The County is the third most populous in the state, and one of the fastest growing. Topography varies from saltwater beaches, rolling hills and rich river bottom farmlands in the west to dense forest and alpine wilderness in the mountainous east.

Snohomish County operates under a Home Rule Charter, which was adopted by a vote of citizens in 1979 and amended through the charter review process in January 1997. Independently elected administrative officials include the County Executive, the Prosecuting Attorney, the Sheriff, the Auditor, the Clerk, the Treasurer, and the Assessor who are elected at-large.

A five-member County Council, elected by district, constitutes the legislative body. Elected officials serve four-year terms, councilman elections are staggered. Snohomish County provides many services on a countywide basis and some services only to unincorporated areas.

Within appropriate jurisdictions, the County provides road construction and maintenance, law enforcement, criminal prosecution and indigent defense, superior and district court services, criminal detention and correction, tax assessment and collections, planning and community development services, elections and recordings, inquests, and an array of human services. In addition, the County owns and operates an airport and industrial park, fairgrounds, various park and recreation areas including a golf course, a solid waste disposal facility, and a data processing center.

The Snohomish County Treasurer acts as the *ex-officio* treasurer for most special purpose districts of Snohomish County. Monies received from or for the special purpose districts are deposited in a centralized bank account. The County Treasurer invests or disburses moneys pursuant to instructions of the respective special purpose district’s governing body or administrative officers.

Most funds in this report pertain to the entity of Snohomish County. Certain agency funds pertain to the County’s custodianship of assets belonging to independent governments and special purpose districts. Component units included in this report are the Pilchuck Development Corporation and the Snohomish County Public Facilities District. The County also participates in the Snohomish Emergency Radio Systems (SERS) joint venture.

The annual budget serves as the foundation for the County’s financial planning and control. The Council is required to adopt a final budget prior to the start of the ensuing fiscal year and prior to the expenditure of any County funds. Budgetary controls are maintained to ensure compliance with legal provisions embodied in the annual appropriated budget. With the exception of construction funds,

which receive project-life budget authority through plans and systems ordinances, activities of all County funds are included in the annual budget process. A budget increase or decrease to a fund must be authorized by the County Council via ordinance.

### **Local Economy**

Economic conditions have a direct impact on the County's revenues and the demand for County services. Therefore the information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

In spite of oil prices at historical highs and increasing interest rates, the national economy has remained strong. Driven by the strong national economy, diversification of the local economy and resurgence of The Boeing Company, trends indicate a highly positive economic outlook for Snohomish County.

Local jobs are growing in most categories. In 2005, the number of jobs in Snohomish County increased by 7.4%. The County's rate of job creation was better than double the state average and five times that of the national average. The jobless rate fell to 4.5 percent in June 2006. This compares to a rate of 5 percent for Washington State and 4.6 percent for the nation.

Boeing and ancillary companies are growing and growth is expected to continue throughout the decade. Contracting (driven by real estate activity) continues to be a strong economic driver. Other sectors of the economy including life sciences, technology and health care also report strong sustainable growth. In addition, the expanding deep water port facility located within Snohomish County as well as the County's regional airport facility provide the potential capacity to import and export virtually anything from or to anywhere in the world.

The County currently has the second highest per capita income in the state of Washington.

### **Long-Term Financial Planning**

The Executive and Council remain committed to increasing the general fund balance. Current five year budget projections include a general fund balance equivalent to 18.1 percent of revenues by the year 2011, which is more than double that of 2005. The underlying assumptions include funding of currently underfunded pensions and revenue streams that often increase at a slower rate than expenditures.

During the spring of 2006, the County took advantage of relatively low interest rates to obtain financing for numerous construction projects. The County issued \$49.1 million in new General Obligation bonds at an interest rate of 4.67% in June 2006. The moneys will fund a new fleet and roads maintenance center, gun range, various Airport projects and accelerate the construction of several roads, parks and surface water projects already in the County's Capital Improvement Plan.

The County will continue to face challenges in meeting ever-growing demands for services and employee related costs in an environment of limited revenues. The Executive's and Council's focus is on improving efficiencies and effectiveness that lead to providing the essential infrastructure and services prioritized by citizens.

## **Financial Policies**

Since 2004, the County has budgeted utilizing a priorities-based process. The primary goals of the process are to ensure that expenditures do not exceed revenues and that priority be given to functions/projects that have been identified by citizens as most critical to their quality of life. To enhance accountability, specific performance measures and targeted outcomes are required of funded programs. Reports quantifying progress towards achieving the identified goals are available to the government and taxpayers via the “SnoStat” system. The system tracks how well the County is delivering services, the costs of services, and the efficiency and effectiveness of service delivery.

As required by County Charter and State law, the County annually prepares a six-year Capital Improvement Program (CIP) plan. The document provides discussion and analysis of issues (including costs) related to public facilities necessary for development under the Growth Management Act (GMA) as well as other public facilities and services that are provided by the County but not “necessary for development” (non-GMA facilities). Contents of the document are used when setting budget priorities.

The County is self-insured for a wide-range of loss exposures including property, liability and worker’s compensation. The County manages risk through a variety of methods including insurance, loss prevention, loss control and comprehensive safety programs. As a result of extensive partnerships between departments with a higher loss potential, there is a cooperative effort to control losses and reduce costs.

## **Major Initiatives**

**Community Infrastructure and Development (CIDI)** plan allowed the County to utilize bonding capacity to begin work now on necessary transportation, parks and environmental restoration infrastructure, while decreasing their long-term costs. CIDI highlights infrastructure improvements that are central to quality of life and economic vitality. In some cases these improvements will be brought on line almost 10 years ahead of schedule. Cost savings are achieved by utilizing today’s lower interest rates and avoiding the future’s inflated construction costs and likely higher interest rates.

**Economic Development** is the central theme for many of the County government policy initiatives. This strategy is enabled by strong partnerships and communications with diverse business, labor and professional groups in the community. It is recognized that a healthy economy benefits the citizens of the County and is a constructive way to assure that County government revenue streams are stable. To this end, the County continues to expedite and simplify the permitting process, which allows businesses to more easily bring their business and jobs to the County.

**A Biodiesel** partnership was formed as an alternative to skyrocketing fuel costs and has yielded a unique opportunity to link environmental protection with economic development via Snohomish County farmer-grown biodiesel fuel. This project is expected to improve the quality of the environment, reduce dependence on foreign oil and enhance the economic vitality of the County’s agricultural community.

**Snohomish County 2020** is an effort to embrace the cultural changes anticipated in the County by the year 2020. The focus of the program is to tailor County services to citizens’ changing needs. County

government plans to identify ways in which it can improve access through signage and interpreter services as well as look for opportunities to increase the diversity of the workforce.

**Public Safety and Emergency Response** continues to be a high priority of the County. Plans were made in 2005 and implemented at the beginning of 2006 to bring a previously separate Emergency Management agency in-house as a County department. Working in partnership with local cities, sweeping changes are being made to make the new county department a model emergency and disaster recovery program.

**Technology** improvements continue to be regularly implemented. Such improvements benefit both citizens and employees by improving services, reducing costs and increasing overall efficiency and effectiveness.

**Acknowledgements**

A financial report of this nature is not possible without the coordinated efforts of the staff of the Finance Department, the Treasurer's Office, and the other departments with staff that process financial transactions and otherwise contribute to the information presented in this report. We greatly appreciate the efforts of all involved. Further appreciation is extended to the Executive and County Council for their interest in and support of the County's accounting and financial functions.

I will be happy to respond to any questions or comments about the information contained in this report.

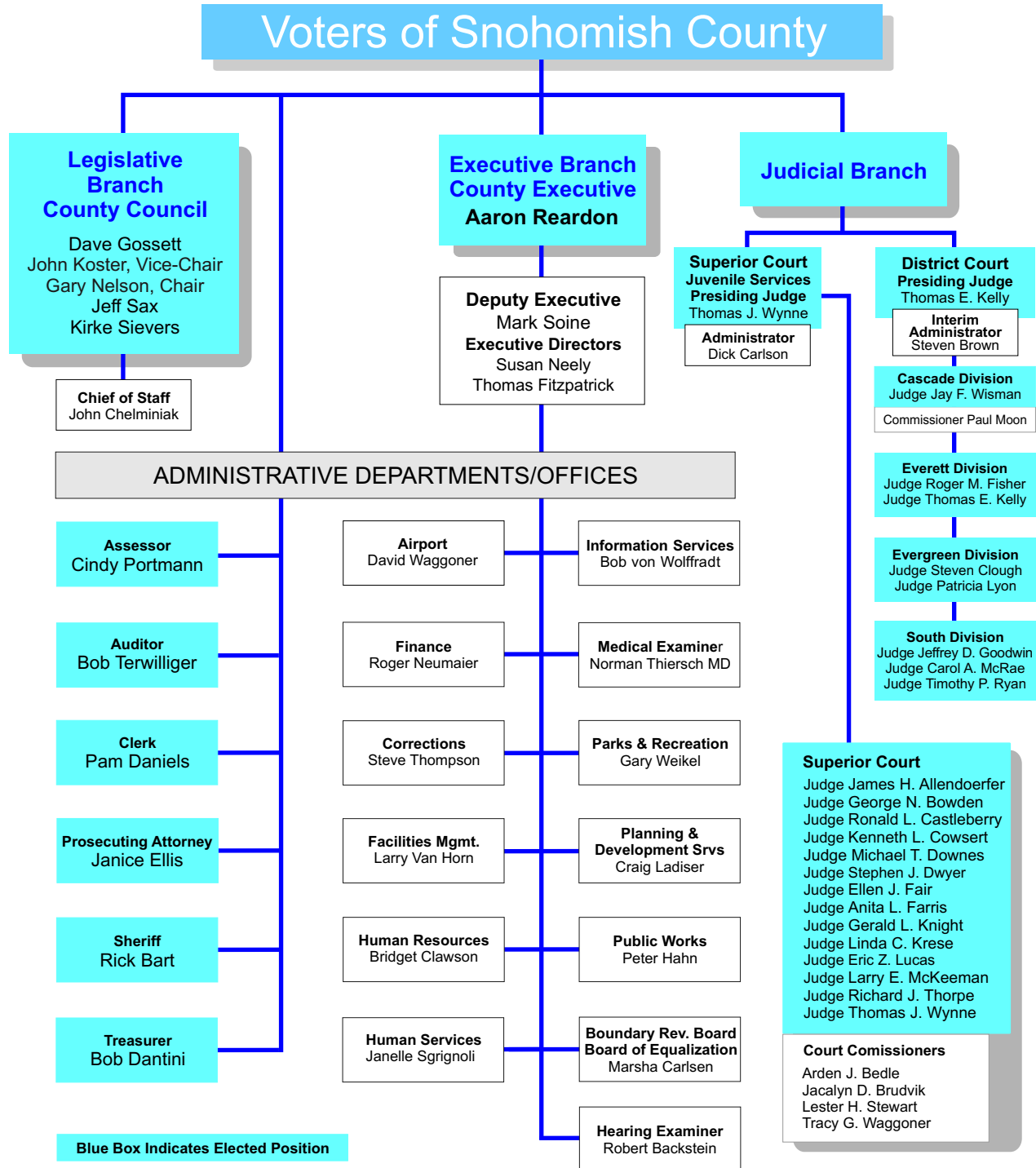
Sincerely,



Roger Neumaier  
Director of Finance

# Snohomish County Organizational Chart

## Effective August 1, 2005



**COUNTY EXECUTIVE**

Aaron Reardon

**COUNTY COUNCIL**

|               |                   |
|---------------|-------------------|
| John Koster   | <i>District 1</i> |
| Kirke Sievers | <i>District 2</i> |
| Gary Nelson   | <i>District 3</i> |
| Dave Gossett  | <i>District 4</i> |
| Jeff Sax      | <i>District 5</i> |

**ELECTED OFFICE**

|                    |                             |
|--------------------|-----------------------------|
| Cindy Portmann     | <i>Assessor</i>             |
| Robert Terwilliger | <i>Auditor</i>              |
| Pam L. Daniels     | <i>Clerk</i>                |
| Janice Ellis       | <i>Prosecuting Attorney</i> |
| Rick Bart          | <i>Sheriff</i>              |
| Bob Dantini        | <i>Treasurer</i>            |

**SUPERIOR COURT JUDGES**

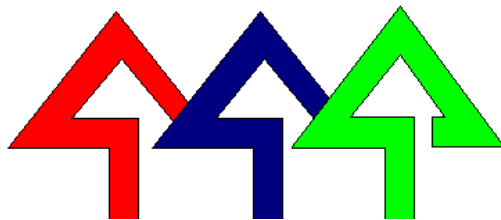
|                       |                   |
|-----------------------|-------------------|
| James H. Allendoerfer | Anita L. Farris   |
| George N. Bowden      | Gerald L. Knight  |
| Ronald L. Castleberry | Linda C. Krese    |
| Kenneth L. Cowsert    | Eric Z. Lucas     |
| Michael T. Downes     | Larry E. McKeeman |
| Stephen J. Dwyer      | Richard J. Thorpe |
| Ellen J. Fair         | Thomas J. Wynne   |

**DISTRICT COURT JUDGES**

|                    |                                 |
|--------------------|---------------------------------|
| Jay F. Wisman      | <i>Cascade District Court</i>   |
| Roger M. Fisher    | <i>Everett District Court</i>   |
| Thomas E. Kelly    | <i>Everett District Court</i>   |
| Steven M. Clough   | <i>Evergreen District Court</i> |
| Patricia L. Lyon   | <i>Evergreen District Court</i> |
| Jeffrey D. Goodwin | <i>South District Court</i>     |
| Carol A. McRae     | <i>South District Court</i>     |
| Timothy P. Ryan    | <i>South District Court</i>     |

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**Snohomish County, Washington**  
**Financial Section**

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**Washington State Auditor  
Brian Sonntag**

**INDEPENDENT AUDITOR'S REPORT**

August 25, 2006

County Executive and Council  
Snohomish County  
Everett, Washington

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Snohomish County, Washington, as of and for the year ended December 31, 2005, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Snohomish County, Washington, as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the general fund, county road fund, and the community development fund, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, during the year ended December 31, 2005, the County has implemented the Governmental Accounting Standards Board's Statement No. 40, Deposit and Investment Risk Disclosures and Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries.

The management's discussion and analysis on pages 3 through 15 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation

of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying information listed as combining financial statements and supplemental information on pages 71 through 117 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Sonntag". The signature is fluid and cursive, with the first name "Brian" and last name "Sonntag" clearly distinguishable.

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

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, 2005. 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, 2005, total assets of the County exceeded the total liabilities by \$773.6 million (net assets). \$489.5 million or 64 percent, of this amount is invested in capital assets, net of accumulated depreciation and related debt. Of the remaining net assets, \$182 million is unrestricted and may be used to meet the County's ongoing obligations.
- In 2005, the County's total net assets increased by 5% or \$37 million. The governmental net assets increased by 6% or \$32 million. The business type net assets increased by 4% or \$5 million.
- As of December 31, 2005, the County's governmental funds reported combined ending fund balances of \$194 million. Approximately 91% or \$175 million is unreserved/unrestricted fund balance available for spending at the government's discretion within the purposes specified for the County's funds.
- At the end of 2005, the unreserved/unrestricted fund balance for the general fund was \$22.7 million amounting to 13 percent of total general fund expenditures for 2005. Total fund balance for the general fund increased by 98% or \$11.2 million for the year. A prior period adjustment accounted for 55% or \$6.1 million of the fund balance increase.
- New bonded debt was issued during 2005 in the amount of \$10.7 million. Refunded debt totaled \$34.8 million. Principal payments made during 2005 were \$18.9 million. Total activity for all debt during 2005 resulted in a net decrease of \$5.5 million.

## USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets 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 activities 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 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 government.

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## ***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 Assets and Statement of Activities***

The **Statement of Net Assets** presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. **The Statement of Activities** presents information showing how the County's net assets 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 assets and changes in them. Over time, increases or decreases in the County's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, 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.

In the statement of net assets and the statement of activities, the County is divided into three kinds of activities:

#### **Governmental Activities:**

Most of the County's programs and services are reported here, including general government, public safety, public works, health, human services, and economic development. Governmental activities are primarily supported by property taxes, 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 (SCPFD). These component units are described in the notes to the financial statements. The component units are separate legal entities and 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—not the County as a whole. Some funds are required to be established by state law, and by bond covenants. However, the

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County Council establishes many other 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 money (an example would be grants received from the federal government for various services provided by the Human Services Department). The County's two kinds of funds—governmental and proprietary—use different accounting approaches.

**Governmental funds:**

Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those 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 readily be 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 Assets and the Statement of Activities) and governmental funds. The County's major governmental funds are the General Fund, County Road Fund, Community Development Fund, and the Limited Tax Debt Service 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 Assets and the Statement of Activities. The fund statements provide additional information, such as cash flows that are not included in the Countywide Statements.

**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 Assets. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

***Notes to the Financial Statements:***

The notes provide additional information that is essential to a full understanding of the data provided on the government-wide and fund financial statements.

***Other Information – Combining Statements***

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

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## 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, liabilities, and net assets of the County.

|   | Net Assets                 |                      |                             |                      |                      |                      |
|---|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
|   | Governmental<br>Activities |                      | Business-Type<br>Activities |                      | Total                |                      |
|   | 2005                       | 2004 <sup>(a)</sup>  | 2005                        | 2004 <sup>(a)</sup>  | 2005                 | 2004 <sup>(a)</sup>  |
| <b>Assets</b>                               |                            |                      |                             |                      |                      |                      |
| Current                                     | \$264,421,084              | \$246,058,074        | \$54,320,067                | \$73,526,675         | \$318,741,151        | \$319,584,749        |
| Noncurrent                                  | 16,705,136                 | 24,879,047           | 36,950,924                  | 37,128,212           | 53,656,060           | 62,007,259           |
| Capital Assets                              | 666,830,526                | 630,887,758          | 189,140,155                 | 173,756,247          | 855,970,681          | 804,644,005          |
| <b>Total Assets</b>                         | <b>947,956,746</b>         | <b>901,824,879</b>   | <b>280,411,146</b>          | <b>284,411,134</b>   | <b>1,228,367,892</b> | <b>1,186,236,013</b> |
| <b>Liabilities</b>                          |                            |                      |                             |                      |                      |                      |
| Current Liabilities                         | 64,767,900                 | 51,699,006           | 16,932,817                  | 19,256,730           | 81,700,717           | 70,955,736           |
| Noncurrent Liabilities                      | 270,191,182                | 269,356,228          | 102,846,203                 | 109,491,444          | 373,037,385          | 378,847,672          |
| <b>Total Liabilities</b>                    | <b>334,959,082</b>         | <b>321,055,234</b>   | <b>119,779,020</b>          | <b>128,748,174</b>   | <b>454,738,102</b>   | <b>449,803,408</b>   |
| <b>Net Assets</b>                           |                            |                      |                             |                      |                      |                      |
| Invested in Capital, Net<br>of Related Debt | 409,196,739                | 369,205,670          | 80,264,793                  | 75,067,836           | 489,461,532          | 444,273,506          |
| Restricted                                  | 100,650,084                | 96,861,290           | 1,169,347                   | 144,783              | 101,819,431          | 97,006,073           |
| Unrestricted                                | 103,150,841                | 114,702,685          | 79,197,986                  | 80,450,341           | 182,348,827          | 195,153,026          |
| <b>Total Net Assets</b>                     | <b>\$612,997,664</b>       | <b>\$580,769,645</b> | <b>\$160,632,126</b>        | <b>\$155,662,960</b> | <b>\$773,629,790</b> | <b>\$736,432,605</b> |

<sup>(a)</sup> 2004 Current and Total Assets, Current and Total Liabilities, and Total Net Assets have been restated for Governmental Activities. 2004 Capital and Total Assets, Net Assets Invested in Capital, Net of Related Debt and Total Net Assets have been restated for Business-Type Activities. See Note 6A, "Prior Period Adjustments".

Snohomish County's financial position improved for 2005. For the year ended December 31, 2005, net assets changed as follows:

Total Net Assets of the County increased by \$37.2 million or 5% from the prior year, as restated. Governmental Activities' Total Net Assets increased by 6% from the prior year, as restated. The increase was primarily due to planned fund balance reserves and the sale of land by the Pits and Quarries Internal Service Fund. Business-Type Activities' Total Net Assets increased by 4% from the prior year. The increase was due to small increases in several funds.

Total assets of the County exceeded total liabilities by \$773.6 million (net assets). Unrestricted net assets for governmental activities were \$103 million and for business-type activities were \$79.2 million. These assets assist the County in meeting ongoing obligations to citizens and creditors. Governmental activities restricted net assets were \$100.7 million and were \$1.1 million for business-type activities. Restricted net assets 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 \$1.2 billion as of December 31, 2005. Capital assets represent \$856 million of this amount. As required by GASB Statement No. 34, the County now reports its infrastructure assets, which amounted to \$283 million, net of depreciation, at December 31, 2005. The County's current assets consist of \$265 million of cash and investments, \$51.7 million of receivables, net of allowance for uncollectible accounts, and miscellaneous other current assets of \$1.7 million. Total non-current assets include \$16 million for the County's equity interest in the Snohomish Emergency Radio System joint venture, \$36 million for property held for future use and \$1.6 million for deferred charges.

The largest portion of the County's net assets (64 percent) 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, 2005, the County had outstanding liabilities of \$454.7 million. General obligation bonds and other long-term loans payable were \$366 million, of which \$19 million was due within one year. Other liabilities consist of accounts payable of \$25 million, deferred revenues of \$21 million, and accrued liabilities of \$11 million. A liability of \$17.3 million is recorded for general liability, workers' compensation and health benefit claims, of which \$3 million was due within one year. Other non-current liabilities include compensated absences of \$10.3 million.

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

|                                       | Changes in Net Assets   |                     |                          |                     |                    |                     |
|---------------------------------------|-------------------------|---------------------|--------------------------|---------------------|--------------------|---------------------|
|                                       | Governmental Activities |                     | Business-Type Activities |                     | Total              |                     |
|                                       | 2005                    | 2004 <sup>(a)</sup> | 2005                     | 2004 <sup>(a)</sup> | 2005               | 2004 <sup>(a)</sup> |
| <b>Revenues</b>                       |                         |                     |                          |                     |                    |                     |
| <b>Program Revenues</b>               |                         |                     |                          |                     |                    |                     |
| Charges for Services                  | 72,335,701              | 69,970,803          | 53,113,123               | 50,421,072          | 125,448,824        | 120,391,875         |
| Operating Grants and Contributions    | 78,288,261              | 89,617,300          | 585,282                  | 1,136,541           | 78,873,543         | 90,753,841          |
| Capital Grants and Contributions      | 12,519,144              | 11,163,799          | 2,364,451                | 2,326,307           | 14,883,595         | 13,490,106          |
| <b>Total Program Revenues</b>         | <b>163,143,106</b>      | <b>170,751,902</b>  | <b>56,062,856</b>        | <b>53,883,920</b>   | <b>219,205,962</b> | <b>224,635,822</b>  |
| <b>General Revenues</b>               |                         |                     |                          |                     |                    |                     |
| Property Taxes                        | 110,016,852             | 106,944,619         | -                        | -                   | 110,016,852        | 106,944,619         |
| Sales/Use Taxes                       | 40,161,174              | 34,553,198          | -                        | -                   | 40,161,174         | 34,553,198          |
| Other Taxes                           | 39,055,856              | 30,934,619          | -                        | -                   | 39,055,856         | 30,934,619          |
| Operating Assessments                 | 21,579                  | 21,086              | 9,046,077                | 8,415,940           | 9,067,656          | 8,437,026           |
| Intergovernmental Revenues            | 369,014                 | 724,249             | -                        | -                   | 369,014            | 724,249             |
| Interest Earnings                     | 10,352,955              | 5,543,229           | 1,706,384                | 753,608             | 12,059,339         | 6,296,837           |
| Miscellaneous Revenues                | 4,254,060               | 3,219,341           | 30,716                   | 297,860             | 4,284,776          | 3,517,201           |
| Equity Adjustment in Joint Ventures   | (71,934)                | 206,528             | -                        | -                   | (71,934)           | 206,528             |
| Private Contributions and Donations   | 2,500,133               | 930,800             | 25,440                   | 11,200              | 2,525,573          | 942,000             |
| Disposition of Capital Assets         | 8,306,100               | (7,033)             | -                        | 26,238              | 8,306,100          | 19,205              |
| <b>Total General Revenues</b>         | <b>214,965,789</b>      | <b>183,070,636</b>  | <b>10,808,617</b>        | <b>9,504,846</b>    | <b>225,774,406</b> | <b>192,575,482</b>  |
| <b>Total Revenues</b>                 | <b>378,108,895</b>      | <b>353,822,538</b>  | <b>66,871,473</b>        | <b>63,388,766</b>   | <b>444,980,368</b> | <b>417,211,304</b>  |
| <b>Expenses</b>                       |                         |                     |                          |                     |                    |                     |
| General Government                    | 50,301,316              | 49,362,266          | -                        | -                   | 50,301,316         | 49,362,266          |
| Judicial                              | 27,477,146              | 20,166,002          | -                        | -                   | 27,477,146         | 20,166,002          |
| Public Safety                         | 111,075,223             | 104,325,013         | -                        | -                   | 111,075,223        | 104,325,013         |
| Physical Environment                  | 2,297,829               | 1,913,093           | -                        | -                   | 2,297,829          | 1,913,093           |
| Transportation                        | 61,874,844              | 59,162,628          | -                        | -                   | 61,874,844         | 59,162,628          |
| Health and Human Services             | 42,291,009              | 53,709,975          | -                        | -                   | 42,291,009         | 53,709,975          |
| Economic Environment                  | 18,078,779              | 17,046,436          | -                        | -                   | 18,078,779         | 17,046,436          |
| Culture and Recreation                | 14,543,675              | 9,643,510           | -                        | -                   | 14,543,675         | 9,643,510           |
| Interest on Long-Term Debt            | 13,450,239              | 12,625,411          | -                        | -                   | 13,450,239         | 12,625,411          |
| Airport                               | -                       | -                   | 12,654,257               | 13,542,475          | 12,654,257         | 13,542,475          |
| Solid Waste                           | -                       | -                   | 43,954,363               | 41,183,511          | 43,954,363         | 41,183,511          |
| Surface Water                         | -                       | -                   | 9,784,503                | 9,144,389           | 9,784,503          | 9,144,389           |
| <b>Total Expenses</b>                 | <b>341,390,060</b>      | <b>327,954,334</b>  | <b>66,393,123</b>        | <b>63,870,375</b>   | <b>407,783,183</b> | <b>391,824,709</b>  |
| Change in Net Assets before Transfers | 36,718,835              | 25,868,204          | 478,350                  | (481,609)           | 37,197,185         | 25,386,595          |
| Transfers in (Out)                    | (4,490,816)             | (31,773,006)        | 4,490,816                | 31,773,006          | -                  | -                   |
| <b>Change in Net Assets</b>           | <b>32,228,019</b>       | <b>(5,904,802)</b>  | <b>4,969,166</b>         | <b>31,291,397</b>   | <b>37,197,185</b>  | <b>25,386,595</b>   |
| Net Assets, beginning of year         | 580,769,645             | 586,674,447         | 155,662,960              | 124,371,563         | 736,432,605        | 711,046,010         |
| Net Assets, end of year               | 612,997,664             | 580,769,645         | 160,632,126              | 155,662,960         | 773,629,790        | 736,432,605         |

<sup>(a)</sup> 2004 Governmental Activities Charges for Services, Sales/Use Taxes, Miscellaneous Revenues have been restated affecting Total Revenues, Change in Net Assets Before Transfers, Change in Net Assets, Net Assets, Beginning of Year and Net Assets, End of Year. 2004 Business-type Activities Airport Expenses and Net Assets, Beginning of Year have been restated affecting Total Expenses, Change in Net Assets before Transfers, Change in Net Assets, and Net Assets, End of Year. See Note 6A, "Prior Period Adjustment".

The Total Change in Net Assets was an increase of 5.07% or \$37,197,185. Of that total, Governmental Activities reported a decrease in operating grant and contributions revenue as well as decreased intergovernmental revenues. The decreased revenue streams were offset by increases in tax revenues, interest earnings and gain on disposition of capital assets. The result was an increase in Governmental Activities' Changes in Net Assets before Transfers of \$10.8 million or 42%. Net Transfers Out to other funds decreased more than 86% from the prior year, which resulted in an overall increase of more than 5% in Governmental Activities Net Assets. Business-type Activities' net assets improved 3.19% from the prior year. Revenues increased at a rate slightly less than the rate of increase for total expenses; transfers in decreased by 86% from the prior year, which resulted in an increase of 3.19% or \$5 million in net assets.

Total 2005 revenues for the County were \$445 million. Of the total County revenues, governmental activities provided 85% or \$378.1 million while business-type activities provided 15% or \$66.9 million, which is equivalent to the ratio in 2004.

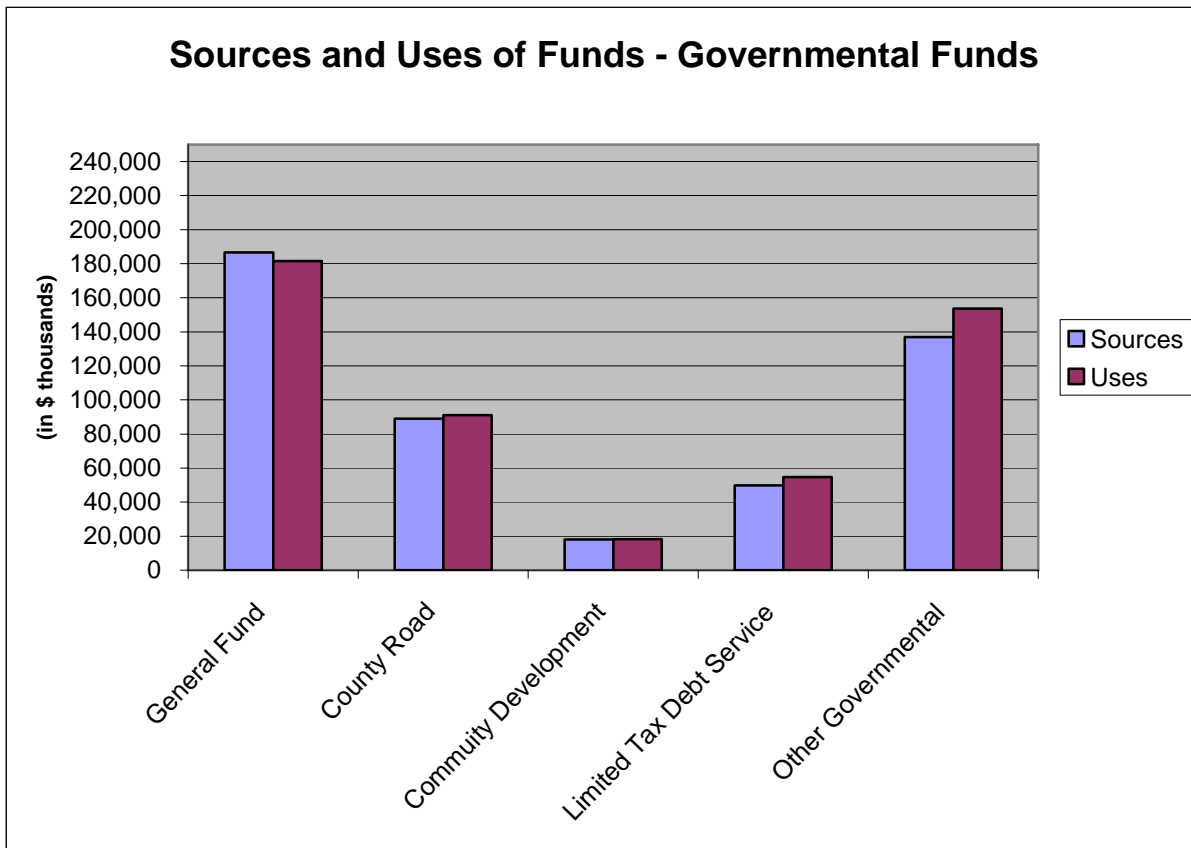
Property taxes, operating grants and contributions, and charges for services together accounted for 70% of total governmental activity revenues. Property taxes provided 29% or \$110 million, operating grants and contributions provided 21% or \$78.3 million, and charges for services provided 20% or \$72.3 million of total governmental activity revenues. Most of the governmental activities resources were spent for Public Safety (35%), General Government (15%), Transportation (18%), and Health and Human Services (12%). Interest on long-term debt of \$13.5 million was 4% of governmental activities expenses for 2005.

Revenues for business-type activities consisted of charges for services of \$53 million, operating assessments of \$.6 million and capital grants and contributions of \$2.4 million. Operating expenses for Solid Waste Management represented 66% of total expenses for business-type activities, Surface Water Management expenses were at 15%, and Airport expenses were at 19%.

## **FUND FINANCIAL INFORMATION**

### ***Governmental Funds***

The General Fund, County Road Fund, Community Development Fund and Limited Tax Debt Service Fund are the County's major funds. These funds account for 45% of total governmental fund assets and 43% of total governmental fund balances. Governmental funds' total assets amounted to \$237.6 million and total liabilities were \$43.7 million. The governmental funds' uses of funds exceeded the sources of funds, resulting in a net change in fund balance of a deficit of \$18.9 million. This was largely due to expenditures in the Capital Project Funds, which were financed by bond proceeds. The total fund balance for all governmental funds at December 31, 2005 was \$194 million.



**General Fund**

The County’s General Fund is the main operating fund of the County and is used to account for all financial resources that are not restricted by state or federal laws, or other externally imposed requirements. As of December 31, 2005, total assets were \$30 million and total liabilities were \$7.4 million. The ending fund balance of \$22.7 million represents approximately 14% of the budgeted uses of funds for the next fiscal year. The net change in fund balance for the general fund in 2005 was an increase of \$5 million or 44% of beginning fund balance. This increase was largely due to a strong economy that generated sales/use taxes that were \$6.2 million greater in 2005 than in 2004.

**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 million, total liabilities of \$7 million and an ending fund balance of \$33 million, a decrease of \$.5 million or 2% from the prior year. This deficit was due to current year’s expenditures on projects funded in prior years.

**The Community Development Fund**

The Community Development Fund accounts for permitting inspection, plan review, fire investigation/inspection, long-range planning, economic development, and implementation of the Comprehensive Plan. Total assets for this fund were \$17.3 million and total liabilities were \$9.2 million with ending fund balance at \$8 million, a decrease of \$5.4 million, or 40% from the prior year. The decrease is primarily the result of a \$5.2 million prior period adjustment required to correctly allocate unearned revenues to a deferred revenue liability account.

### The Limited Tax Debt Service Fund

The Limited Tax Debt Service Fund accounts for the initial receipt of bond proceeds, transfers out of bond proceeds to appropriate funds, and the accumulation of resources for and payments of general long-term debt principal and interest. The fund reported total assets of \$19.2 million and total liabilities of \$38 thousand; ending fund balance is \$19.1 million, a decrease of \$5 million or 21% from the prior year. The decrease was due to debt payments.

### Other Governmental Funds

The County has 29 other special revenue funds, 4 other debt service funds and 6 capital projects funds. These funds reported total assets of \$131 million, total liabilities of \$20 million and fund balances of \$111.1 million. \$81 thousand of the ending fund balance was reserved for debt service.

### Proprietary Funds

The County reported three major enterprise funds that represented the business-type activities in the government-wide financial statements. Six 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 Assets - Proprietary Funds |                      |                      |                      |                      |                      |                       |                       |                        |                      |
|--|--------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|------------------------|----------------------|
|  | Solid Waste                    |                      | Airport              |                      | Surface Water        |                      | Total                 |                       | Internal Service Funds |                      |
|  | 2005                           | 2004                 | 2005                 | 2004 <sup>(a)</sup>  | 2005                 | 2004                 | 2005                  | 2004                  | 2005                   | 2004                 |
| <b>Assets</b>                            |                                |                      |                      |                      |                      |                      |                       |                       |                        |                      |
| Current Assets                           | \$ 40,349,419                  | \$ 43,286,470        | \$ 4,812,905         | \$ 23,469,493        | \$ 9,157,743         | \$ 6,770,712         | \$ 54,320,067         | \$ 73,526,675         | \$ 42,122,291          | \$ 28,356,205        |
| Noncurrent Assets                        | 36,666,935                     | 36,869,059           | 201,879              | 171,745              | 82,110               | 87,408               | 36,950,924            | 37,128,212            | 7,555                  | -                    |
| Capital Assets                           | 65,456,808                     | 67,427,251           | 98,046,890           | 81,909,236           | 25,636,458           | 24,419,760           | 189,140,156           | 173,756,247           | 37,451,071             | 34,845,482           |
| <b>Total Assets</b>                      | <b>142,473,162</b>             | <b>147,582,780</b>   | <b>103,061,674</b>   | <b>105,550,474</b>   | <b>34,876,311</b>    | <b>31,277,880</b>    | <b>280,411,147</b>    | <b>284,411,134</b>    | <b>79,580,917</b>      | <b>63,201,687</b>    |
| <b>Liabilities</b>                       |                                |                      |                      |                      |                      |                      |                       |                       |                        |                      |
| Current Liabilities                      | 10,461,216                     | 11,959,838           | 3,563,952            | 4,681,556            | 2,907,648            | 2,615,336            | 16,932,816            | 19,256,730            | 5,078,851              | 4,465,814            |
| Noncurrent Liabilities                   | 46,964,927                     | 51,812,618           | 42,737,238           | 43,862,237           | 13,144,038           | 13,816,589           | 102,846,203           | 109,491,444           | 16,279,760             | 14,783,955           |
| <b>Total Liabilities</b>                 | <b>57,426,143</b>              | <b>63,772,456</b>    | <b>46,301,190</b>    | <b>48,543,793</b>    | <b>16,051,686</b>    | <b>16,431,925</b>    | <b>119,779,019</b>    | <b>128,748,174</b>    | <b>21,358,611</b>      | <b>19,249,769</b>    |
| <b>Net Assets</b>                        |                                |                      |                      |                      |                      |                      |                       |                       |                        |                      |
| Invested in Capital, Net of Related Debt | 13,602,097                     | 11,083,423           | 54,647,526           | 37,422,252           | 12,015,170           | 10,330,588           | 80,264,793            | 58,836,263            | 36,041,267             | 33,346,254           |
| Restricted                               | 250,895                        | 73,663               | 857,252              | -                    | 61,200               | 71,120               | 1,169,347             | 144,783               | 6,247,725              | 9,529,778            |
| Unrestricted                             | 71,194,026                     | 72,653,238           | 1,255,706            | 19,584,429           | 6,748,254            | 4,444,247            | 79,197,986            | 96,681,914            | 15,933,314             | 1,075,886            |
| <b>Total Net Assets</b>                  | <b>\$ 85,047,018</b>           | <b>\$ 83,810,324</b> | <b>\$ 56,760,484</b> | <b>\$ 57,006,681</b> | <b>\$ 18,824,624</b> | <b>\$ 14,845,955</b> | <b>\$ 160,632,126</b> | <b>\$ 155,662,960</b> | <b>\$ 58,222,306</b>   | <b>\$ 43,951,918</b> |

(a)

2004 Capital Assets, Total Assets and Net Assets Invested in Capital, Net of Related Debt have been restated. See Note 6A, "Prior Period Adjustments".

|                                   | Changes in Net Assets - Proprietary Funds |                      |                     |                       |                     |                     |                     |                      |                        |                     |
|-----------------------------------|---|----------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|----------------------|------------------------|---------------------|
|                                   | Solid Waste                               |                      | Airport             |                       | Surface Water       |                     | Total               |                      | Internal Service Funds |                     |
|                                   | 2005                                      | 2004                 | 2005                | 2004 <sup>(a)</sup>   | 2005                | 2004                | 2005                | 2004                 | 2005                   | 2004                |
| Operating Income (Loss)           | \$ 841,722                                | \$ 2,168,891         | \$ (599,403)        | \$ (1,769,707)        | \$ 449,179          | \$ 528,925          | \$ 691,498          | \$ 928,109           | \$ 1,358,882           | \$ 1,858,515        |
| Non-Operating Revenues (Expenses) | (418,467)                                 | (1,255,791)          | 274,907             | 4,505                 | (69,588)            | (158,430)           | (213,148)           | (1,409,716)          | 17,512,104             | 372,655             |
| Contributions and Transfers       | 813,440                                   | 28,980,044           | 78,297              | (29,822)              | 3,599,079           | 2,822,784           | 4,490,816           | 31,773,006           | (4,600,593)            | (2,389,501)         |
| <b>Changes in Net Assets</b>      | <b>\$ 1,236,695</b>                       | <b>\$ 29,893,144</b> | <b>\$ (246,199)</b> | <b>\$ (1,795,024)</b> | <b>\$ 3,978,670</b> | <b>\$ 3,193,279</b> | <b>\$ 4,969,166</b> | <b>\$ 31,291,399</b> | <b>\$ 14,270,393</b>   | <b>\$ (158,331)</b> |

(a) 2004 Operating loss and Changes in Net Assets have been restated. See Note 6A, "Prior Period Adjustments".

**Statement of Cash Flow – Proprietary Funds**

|   | Solid Waste          |                        | Airport                |                       | Surface Water       |                     | Total                  |                        | Internal Service Funds |                       |
|---|----------------------|------------------------|------------------------|-----------------------|---------------------|---------------------|------------------------|------------------------|------------------------|-----------------------|
|   | 2005                 | 2004                   | 2005                   | 2004                  | 2005                | 2004                | 2005                   | 2004                   | 2005                   | 2004                  |
| Cash Flow from Operating Activities                         | \$ 2,835,540         | \$ 4,400,685           | \$ 1,386,627           | \$ 4,263,818          | \$ 1,450,373        | \$ 2,045,300        | \$ 5,672,540           | \$ 10,709,803          | \$ 7,986,400           | \$ 5,572,528          |
| Cash Flow from Capital and Related Financing Activities     | 2,402,417            | (16,792,307)           | (20,771,275)           | (9,883,479)           | (2,769,231)         | (4,968,495)         | (21,138,089)           | (31,644,281)           | 9,599,433              | (6,496,915)           |
| Cash Flow from Non-Capital Financing Activities             | 30,124               | 1,274,447              | 54,512                 | (21,582)              | 3,631,667           | 2,025,202           | 3,716,303              | 3,278,067              | (5,084,472)            | (2,716,685)           |
| Cash Flow from Investing Activities                         | 363,198              | 197,535                | (617,421)              | 393,507               | 154,342             | 72,960              | (99,881)               | 664,002                | (1,767,210)            | (669,369)             |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b> | <b>\$ 5,631,279</b>  | <b>\$ (10,919,640)</b> | <b>\$ (19,947,557)</b> | <b>\$ (5,247,736)</b> | <b>\$ 2,467,151</b> | <b>\$ (825,033)</b> | <b>\$ (11,849,127)</b> | <b>\$ (16,992,409)</b> | <b>\$ 10,734,151</b>   | <b>\$ (4,310,441)</b> |
| Cash and Cash Equivalents, January 1                        | 9,651,936            | 20,571,576             | 23,008,281             | 28,256,017            | 5,890,964           | 6,715,997           | 38,551,181             | 55,543,590             | 25,770,242             | 30,080,683            |
| <b>Cash and Cash Equivalents, December 31</b>               | <b>\$ 15,283,215</b> | <b>\$ 9,651,936</b>    | <b>\$ 3,060,724</b>    | <b>\$ 23,008,281</b>  | <b>\$ 8,358,115</b> | <b>\$ 5,890,964</b> | <b>\$ 26,702,054</b>   | <b>\$ 38,551,181</b>   | <b>\$ 36,504,393</b>   | <b>\$ 25,770,242</b>  |

**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 \$1.5 million represent funds set aside to finance long-term landfill post-closure care costs. Total assets as of December 31, 2005 were \$142.5 million, total liabilities were \$57.4 million, and net assets were \$85 million. Operating income was \$841 thousand, a decrease of \$1.3 million from last year's operating income. The decrease was the result of increased contractual services expense.

**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 \$103 million, total liabilities were \$46.3 million, and net assets were \$56.8 million. The operating loss was \$599.4 thousand, a decrease of \$145 thousand from last year's operating loss. The smaller operating loss in 2005 resulted primarily from increased rent, lease and concession revenues.

**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, 2005 were \$34.8 million, total liabilities were \$16 million, and net assets were \$18.8 million. Surface Water's 2005 operating income of \$449 thousand was a decrease of \$79 thousand from last year's operating income. The 2005 decrease in operating income was largely due to increased intergovernment payments for services.

**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, and facility services. Total assets as of December 31, 2005 were \$79.6 million, total liabilities were \$21.4 million and net assets were \$58.2 million. Internal service fund operating income of \$1.4 million was a decrease of \$500 thousand from last year's operating income. The increase in operating income is due primarily to the increased operating income of the Information Services Fund and new Facilities Services Fund, which offset operating losses in the Employee Benefits Fund.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The County's 2005 General Fund budget included a planned contribution of about \$26 thousand to fund balance. The actual contribution to fund balance was more than \$5 million due to careful management of expenditures. The County's 2006 adopted budget has a planned contribution to fund balance of almost a quarter of a million dollars before any under-expenditure. The County's five-year general fund projection predicts significant growth in fund balance.

## 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, amounts to \$856 million. Infrastructure assets, net of accumulated depreciation, represent \$282.9 million of capital assets.

|                              | <b>Capital Assets</b>              |                      |                                     |                      |                      |                      |
|------------------------------|------------------------------------|----------------------|-------------------------------------|----------------------|----------------------|----------------------|
|                              | <b>Governmental<br/>Activities</b> |                      | <b>Business-type<br/>Activities</b> |                      | <b>Total</b>         |                      |
|                              | <b>2005</b>                        | <b>2004</b>          | <b>2005</b>                         | <b>2004</b>          | <b>2005</b>          | <b>2004</b>          |
| <b>Capital Assets</b>        |                                    |                      |                                     |                      |                      |                      |
| Land                         | \$133,057,026                      | \$133,501,890        | \$31,045,796                        | \$31,157,068         | \$164,102,822        | \$164,658,958        |
| Building and Structures, Net | 187,522,092                        | 62,740,806           | 72,427,964                          | 48,935,247           | 259,950,056          | 111,676,053          |
| Other Improvements, Net      | 21,068,071                         | 11,233,008           | 50,347,661                          | 52,370,633           | 71,415,732           | 63,603,641           |
| Machinery and Equipment, Net | 35,757,455                         | 33,098,935           | 1,964,144                           | 2,170,205            | 37,721,599           | 35,269,140           |
| Infrastructure Assets, Net   | 257,698,890                        | 257,607,215          | 25,156,574                          | 24,384,623           | 282,855,464          | 281,991,838          |
| Construction in Progress     | 31,062,811                         | 132,497,080          | 8,132,183                           | 14,575,092           | 39,194,994           | 147,072,172          |
| Intangibles, Net             | 664,181                            | 208,824              | 65,833                              | 163,379              | 730,014              | 372,203              |
| <b>Total Capital Assets</b>  | <b>\$666,830,526</b>               | <b>\$630,887,758</b> | <b>\$189,140,155</b>                | <b>\$173,756,247</b> | <b>\$855,970,681</b> | <b>\$804,644,005</b> |

### Governmental Activities - Capital Assets

Land purchases for 2005 amounted to \$6.5 million and the City of Everett annexed \$7.0 million of land, resulting in a net decrease of \$0.4 million. The net decrease of construction in progress for governmental activities was \$101.4 million; this was due to completion of the campus redevelopment project.

### Business-Type Activities - Capital Assets

Business-type activities reported an overall increase in capital assets due to completion of the new Future of Flight project and various Airport improvements and Surface Water Management projects.

More detailed information on the County's capital assets can be found in this report in Note 3E.

### Governmental Activities – Debt

New debt of \$10.7 million and refunded debt of \$28.1 million was issued during 2005. Principal payments made during 2005, including refunded debt, for governmental activities' debt totaled \$39.8 million, which included \$38.8 million for general obligation bond debt, \$265 thousand for special assessment debt, \$665 thousand for loans, and \$84 thousand for capital lease payments. Interest expense for 2005 was \$12.7 million.

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

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## **Business-Type Activities – Debt**

Refunded debt of \$5.9 million was issued during 2005. Total principal payments made during 2005, including refunded debt, for business-type activities were \$13.8 million, which included \$12.7 million for general obligation debt and \$1.1 million for loans. Interest expense for 2005 was \$4.6 million.

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

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The economic outlook for Snohomish County is highly favorable. The entire Puget Sound region's economy continued to expand in 2005. Snohomish County's jobless rate improved significantly in 2005 and the County has led the State for the past year in the creation of number of jobs. The jobless rate fell to 4.0 percent in April of 2006, the lowest since 1998. The County's employer base continues to diversify, currently including innovative industries in aerospace, life sciences, technology and health care. Additionally the County is home to an expanding deep-water port and has other infrastructure in place that allows the County the ability to import and export virtually anything from anywhere in the world.

County retail sales in 2005 were more than 12% greater than in 2004. The addition of new retail locations and expanded existing retail locations bodes well for continued expansion. A measure of growth in real estate is County collections of Real Estate Excise Tax. Real Estate Excise Tax collections were 40.4% higher in 2005 than in 2004. 2004 collections had been 23.5% greater than those received in 2003.

The major infrastructure challenge that the County faces is building roads to keep up with growth. The passage of the 2005 state budget will bring about \$420 to \$430 million in new transportation projects to Snohomish County over the next ten years. The revenues are generated primarily from a 9.5-cent fuel tax to be phased in over a four year period. This package will go a long way towards beginning to solve some of the County/State corridor congestion issues. As part of the 9.5 cents, counties will receive ½ cent in revenues phased in over two years. This will generate an estimated \$1 million per year for Snohomish County based on current formulas. Cities will also receive ½ cent for a total of 1 penny allocated in revenue for the local agencies.

In developing its 2006 budget, the County addressed long-term financial challenges by prioritizing the services it chooses to fund. In 2004, the County began to implement a priority-based budgeting process. Priority Based Budgeting is a process where the amount of revenue available for the budget is distributed based upon:

- Identification of outcomes that citizens want from the government. These outcomes are grouped into baskets of citizen expectations and referred to as priorities. For this reason, the budgeting approach is also referred to as outcome-based budgeting.
- Identification of the level of revenue that is historically supported by County residents and the commitment to live within these available resources.
- Allocation of revenues to support the priority outcomes based upon citizen input.
- Essentially a unique version of a zero based budget.

The County received national attention for its 2005 priority-based budget development process and is further developing its priority-based budgeting approach in its 2006 budget process.

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In addition to prioritizing what it does, the County is emphasizing improving how it does what it does through the improved use of technology. The County is implementing major technology initiatives in the areas of internet, imaging, and automated administrative payroll and Human Resource systems.

The construction of a new administration building (completed in February of 2005) and parking garage (completed in February of 2004) will enable better use of resources and coordination of service delivery. These infrastructure initiatives were funded entirely from lease avoidance and parking fees and will enable the County to implement further workflow improvements over the coming years.

The County's 2005 General Fund budget does not include any tax increases. Property tax receipts continue to reflect growth due to construction, but a general levy increase was not included for the 2005 budget. An increase in the Roads levy for unincorporated areas was approved. There is wide spread community support for improving roads funding.

## **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the County's finances and to show 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://www.co.snohomish.wa.us/finance/index.htm>.

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# **Financial Statements**

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**Statement of Net Assets**  
**As of December 31, 2005**

|                                 | <u>Primary Government</u> |                       |                         |                   |
|---------------------------------|---------------------------|-----------------------|-------------------------|-------------------|
|                                 | <u>Governmental</u>       | <u>Business-type</u>  | <u>Total</u>            | <u>Component</u>  |
|                                 | <u>Activities</u>         | <u>Activities</u>     |                         | <u>Units</u>      |
| <b>ASSETS</b>                   |                           |                       |                         |                   |
| <b>Current Assets</b>           |                           |                       |                         |                   |
| Cash and Equivalents            | \$ 202,123,076            | \$ 24,194,179         | \$ 226,317,255          | \$ 98,868         |
| Cash, Restricted                | 4,676,511                 | 944,439               | 5,620,950               | 409,740           |
| Investments                     | 30,838,747                | 987,910               | 31,826,657              | -                 |
| Investments, Restricted         | -                         | 1,563,437             | 1,563,437               | -                 |
| Taxes Receivables               | 4,788,459                 | -                     | 4,788,459               | -                 |
| Other Receivables, Net          | 3,280,874                 | 4,209,217             | 7,490,091               | -                 |
| Interest Receivable             | 1,426,000                 | 91,690                | 1,517,690               | 1,196             |
| Internal Payables/Receivables   | (21,522,945)              | 21,522,945            | -                       | -                 |
| Due From Other Governments      | 31,663,221                | 699,945               | 32,363,166              | -                 |
| Inventories                     | 990,829                   | -                     | 990,829                 | -                 |
| Prepayments                     | 637,715                   | 45,105                | 682,820                 | -                 |
| Other Current Assets            | 13,382                    | -                     | 13,382                  | -                 |
| Other Restricted Assets         | -                         | 61,200                | 61,200                  | -                 |
| Notes/Contracts Receivable      | 5,505,215                 | -                     | 5,505,215               | -                 |
| <b>Total Current Assets</b>     | <b>264,421,084</b>        | <b>54,320,067</b>     | <b>318,741,151</b>      | <b>509,804</b>    |
| <b>Non-Current Assets</b>       |                           |                       |                         |                   |
| Investment in Joint Venture     | 16,336,185                | -                     | 16,336,185              | -                 |
| Deferred Charges                | 368,951                   | 1,200,785             | 1,569,736               | -                 |
| Property Held for Future use    | -                         | 35,750,139            | 35,750,139              | -                 |
| Land                            | 133,057,026               | 31,045,795            | 164,102,821             | -                 |
| Building and Structures, Net    | 187,522,092               | 72,427,964            | 259,950,056             | -                 |
| Other Improvements, Net         | 21,068,071                | 50,347,662            | 71,415,733              | -                 |
| Machinery and Equipment, Net    | 35,757,455                | 1,964,144             | 37,721,599              | -                 |
| Infrastructure Assets, Net      | 257,698,890               | 25,156,574            | 282,855,464             | -                 |
| Construction in Progress        | 31,062,811                | 8,132,183             | 39,194,994              | -                 |
| Intangible Assets, Net          | 664,181                   | 65,833                | 730,014                 | -                 |
| <b>Total Non-Current Assets</b> | <b>683,535,662</b>        | <b>226,091,079</b>    | <b>909,626,741</b>      | <b>-</b>          |
| <b>Total Assets</b>             | <b>\$ 947,956,746</b>     | <b>\$ 280,411,146</b> | <b>\$ 1,228,367,892</b> | <b>\$ 509,804</b> |

The accompanying notes are an integral part of the financial statements.

**Statement of Net Assets**  
**As of December 31, 2005**



|  | <u>Primary Government</u>  |                             |                       | Component<br>Units |
|--|----------------------------|-----------------------------|-----------------------|--------------------|
|  | Governmental<br>Activities | Business-type<br>Activities | Total                 |                    |
| <b>LIABILITIES</b>                                     |                            |                             |                       |                    |
| <b>Current Liabilities</b>                             |                            |                             |                       |                    |
| Accounts Payable                                       | \$ 20,455,094              | \$ 4,367,370                | \$ 24,822,464         | -                  |
| Claims and Judgments Payable                           | 3,017,735                  | -                           | 3,017,735             | -                  |
| Due to Other Governments                               | 517,334                    | 1,080,208                   | 1,597,542             | -                  |
| Accrued Liabilities                                    | 9,284,628                  | 1,499,418                   | 10,784,046            | -                  |
| Deferred Revenue                                       | 20,219,137                 | 680,920                     | 20,900,057            | -                  |
| Custodial Accounts                                     | 187,644                    | -                           | 187,644               | -                  |
| Bonds, Notes and Loans Payable                         | 11,086,328                 | 7,905,172                   | 18,991,500            | -                  |
| Landfill Closure Costs Reserve                         | -                          | 1,312,542                   | 1,312,542             | -                  |
| Payable From Restricted Assets                         | -                          | 87,187                      | 87,187                | -                  |
| <b>Total Current Liabilities</b>                       | <b>64,767,900</b>          | <b>16,932,817</b>           | <b>81,700,717</b>     | <b>-</b>           |
| <b>Non-Current Liabilities</b>                         |                            |                             |                       |                    |
| Employee Benefits Payable                              | 9,489,931                  | 839,448                     | 10,329,379            | -                  |
| Special Assessment Debt w/ Govt Commit                 | 1,445,001                  | -                           | 1,445,001             | -                  |
| Bonds, Notes and Loans Payable                         | 244,959,350                | 102,006,755                 | 346,966,105           | -                  |
| Claims and Judgments Payable                           | 14,296,900                 | -                           | 14,296,900            | -                  |
| <b>Total Non-Current Liabilities</b>                   | <b>270,191,182</b>         | <b>102,846,203</b>          | <b>373,037,385</b>    | <b>-</b>           |
| <b>Total Liabilities</b>                               | <b>334,959,082</b>         | <b>119,779,020</b>          | <b>454,738,102</b>    | <b>-</b>           |
| <b>NET ASSETS</b>                                      |                            |                             |                       |                    |
| <b>Invested in Capital Assets, Net of Related Debt</b> | 409,196,739                | 80,264,793                  | 489,461,532           | -                  |
| <b>Restricted for:</b>                                 |                            |                             |                       |                    |
| General Government                                     | 3,186,329                  | -                           | 3,186,329             | -                  |
| Capital Purposes                                       | 16,892,901                 | 857,252                     | 17,750,153            | -                  |
| Public Safety  | 3,800,302                  | -                           | 3,800,302             | -                  |
| Health & Human Services                                | 7,624,470                  | -                           | 7,624,470             | -                  |
| Economic Environment                                   | 2,173,263                  | -                           | 2,173,263             | 410,936            |
| Physical Environment                                   | 12,078,195                 | -                           | 12,078,195            | -                  |
| Culture & Recreation                                   | 6,241,311                  | -                           | 6,241,311             | 98,868             |
| Transportation   | 48,420,689                 | -                           | 48,420,689            | -                  |
| Debt Service   | 232,624                    | 61,200                      | 293,824               | -                  |
| Landfill Closure Costs                                 | -                          | 250,895                     | 250,895               | -                  |
| <b>Total Restricted Net Assets</b>                     | <b>100,650,084</b>         | <b>1,169,347</b>            | <b>101,819,431</b>    | <b>509,804</b>     |
| <b>Unrestricted Net Assets</b>                         | <b>103,150,841</b>         | <b>79,197,986</b>           | <b>182,348,827</b>    | <b>-</b>           |
| <b>Total Net Assets</b>                                | <b>\$ 612,997,664</b>      | <b>\$ 160,632,126</b>       | <b>\$ 773,629,790</b> | <b>\$ 509,804</b>  |

The accompanying notes are an integral part of the financial statements.

**Statement of Activities**  
For the Year Ending December 31, 2005

| Functions/Programs                           | Net Revenue (Expense) and Changes in Net Assets |                             |                      |                                    |                       |                         |                          | Component Units      |                    |
|--|---|-----------------------------|----------------------|------------------------------------|-----------------------|-------------------------|--------------------------|----------------------|--------------------|
|  | Expenses  | Indirect Expense Allocation | Program Revenues     |                                    |                       | Primary Government      |                          |                      | Total              |
|  |   |                             | Charges for Services | Grants and Contributions Operating | Capital               | Governmental Activities | Business-type Activities |                      |                    |
| <b>Governmental Activities</b>               |   |                             |                      |                                    |                       |                         |                          |                      |                    |
| General Government                           | \$ 54,470,750                                   | \$ (4,169,434)              | \$ 24,826,535        | \$ 14,352,077                      | \$ -                  | \$ (11,122,704)         | \$ -                     | \$ (11,122,704)      | \$ -               |
| Judicial                                     | 27,477,146                                      | -                           | 7,647,186            | 504,680                            | -                     | (19,325,280)            | -                        | (19,325,280)         | -                  |
| Public Safety                                | 110,140,767                                     | 934,456                     | 10,034,054           | 7,033,751                          | -                     | (94,007,418)            | -                        | (94,007,418)         | -                  |
| Physical Environment                         | 2,248,817                                       | 49,012                      | 48,582               | 1,477,114                          | 301,996               | (470,137)               | -                        | (470,137)            | -                  |
| Transportation                               | 60,502,626                                      | 1,372,218                   | 320,987              | 12,035,455                         | 12,174,548            | (37,343,854)            | -                        | (37,343,854)         | -                  |
| Health and Human Services                    | 41,910,195                                      | 380,814                     | 665,558              | 12,830,538                         | 42,600                | (28,752,313)            | -                        | (28,752,313)         | -                  |
| Economic Environment                         | 18,028,481                                      | 50,298                      | 27,175,678           | 29,967,351                         | -                     | 39,064,250              | -                        | 39,064,250           | -                  |
| Culture and Recreation                       | 14,406,160                                      | 137,515                     | 1,617,121            | 87,295                             | -                     | (12,839,259)            | -                        | (12,839,259)         | -                  |
| Interest on Long-Term Debt                   | 13,450,239                                      | -                           | -                    | -                                  | -                     | (13,450,239)            | -                        | (13,450,239)         | -                  |
| <b>Total Government Activities</b>           | <b>342,635,181</b>                              | <b>(1,245,121)</b>          | <b>72,335,701</b>    | <b>78,288,261</b>                  | <b>12,519,144</b>     | <b>(178,246,954)</b>    | <b>-</b>                 | <b>(178,246,954)</b> | <b>-</b>           |
| <b>Business-type Activities</b>              |   |                             |                      |                                    |                       |                         |                          |                      |                    |
| Airport                                      | 12,369,377                                      | 284,880                     | 9,984,358            | 21,613                             | 1,981,423             | -                       | (666,863)                | (666,863)            | -                  |
| Solid Waste Management                       | 43,227,231                                      | 727,132                     | 42,823,205           | 333,602                            | -                     | -                       | (797,556)                | (797,556)            | -                  |
| Surface Water Management                     | 9,551,394                                       | 233,109                     | 305,559              | 230,067                            | 383,028               | -                       | (8,865,849)              | (8,865,849)          | -                  |
| <b>Total Business-type Activities</b>        | <b>65,148,002</b>                               | <b>1,245,121</b>            | <b>53,113,122</b>    | <b>585,282</b>                     | <b>2,364,451</b>      | <b>-</b>                | <b>(10,330,268)</b>      | <b>(10,330,268)</b>  | <b>-</b>           |
| <b>Total Primary Government</b>              | <b>407,783,183</b>                              | <b>-</b>                    | <b>125,448,823</b>   | <b>78,873,543</b>                  | <b>14,883,595</b>     | <b>(178,246,954)</b>    | <b>(10,330,268)</b>      | <b>(188,577,222)</b> | <b>-</b>           |
| <b>Component Units</b>                       |   |                             |                      |                                    |                       |                         |                          |                      |                    |
| Snohomish County PFD                         | 1,409,274                                       | -                           | -                    | -                                  | -                     | -                       | -                        | -                    | (1,409,274)        |
| Pilchuck Development Co.                     | -   | -                           | -                    | -                                  | -                     | -                       | -                        | -                    | -                  |
| <b>Total Component Units</b>                 | <b>1,409,274</b>                                | <b>-</b>                    | <b>-</b>             | <b>-</b>                           | <b>-</b>              | <b>-</b>                | <b>-</b>                 | <b>-</b>             | <b>(1,409,274)</b> |
| <b>General Revenue</b>                       |   |                             |                      |                                    |                       |                         |                          |                      |                    |
| Property Taxes                               |   |                             |                      |                                    | \$ 110,016,852        | \$ -                    | \$ 110,016,852           | \$ -                 | \$ -               |
| Sales/Use Tax                                |   |                             |                      |                                    | 40,161,174            | -                       | 40,161,174               | 1,656,761            | -                  |
| Other Taxes                                  |   |                             |                      |                                    | 39,055,856            | -                       | 39,055,856               | -                    | -                  |
| Operating Assessments                        |   |                             |                      |                                    | 21,579                | 9,046,077               | 9,067,656                | -                    | -                  |
| Intergovernmental Revenues                   |   |                             |                      |                                    | 369,014               | -                       | 369,014                  | -                    | -                  |
| Interest and Investment Earnings             |   |                             |                      |                                    | 10,352,955            | 1,706,384               | 12,059,339               | 8,971                | -                  |
| Miscellaneous Revenues                       |   |                             |                      |                                    | 4,254,060             | 30,716                  | 4,284,776                | -                    | -                  |
| Private Contributions and Donations          |   |                             |                      |                                    | 2,500,133             | 25,440                  | 2,525,573                | -                    | -                  |
| Gain (Loss) in Joint Venture                 |   |                             |                      |                                    | (71,934)              | -                       | (71,934)                 | -                    | -                  |
| Disposition of Capital Assets                |   |                             |                      |                                    | 8,306,100             | -                       | 8,306,100                | -                    | -                  |
| <b>Total General Revenue</b>                 |   |                             |                      |                                    | <b>214,965,789</b>    | <b>10,808,617</b>       | <b>225,774,406</b>       | <b>1,665,732</b>     |                    |
| <b>Transfers</b>                             |   |                             |                      |                                    | <b>(4,490,816)</b>    | <b>4,490,816</b>        | <b>-</b>                 | <b>-</b>             |                    |
| <b>Total General Revenue &amp; Transfers</b> |   |                             |                      |                                    | <b>210,474,973</b>    | <b>15,299,433</b>       | <b>225,774,406</b>       | <b>1,665,732</b>     |                    |
| <b>Change in Net Assets</b>                  |   |                             |                      |                                    | <b>32,228,019</b>     | <b>4,969,165</b>        | <b>37,197,184</b>        | <b>256,458</b>       |                    |
| <b>Beginning Net Assets</b>                  |   |                             |                      |                                    | <b>578,275,550</b>    | <b>157,037,470</b>      | <b>735,313,020</b>       | <b>253,346</b>       |                    |
| <b>Prior Period Adjustment</b>               |   |                             |                      |                                    | <b>2,494,095</b>      | <b>(1,374,509)</b>      | <b>1,119,586</b>         | <b>-</b>             |                    |
| <b>Ending Net Assets</b>                     |   |                             |                      |                                    | <b>\$ 612,997,664</b> | <b>\$ 160,632,126</b>   | <b>\$ 773,629,790</b>    | <b>\$ 509,804</b>    |                    |

The accompanying notes are an integral part of the financial statements.

**Balance Sheet**  
**Governmental Funds**  
**As of December 31, 2005**



|  | <b>General Fund</b>  | <b>County Road Fund</b> | <b>Community Development Fund</b> | <b>Limited Tax Debt Service Fund</b> | <b>Other Governmental Funds</b> | <b>Total</b>          |
|--|----------------------|-------------------------|-----------------------------------|--------------------------------------|---------------------------------|-----------------------|
| <b>ASSETS</b>                                |                      |                         |                                   |                                      |                                 |                       |
| Cash and Equivalents                         | \$ 15,254,497        | \$ 15,979,105           | \$ 9,888,299                      | \$ 18,994,891                        | \$ 105,501,891                  | \$ 165,618,683        |
| Cash, Restricted                             | 1,268                | -                       | -                                 | -                                    | 4,675,244                       | 4,676,512             |
| Investments                                  | -                    | 16,430,620              | 6,960,327                         | -                                    | 3,985,530                       | 27,376,477            |
| Taxes Receivable                             | 2,676,906            | 1,903,409               | -                                 | 27,204                               | 180,938                         | 4,788,457             |
| Other Receivables, Net                       | 282,377              | 88,482                  | 352,097                           | 41,058                               | 2,736,158                       | 3,500,172             |
| Interest Receivable                          | 412,979              | 36,813                  | 35,198                            | 95,631                               | 215,486                         | 796,107               |
| Due From Other Funds                         | -                    | -                       | -                                 | -                                    | 55,656                          | 55,656                |
| Due From Other Governments                   | 11,344,328           | 5,614,560               | 54,806                            | -                                    | 8,297,783                       | 25,311,477            |
| Other Current Assets                         | 13,382               | -                       | -                                 | -                                    | -                               | 13,382                |
| Notes/Contracts Receivable                   | 63,509               | -                       | -                                 | -                                    | 5,441,706                       | 5,505,215             |
| <b>Total Assets</b>                          | <b>\$ 30,049,246</b> | <b>\$ 40,052,989</b>    | <b>\$ 17,290,727</b>              | <b>\$ 19,158,784</b>                 | <b>\$ 131,090,392</b>           | <b>\$ 237,642,138</b> |
| <b>LIABILITIES</b>                           |                      |                         |                                   |                                      |                                 |                       |
| Accounts Payable                             | 2,124,023            | 4,524,239               | 360,277                           | -                                    | 12,065,127                      | 19,073,666            |
| Due To Other Funds                           | 306,399              | -                       | 108                               | -                                    | 55,656                          | 362,163               |
| Due To Other Governments                     | 1,875                | -                       | -                                 | -                                    | 515,458                         | 517,333               |
| Accrued Liabilities                          | 2,256,833            | 615,350                 | 89,697                            | -                                    | 453,516                         | 3,415,396             |
| Deferred Revenue                             | 2,691,447            | 1,902,897               | 8,771,934                         | 38,732                               | 6,702,363                       | 20,107,373            |
| Custodial Accounts                           | 5,064                | -                       | -                                 | -                                    | 182,579                         | 187,643               |
| <b>Total Liabilities</b>                     | <b>7,385,641</b>     | <b>7,042,486</b>        | <b>9,222,016</b>                  | <b>38,732</b>                        | <b>19,974,699</b>               | <b>43,663,574</b>     |
| <b>FUND BALANCES</b>                         |                      |                         |                                   |                                      |                                 |                       |
| <b>Reserved For</b>                          |                      |                         |                                   |                                      |                                 |                       |
| Debt Service                                 | -                    | -                       | -                                 | 19,120,052                           | 81,250                          | 19,201,302            |
| <b>Total Reserved</b>                        | <b>-</b>             | <b>-</b>                | <b>-</b>                          | <b>19,120,052</b>                    | <b>81,250</b>                   | <b>19,201,302</b>     |
| <b>Unreserved Equity</b>                     |                      |                         |                                   |                                      |                                 |                       |
| General Fund                                 | 22,663,605           | -                       | -                                 | -                                    | -                               | 22,663,605            |
| Special Revenue Funds                        | -                    | 33,010,503              | 8,068,711                         | -                                    | 72,430,922                      | 113,510,136           |
| Capital Projects Funds                       | -                    | -                       | -                                 | -                                    | 38,603,521                      | 38,603,521            |
| <b>Total Unreserved Equity</b>               | <b>22,663,605</b>    | <b>33,010,503</b>       | <b>8,068,711</b>                  | <b>-</b>                             | <b>111,034,443</b>              | <b>174,777,262</b>    |
| <b>Total Fund Balances</b>                   | <b>22,663,605</b>    | <b>33,010,503</b>       | <b>8,068,711</b>                  | <b>19,120,052</b>                    | <b>111,115,693</b>              | <b>193,978,564</b>    |
| <b>Total Liabilities &amp; Fund Balances</b> | <b>\$ 30,049,246</b> | <b>\$ 40,052,989</b>    | <b>\$ 17,290,727</b>              | <b>\$ 19,158,784</b>                 | <b>\$ 131,090,392</b>           | <b>\$ 237,642,138</b> |

The accompanying notes are an integral part of the financial statements.



**Reconciliation  
Governmental Funds Balance  
Sheet to the Statement of Net Assets  
For the Year Ended December 31, 2005**

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|  |                       |
|--|-----------------------|
| Total fund balances as shown on the Governmental Funds Balance Sheet   | \$ 193,978,564        |
| 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 \$16 million.  | 645,715,638           |
| 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, accrued interest payable, and capital leases payable.                    | (278,982,563)         |
| 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 and liabilities of these funds are included in governmental activities in the Statement of Net Assets. | 58,222,306            |
| 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 deferred revenues for property taxes.   | (5,936,280)           |
| Net Assets of Governmental Activities as shown on the Statement of Net Assets  | <u>\$ 612,997,664</u> |

The accompanying notes are an integral part of the financial statements.

**Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2005**



|  | General<br>Fund      | County<br>Road<br>Fund | Community<br>Development<br>Fund | Limited Tax<br>Debt Service<br>Fund | Other<br>Governmental<br>Funds | Total                 |
|--|----------------------|------------------------|----------------------------------|-------------------------------------|--------------------------------|-----------------------|
| <b>Detail Revenues</b>   |                      |                        |                                  |                                     |                                |                       |
| Property Taxes   | \$ 62,573,424        | \$ 43,637,151          | \$ -                             | \$ 35,404                           | \$ 4,560,541                   | \$ 110,806,520        |
| Sales/Use Taxes  | 38,585,391           | -                      | -                                | -                                   | 1,575,784                      | 40,161,175            |
| Other Taxes  | 10,493,366           | 197,357                | -                                | -                                   | 28,365,131                     | 39,055,854            |
| Licenses & Permits   | 2,488,857            | -                      | -                                | -                                   | -                              | 2,488,857             |
| Charges for Services   | 27,366,749           | 5,146,038              | 16,431,929                       | 1,329,289                           | 13,951,271                     | 64,225,276            |
| Operating Assessments  | 21,579               | -                      | -                                | -                                   | -                              | 21,579                |
| Intergovernmental Revenues   | 14,966,847           | 25,612,601             | -                                | 728,459                             | 49,868,512                     | 91,176,419            |
| Fines & Forfeitures  | 5,051,617            | -                      | -                                | -                                   | 814,787                        | 5,866,404             |
| Interest & Investment Earnings                                       | 4,700,573            | 769,701                | 407,544                          | 1,201,667                           | 1,837,865                      | 8,917,350             |
| Rents, Leases & Concessions  | 3,392,840            | 79,358                 | -                                | 98                                  | 88,848                         | 3,561,144             |
| Private Contributions & Donations                                    | -                    | -                      | -                                | 72,179                              | 1,404,679                      | 1,476,858             |
| Miscellaneous Revenues   | 477,451              | 212,853                | 114,642                          | 47,096                              | 5,116,685                      | 5,968,727             |
| <b>Total Detail Revenues</b>   | <b>170,118,694</b>   | <b>75,655,059</b>      | <b>16,954,115</b>                | <b>3,414,192</b>                    | <b>107,584,103</b>             | <b>373,726,163</b>    |
| <b>Detail Expenditures</b>   |                      |                        |                                  |                                     |                                |                       |
| <i>Current</i>   |                      |                        |                                  |                                     |                                |                       |
| Judicial   | 23,815,475           | -                      | -                                | -                                   | 15,480,340                     | 39,295,815            |
| General Government   | 31,975,911           | 5,443,536              | -                                | -                                   | 32,508,677                     | 69,928,124            |
| Public Safety  | 89,985,359           | -                      | 7,352,824                        | -                                   | 13,254,678                     | 110,592,861           |
| Physical Environment   | -                    | -                      | -                                | -                                   | 3,896,780                      | 3,896,780             |
| Transportation   | 61,054               | 78,170,419             | -                                | -                                   | 2,337,476                      | 80,568,949            |
| Health & Human Services  | 8,762,135            | -                      | -                                | -                                   | 33,533,889                     | 42,296,024            |
| Economic Environment   | 4,295,000            | -                      | 9,664,893                        | -                                   | 3,813,934                      | 17,773,827            |
| Culture & Recreation   | 8,485,402            | -                      | -                                | -                                   | 9,565,650                      | 18,051,052            |
| <i>Debt Service</i>  |                      |                        |                                  |                                     |                                |                       |
| Principal Payments   | -                    | 487,897                | -                                | 10,122,112                          | 953,718                        | 11,563,727            |
| Interest   | 351                  | 57,500                 | -                                | 12,685,164                          | 266,228                        | 13,009,243            |
| Issuance Discount on LT Debt   | -                    | -                      | -                                | -                                   | 46,485                         | 46,485                |
| <b>Total Detail Expenditures</b>                                     | <b>167,380,687</b>   | <b>84,159,352</b>      | <b>17,017,717</b>                | <b>22,807,276</b>                   | <b>115,657,855</b>             | <b>407,022,887</b>    |
| <b>Excess (deficiency) of revenues over<br/>(under) expenditures</b> | <b>2,738,007</b>     | <b>(8,504,293)</b>     | <b>(63,602)</b>                  | <b>(19,393,084)</b>                 | <b>(8,073,752)</b>             | <b>(33,296,724)</b>   |
| <b>Other Financial Sources (Uses)</b>                                |                      |                        |                                  |                                     |                                |                       |
| Disposition Of Capital Assets  | 10,500,795           | -                      | -                                | -                                   | -                              | 10,500,795            |
| Transfers In   | 6,010,777            | 13,262,761             | 1,022,562                        | 17,140,383                          | 16,782,790                     | 54,219,273            |
| Transfers Out  | (14,208,607)         | (6,814,758)            | (1,172,019)                      | (2,985,069)                         | (38,065,715)                   | (63,246,168)          |
| Bond Proceeds  | -                    | -                      | -                                | 29,242,486                          | 12,658,001                     | 41,900,487            |
| Payment to Refunded Bond Escrow Agent                                | -                    | -                      | -                                | (28,976,403)                        | -                              | (28,976,403)          |
| <b>Total Other Financial Sources (Uses)</b>                          | <b>2,302,965</b>     | <b>6,448,003</b>       | <b>(149,457)</b>                 | <b>14,421,397</b>                   | <b>(8,624,924)</b>             | <b>14,397,984</b>     |
| <b>Net Change in Fund Equity</b>                                     | <b>5,040,972</b>     | <b>(2,056,290)</b>     | <b>(213,059)</b>                 | <b>(4,971,687)</b>                  | <b>(16,698,676)</b>            | <b>(18,898,740)</b>   |
| <b>Fund Balances - Beginning</b>                                     | <b>11,462,000</b>    | <b>33,534,165</b>      | <b>13,458,436</b>                | <b>24,114,239</b>                   | <b>127,814,369</b>             | <b>210,383,209</b>    |
| Prior Period Adjustments   | 6,160,633            | 1,532,628              | (5,176,666)                      | (22,500)                            | -                              | 2,494,095             |
| <b>Fund Balances - Ending</b>  | <b>\$ 22,663,605</b> | <b>\$ 33,010,503</b>   | <b>\$ 8,068,711</b>              | <b>\$ 19,120,052</b>                | <b>\$ 111,115,693</b>          | <b>\$ 193,978,564</b> |

The accompanying notes are an integral part of the financial statements.

**Reconciliation  
 Governmental Funds Statement of  
 Revenues, Expenditures, and Changes  
 in Fund Balances to the Statement of Activities  
 For the Year Ended December 31, 2005**



|   |                             |
|---|-----------------------------|
| Net Change in fund balances of Governmental Funds   | \$ (18,898,740)             |
| 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 as depreciation expense.  | 51,187,795                  |
| 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.   | (19,690,260)                |
| Amounts transferred to escrow for bond refunding are reported as expenditures in the fund statements and as a reduction of long-term liabilities in the statement of net assets   | 28,976,403                  |
| Repayments of bond principal are reported as expenditures in the funds statement and as reductions of long-term liabilities in the statement of net assets.   | 11,051,664                  |
| Debt proceeds are reported as current financial resources in the funds statement and as increases long-term liabilities in the statement of net assets.   | (41,900,486)                |
| Payments of capital leases are reported as expenditures in the funds statement and as reductions of long-term liabilities in the statement of net assets.   | 70,680                      |
| Accrued interest payable is not recorded on the fund statements   | (347,826)                   |
| Internal service funds are used by the County to charge the costs of certain activities, like insurance and fleet management services, to individual funds. The net costs of the internal service funds are reported as governmental activities in the statement of net assets. | 14,270,393                  |
| 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.   | 7,508,396                   |
| Change in net assets of governmental activities on the statement of activities  | <u><u>\$ 32,228,019</u></u> |

The accompanying notes are an integral part of the financial statements.

**Budgetary Comparison Statement  
General Fund  
For the Year Ended December 31, 2005**



|   | <b>Budgeted Amounts</b> |                     |                      |                      |
|---|-------------------------|---------------------|----------------------|----------------------|
|   | <b>Original</b>         | <b>Final</b>        | <b>Actual</b>        | <b>Variance</b>      |
| <b>Budgeted Fund Balance, January 1</b>             | \$ -                    | \$ 426,354          | \$ 11,462,000        | \$ 11,035,646        |
| <b>Resources (In-flows)</b>                         |                         |                     |                      |                      |
| Property Taxes                                      | 63,230,323              | 63,230,323          | 62,573,424           | (656,899)            |
| Sales/Use Taxes                                     | 35,080,053              | 35,080,053          | 38,585,391           | 3,505,338            |
| Other Taxes   | 10,346,402              | 10,346,402          | 10,493,366           | 146,964              |
| Licenses and Permits                                | 2,353,505               | 2,353,505           | 2,488,857            | 135,352              |
| Charges for Services                                | 29,742,517              | 29,896,431          | 27,366,749           | (2,529,682)          |
| Operating Assessments                               | 20,900                  | 20,900              | 21,579               | 679                  |
| Intergovernmental Revenues                          | 13,502,725              | 14,010,525          | 14,966,847           | 956,322              |
| Fines and Forfeitures                               | 5,444,733               | 5,444,733           | 5,051,617            | (393,116)            |
| Interest and Investment Earnings                    | 3,682,933               | 3,682,933           | 4,700,573            | 1,017,640            |
| Rents Leases and Concessions                        | 3,394,572               | 3,394,572           | 3,392,840            | (1,732)              |
| Contributions & Donations-Private Sources           | 50,000                  | 50,000              | -                    | (50,000)             |
| Miscellaneous Revenues                              | 890,981                 | 890,981             | 477,451              | (413,530)            |
| Transfers In  | 6,010,777               | 6,010,777           | 6,010,777            | -                    |
| Disposition of Capital Assets                       | 10,000                  | 10,510,000          | 10,500,795           | (9,205)              |
| <b>Total Resources (In-flows)</b>                   | <b>173,760,421</b>      | <b>184,922,135</b>  | <b>186,630,266</b>   | <b>1,708,131</b>     |
| <b>Amount Available for Appropriation</b>           | <b>173,760,421</b>      | <b>185,348,489</b>  | <b>198,092,266</b>   | <b>12,743,777</b>    |
| <b>Charges to Appropriations (out-flows)</b>        |                         |                     |                      |                      |
| General Government                                  | 33,944,305              | 33,774,482          | 31,975,911           | 1,798,571            |
| Judicial  | 23,924,080              | 24,355,654          | 23,815,475           | 540,179              |
| Public Safety                                       | 88,833,075              | 90,591,393          | 89,985,359           | 606,034              |
| Transportation                                      | 70,000                  | 61,000              | 61,054               | (54)                 |
| Health and Human Services                           | 8,743,643               | 8,786,643           | 8,762,135            | 24,508               |
| Economic Environment                                | 4,150,243               | 4,340,082           | 4,295,000            | 45,082               |
| Culture and Recreation                              | 8,507,810               | 8,628,618           | 8,485,402            | 143,216              |
| Debt Service  | -                       | -                   | 351                  | (351)                |
| Transfers Out                                       | 5,561,200               | 15,221,552          | 14,208,607           | 1,012,945            |
| <b>Amount Charged to Appropriations (out-flows)</b> | <b>173,734,356</b>      | <b>185,759,424</b>  | <b>181,589,294</b>   | <b>4,170,130</b>     |
| Prior Period Adjustment                             | -                       | -                   | 6,160,633            | 6,160,633            |
| <b>Budgeted Fund Balance, December 31</b>           | <b>\$ 26,065</b>        | <b>\$ (410,935)</b> | <b>\$ 22,663,605</b> | <b>\$ 23,074,540</b> |

The accompanying notes are an integral part of the financial statements.

**Budgetary Comparison Statement  
County Road Fund  
For the Year Ended December 31, 2005**



|   | <b>Budgeted Amounts</b> |                    |                      |                      |
|---|-------------------------|--------------------|----------------------|----------------------|
|   | <b>Original</b>         | <b>Final</b>       | <b>Actual</b>        | <b>Variance</b>      |
| <b>Budgeted Fund Balance, January 1</b>             | \$ 9,707,551            | \$ 9,843,091       | \$ 33,534,165        | \$ 23,691,074        |
| <b>Resources (In-flows)</b>                         |                         |                    |                      |                      |
| Property Taxes                                      | 43,335,245              | 43,335,245         | 43,637,151           | 301,906              |
| Other Taxes   | 170,000                 | 170,000            | 197,357              | 27,357               |
| Charges for Services                                | 4,797,492               | 4,797,492          | 5,146,038            | 348,546              |
| Intergovernmental Revenue                           | 27,187,729              | 27,187,729         | 25,612,601           | (1,575,128)          |
| Interest and Investment Earnings                    | 500,000                 | 500,000            | 769,701              | 269,701              |
| Rents, Leases and Concessions                       | 30,000                  | 30,000             | 79,358               | 49,358               |
| Miscellaneous Revenues                              | 235,000                 | 235,000            | 212,853              | (22,147)             |
| Transfers In  | 14,046,130              | 14,046,130         | 13,262,761           | (783,369)            |
| <b>Total Resources (In-flows)</b>                   | <b>90,301,596</b>       | <b>90,301,596</b>  | <b>88,917,820</b>    | <b>(1,383,776)</b>   |
| <b>Amount Available for Appropriation</b>           | <b>100,009,147</b>      | <b>100,144,687</b> | <b>122,451,985</b>   | <b>22,307,298</b>    |
| <b>Charges to Appropriations (Out-flows)</b>        |                         |                    |                      |                      |
| General Government                                  | 8,200,190               | 8,200,190          | 5,443,536            | 2,756,654            |
| Transportation                                      | 85,665,404              | 85,800,944         | 78,170,419           | 7,630,525            |
| Debt Service  | 559,063                 | 559,063            | 545,397              | 13,666               |
| Transfers Out                                       | 5,584,490               | 5,584,490          | 6,814,758            | (1,230,268)          |
| <b>Amount Charged to Appropriations (out-flows)</b> | <b>100,009,147</b>      | <b>100,144,687</b> | <b>90,974,110</b>    | <b>9,170,577</b>     |
| Prior Period Adjustment                             | -                       | -                  | 1,532,628            | 1,532,628            |
| <b>Budgeted Fund Balance, December 31</b>           | <b>\$ -</b>             | <b>\$ -</b>        | <b>\$ 33,010,503</b> | <b>\$ 33,010,503</b> |

The accompanying notes are an integral part of the financial statements.

**Budgetary Comparison Statement  
Community Development  
For the Year Ended December 31, 2005**



|   | <b>Budgeted Amounts</b> |                       |                     |                      |
|---|-------------------------|-----------------------|---------------------|----------------------|
|   | <b>Original</b>         | <b>Final</b>          | <b>Actual</b>       | <b>Variance</b>      |
| <b>Budgeted Fund Balance, January 1</b>             | \$ -                    | \$ -                  | \$ 13,458,436       | \$ 13,458,436        |
| <b>Resources (In-flows)</b>                         |                         |                       |                     |                      |
| Charges for Services                                | 16,263,615              | 16,263,615            | 16,431,929          | 168,314              |
| Interest and Investment Earnings                    | -                       | -                     | 407,544             | 407,544              |
| Miscellaneous Revenues                              | 59,000                  | 59,000                | 114,642             | 55,642               |
| Transfers In  | 1,022,562               | 1,022,562             | 1,022,562           | -                    |
| <b>Total Resources (In-flows)</b>                   | <b>17,345,177</b>       | <b>17,345,177</b>     | <b>17,976,677</b>   | <b>631,500</b>       |
| <b>Amount Available for Appropriation</b>           | <b>17,345,177</b>       | <b>17,345,177</b>     | <b>31,435,113</b>   | <b>14,089,936</b>    |
| <b>Charges to Appropriations (Out-flows)</b>        |                         |                       |                     |                      |
| Public Safety                                       | 8,051,244               | 8,225,733             | 7,352,824           | 872,909              |
| Economic Environment                                | 10,105,946              | 10,658,676            | 9,664,893           | 993,783              |
| Transfers Out                                       | 1,153,308               | 1,172,019             | 1,172,019           | -                    |
| <b>Amount Charged to Appropriations (out-flows)</b> | <b>19,310,498</b>       | <b>20,056,428</b>     | <b>18,189,736</b>   | <b>1,866,692</b>     |
| Prior Period Adjustment                             | -                       | -                     | (5,176,666)         | (5,176,666)          |
| <b>Budgeted Fund Balance, December 31</b>           | <b>\$ (1,965,321)</b>   | <b>\$ (2,711,251)</b> | <b>\$ 8,068,711</b> | <b>\$ 10,779,962</b> |

The accompanying notes are an integral part of the financial statements.

**Statement of Net Assets  
Proprietary Funds  
As of December 31, 2005**



|                                 | Business-type Activities |                    |                   | Governmental Activities |                        |
|---------------------------------|--------------------------|--------------------|-------------------|-------------------------|------------------------|
|                                 | Solid Waste              | Airport            | Surface Water     | Total Enterprise Funds  | Internal Service Funds |
| <b>ASSETS</b>                   |                          |                    |                   |                         |                        |
| <b>Current Assets</b>           |                          |                    |                   |                         |                        |
| Cash and Cash Equivalents       | \$ 13,632,591            | \$ 2,203,472       | \$ 8,358,116      | \$ 24,194,179           | \$ 36,504,392          |
| Cash, Restricted                | 87,187                   | 857,252            | -                 | 944,439                 | -                      |
| Investments                     | -                        | 987,910            | -                 | 987,910                 | 3,462,270              |
| Investments, Restricted         | 1,563,437                | -                  | -                 | 1,563,437               | -                      |
| Other Receivables, Net          | 3,215,501                | 572,191            | 421,525           | 4,209,217               | 35,050                 |
| Interest Receivable             | 50,851                   | 13,261             | 27,578            | 91,690                  | 138,635                |
| Due From Other Funds            | 21,522,945               | -                  | -                 | 21,522,945              | 306,399                |
| Due From Other Governments      | 276,907                  | 133,714            | 289,324           | 699,945                 | 47,002                 |
| Inventories                     | -                        | -                  | -                 | -                       | 990,828                |
| Prepayments                     | -                        | 45,105             | -                 | 45,105                  | 637,715                |
| Other Restricted Assets         | -                        | -                  | 61,200            | 61,200                  | -                      |
| <b>Total Current Assets</b>     | <b>40,349,419</b>        | <b>4,812,905</b>   | <b>9,157,743</b>  | <b>54,320,067</b>       | <b>42,122,291</b>      |
| <b>Non-Current Assets</b>       |                          |                    |                   |                         |                        |
| Deferred Charges                | 916,796                  | 201,879            | 82,110            | 1,200,785               | 7,555                  |
| Property Held for Future Use    | 35,750,139               | -                  | -                 | 35,750,139              | -                      |
| Capital Assets                  |                          |                    |                   |                         |                        |
| Land                            | 3,985,484                | 22,064,326         | 4,995,985         | 31,045,795              | 393,878                |
| Buildings and Structures, Net   | 29,518,427               | 42,909,537         | -                 | 72,427,964              | 6,116,079              |
| Other Improvements, Net         | 30,166,161               | -                  | 20,181,501        | 50,347,662              | 882,829                |
| Machinery and Equipment, Net    | 1,786,736                | 86,258             | 91,150            | 1,964,144               | 26,226,221             |
| Infrastructure Assets, Net      | -                        | 25,156,574         | -                 | 25,156,574              | -                      |
| Construction in Progress        | -                        | 7,764,361          | 367,822           | 8,132,183               | 3,793,167              |
| Intangibles, Net                | -                        | 65,833             | -                 | 65,833                  | 38,897                 |
| <b>Total Non-Current Assets</b> | <b>102,123,743</b>       | <b>98,248,768</b>  | <b>25,718,568</b> | <b>226,091,079</b>      | <b>37,458,626</b>      |
| <b>Total Assets</b>             | <b>142,473,162</b>       | <b>103,061,673</b> | <b>34,876,311</b> | <b>280,411,146</b>      | <b>79,580,917</b>      |

The accompanying notes are an integral part of the financial statements.

**Statement of Net Assets  
Proprietary Funds  
As of December 31, 2005**



|   | Business-type Activities |                      |                      | Governmental Activities |                        |
|---|--------------------------|----------------------|----------------------|-------------------------|------------------------|
|   | Solid Waste              | Airport              | Surface Water        | Total Enterprise Funds  | Internal Service Funds |
| <b>LIABILITIES</b>                              |                          |                      |                      |                         |                        |
| <b>Current Liabilities</b>                      |                          |                      |                      |                         |                        |
| Accounts Payable                                | 2,050,148                | 1,822,356            | 494,866              | 4,367,370               | 1,381,430              |
| Claims and Judgments Payable                    | -                        | -                    | -                    | -                       | 3,017,736              |
| Due To Other Governments                        | -                        | -                    | 1,080,208            | 1,080,208               | -                      |
| Accrued Liabilities                             | 679,172                  | 542,116              | 278,130              | 1,499,418               | 585,966                |
| Deferred Revenue                                | 124,922                  | 134,473              | 421,525              | 680,920                 | -                      |
| Bonds, Notes And Loans Payable                  | 6,207,246                | 1,065,006            | 632,920              | 7,905,172               | 93,719                 |
| Future Landfill Closure Costs Reserve           | 1,312,542                | -                    | -                    | 1,312,542               | -                      |
| Payable from Restricted Assets                  | 87,187                   | -                    | -                    | 87,187                  | -                      |
| <b>Total Current Liabilities</b>                | <b>10,461,217</b>        | <b>3,563,951</b>     | <b>2,907,649</b>     | <b>16,932,817</b>       | <b>5,078,851</b>       |
| <b>Non-Current Liabilities</b>                  |                          |                      |                      |                         |                        |
| Employee Benefits Payable                       | 400,666                  | 201,001              | 237,781              | 839,448                 | 659,217                |
| Bonds, Notes And Loans Payable                  | 46,564,261               | 42,536,237           | 12,906,257           | 102,006,755             | 1,323,644              |
| Claims And Judgments Payable                    | -                        | -                    | -                    | -                       | 14,296,899             |
| <b>Total Non-Current Liabilities</b>            | <b>46,964,927</b>        | <b>42,737,238</b>    | <b>13,144,038</b>    | <b>102,846,203</b>      | <b>16,279,760</b>      |
| <b>Total Liabilities</b>                        | <b>57,426,144</b>        | <b>46,301,189</b>    | <b>16,051,687</b>    | <b>119,779,020</b>      | <b>21,358,611</b>      |
| <b>NET ASSETS</b>                               |                          |                      |                      |                         |                        |
| Invested in Capital Assets, Net of Related Debt | 13,602,097               | 54,647,526           | 12,015,170           | 80,264,793              | 36,041,267             |
| Restricted for:                                 |                          |                      |                      |                         |                        |
| Capital Purposes                                | -                        | 857,252              | -                    | 857,252                 | 6,247,725              |
| Debt Service                                    | -                        | -                    | 61,200               | 61,200                  | -                      |
| Landfill Closure Costs                          | 250,895                  | -                    | -                    | 250,895                 | -                      |
| <b>Total Restricted Net Assets</b>              | <b>250,895</b>           | <b>857,252</b>       | <b>61,200</b>        | <b>1,169,347</b>        | <b>6,247,725</b>       |
| Unrestricted                                    | 71,194,026               | 1,255,706            | 6,748,254            | 79,197,986              | 15,933,314             |
| <b>Total Net Assets</b>                         | <b>\$ 85,047,018</b>     | <b>\$ 56,760,484</b> | <b>\$ 18,824,624</b> | <b>\$ 160,632,126</b>   | <b>\$ 58,222,306</b>   |

The accompanying notes are an integral part of the financial statements.



**Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2005**



|   | Business-Type Activities |                      |                      | Governmental Activities |                        |
|---|--------------------------|----------------------|----------------------|-------------------------|------------------------|
|   | Solid Waste              | Airport              | Surface Water        | Total Enterprise Funds  | Internal Service Funds |
| <b>Operating Revenues</b>                       |                          |                      |                      |                         |                        |
| Charges for Services                            | \$ 42,823,205            | \$ 3,098,423         | \$ 305,559           | \$ 46,227,187           | \$ 69,489,858          |
| Operating Assessments                           | -                        | -                    | 9,046,077            | 9,046,077               | -                      |
| Intergovernmental Revenues                      | 333,602                  | 217,250              | 230,067              | 780,919                 | -                      |
| Rents, Leases and Concessions                   | -                        | 6,690,298            | -                    | 6,690,298               | 856,166                |
| <b>Total Operating Revenues</b>                 | <b>43,156,807</b>        | <b>10,005,971</b>    | <b>9,581,703</b>     | <b>62,744,481</b>       | <b>70,346,024</b>      |
| <b>Operating Expenses</b>                       |                          |                      |                      |                         |                        |
| Personnel Services                              | 9,681,651                | 3,579,653            | 4,252,936            | 17,514,240              | 12,546,356             |
| Supplies  | 777,761                  | 354,303              | 210,769              | 1,342,833               | 6,785,637              |
| Interfund/Intergovernment Payments for Services | 4,590,232                | 1,050,943            | 2,062,144            | 7,703,319               | 2,718,806              |
| Depreciation                                    | 3,413,962                | 3,501,094            | 643,522              | 7,558,578               | 4,624,276              |
| Miscellaneous Expenses                          | -                        | 24,229               | -                    | 24,229                  | -                      |
| Contractual Services                            | 23,851,480               | 2,095,152            | 1,963,153            | 27,909,785              | 42,312,073             |
| <b>Total Operating Expenses</b>                 | <b>42,315,086</b>        | <b>10,605,374</b>    | <b>9,132,524</b>     | <b>62,052,984</b>       | <b>68,987,148</b>      |
| <b>Operating Income (Loss)</b>                  | <b>841,721</b>           | <b>(599,403)</b>     | <b>449,179</b>       | <b>691,497</b>          | <b>1,358,876</b>       |
| <b>Non-Operating Revenues (Expenses)</b>        |                          |                      |                      |                         |                        |
| Intergovernmental Revenues                      | -                        | 1,981,423            | 383,028              | 2,364,451               | -                      |
| Interest & Investment Earnings                  | 1,197,686                | 341,923              | 166,775              | 1,706,384               | 1,084,031              |
| Private Contributions and Donations             | -                        | -                    | 25,440               | 25,440                  | -                      |
| Miscellaneous Revenues                          | 23,124                   | 444                  | 7,148                | 30,716                  | 71,996                 |
| Disposition of Capital Assets                   | -                        | -                    | -                    | -                       | 16,428,816             |
| Interest Expense                                | (1,639,277)              | (2,048,883)          | (651,979)            | (4,340,139)             | (72,739)               |
| <b>Total Non-Operating Revenues (Expenses)</b>  | <b>(418,467)</b>         | <b>274,907</b>       | <b>(69,588)</b>      | <b>(213,148)</b>        | <b>17,512,104</b>      |
| <b>Income (Loss) Before Transfers</b>           | <b>423,254</b>           | <b>(324,496)</b>     | <b>379,591</b>       | <b>478,349</b>          | <b>18,870,980</b>      |
| Transfers In                                    | 1,022,660                | 118,336              | 3,812,296            | 4,953,292               | 1,306,613              |
| Transfers Out                                   | (209,220)                | (40,039)             | (213,217)            | (462,476)               | (5,907,206)            |
| <b>Change in Net Assets</b>                     | <b>1,236,694</b>         | <b>(246,199)</b>     | <b>3,978,670</b>     | <b>4,969,165</b>        | <b>14,270,387</b>      |
| <b>Net Assets, Beginning</b>                    | <b>83,810,324</b>        | <b>58,381,192</b>    | <b>14,845,954</b>    | <b>157,037,470</b>      | <b>43,951,919</b>      |
| <b>Prior Period Adjustments</b>                 | <b>-</b>                 | <b>(1,374,509)</b>   | <b>-</b>             | <b>(1,374,509)</b>      | <b>-</b>               |
| <b>Net Assets, Ending</b>                       | <b>\$ 85,047,018</b>     | <b>\$ 56,760,484</b> | <b>\$ 18,824,624</b> | <b>\$ 160,632,126</b>   | <b>\$ 58,222,306</b>   |

The accompanying notes are an integral part of the financial statements.

**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2005**



|   | <b>Business-type Activities</b> |                        |                       |                        | <b>Governmental</b>     |
|---|---------------------------------|------------------------|-----------------------|------------------------|-------------------------|
|   | <b>Solid Waste</b>              | <b>Airport</b>         | <b>Surface Water</b>  | <b>Total</b>           | <b>Internal Service</b> |
| <b>Cash Flows from Operating Activities</b>   |                                 |                        |                       |                        |                         |
| Receipts from Operations  | \$ 42,464,474                   | \$ 9,569,326           | \$ 9,406,762          | \$ 61,440,562          | \$ 70,358,303           |
| Payments to Employees   | (6,950,830)                     | (2,840,481)            | (3,162,291)           | (12,953,602)           | (9,504,980)             |
| Payments of Claims  | (29,438,129)                    | (4,508,525)            | (2,962,021)           | (36,908,675)           | (50,148,118)            |
| Internal Activity - Payment to Other Funds  | (3,946,035)                     | (1,050,943)            | (2,062,144)           | (7,059,122)            | (2,718,805)             |
| Operating Grants  | 706,060                         | 217,250                | 230,067               | 1,153,377              | -                       |
| <b>Total Cash Flows from Operating Activities</b>   | <b>\$ 2,835,540</b>             | <b>\$ 1,386,627</b>    | <b>\$ 1,450,373</b>   | <b>\$ 5,672,540</b>    | <b>\$ 7,986,399</b>     |
| <b>Cash Flows from Capital and Related Financing Activities</b>                               |                                 |                        |                       |                        |                         |
| Capital Acquisition and Construction  | \$ (1,443,519)                  | \$ (19,710,758)        | \$ (1,860,220)        | \$ (23,014,497)        | \$ (7,377,952)          |
| Capital Grants  | -                               | 1,981,423              | 383,028               | 2,364,451              | -                       |
| Capital Loans   | 1,500,000                       | -                      | -                     | 1,500,000              | -                       |
| Capital Contributions/Transfers, net  | 10,193,494                      | -                      | -                     | 10,193,494             | 555,875                 |
| Sale of Capital Assets  | -                               | 72,012                 | -                     | 72,012                 | 16,587,823              |
| Principal Paid on Loans   | (6,069,246)                     | (1,303,184)            | (608,677)             | (7,981,107)            | (89,291)                |
| Interest Paid on Loans  | (1,778,312)                     | (1,810,767)            | (683,362)             | (4,272,441)            | (77,022)                |
| <b>Total Cash Flows from Capital and Related Financing Activities</b>                         | <b>\$ 2,402,417</b>             | <b>\$ (20,771,275)</b> | <b>\$ (2,769,231)</b> | <b>\$ (21,138,088)</b> | <b>\$ 9,599,433</b>     |
| <b>Cash Flows from Non-Capital Financing Activities</b>                                       |                                 |                        |                       |                        |                         |
| Miscellaneous Revenue   | \$ 23,124                       | \$ 444                 | \$ 32,588             | \$ 56,156              | \$ 71,996               |
| Miscellaneous Expense   | -                               | (24,229)               | -                     | (24,229)               | -                       |
| Transfers, net  | 7,000                           | 78,297                 | 3,599,079             | 3,684,376              | (5,156,468)             |
| <b>Total Cash Flows from Non-Capital Financing Activities</b>                                 | <b>\$ 30,124</b>                | <b>\$ 54,512</b>       | <b>\$ 3,631,667</b>   | <b>\$ 3,716,303</b>    | <b>\$ (5,084,472)</b>   |
| <b>Cash Flows from Investing Activities</b>   |                                 |                        |                       |                        |                         |
| Interest on Investments   | \$ 363,198                      | \$ 370,489             | \$ 154,342            | \$ 888,029             | \$ 988,514              |
| Purchase of Investments   | -                               | (987,910)              | -                     | (987,910)              | (3,462,270)             |
| Loan to Other Fund  | -                               | -                      | -                     | -                      | 706,546                 |
| <b>Total Cash Flows from Investing Activities</b>   | <b>\$ 363,198</b>               | <b>\$ (617,421)</b>    | <b>\$ 154,342</b>     | <b>\$ (99,881)</b>     | <b>\$ (1,767,210)</b>   |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                                   |                                 |                        |                       |                        |                         |
| Cash and Cash Equivalents, January 1, 2005  | 9,651,936                       | 23,008,281             | 5,890,964             | 38,551,181             | 25,770,242              |
| <b>Cash and Cash Equivalents, December 31, 2005</b>   | <b>\$ 15,283,215</b>            | <b>\$ 3,060,724</b>    | <b>\$ 8,358,116</b>   | <b>\$ 26,702,055</b>   | <b>\$ 36,504,393</b>    |
| <b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b> |                                 |                        |                       |                        |                         |
| Net Operating Income (loss)   | \$ 841,722                      | \$ (599,403)           | \$ 449,178            | \$ 691,498             | \$ 1,358,881            |
| Depreciation Expense  | 3,413,962                       | 3,501,094              | 643,522               | 7,558,577              | 4,624,276               |
| Bad debt expense  | -                               | 24,229                 | -                     | 24,229                 | -                       |
| Changes in Receivables, net   | 15,762                          | (286,520)              | 92,554                | (178,204)              | 12,294                  |
| Changes in Inventories  | -                               | -                      | -                     | -                      | (151,187)               |
| Changes in Accounts Payable & Other Liabilities   | (1,638,030)                     | (1,220,224)            | 297,248               | (2,561,006)            | 2,191,490               |
| Changes in Accruals and Deferred Charges  | 202,124                         | (32,548)               | (32,129)              | 137,446                | (49,335)                |
| <b>Net Cash Provided (Used) by Operating Activities</b>                                       | <b>\$ 2,835,540</b>             | <b>\$ 1,386,627</b>    | <b>\$ 1,450,373</b>   | <b>\$ 5,672,540</b>    | <b>\$ 7,986,420</b>     |

The accompanying notes are an integral part of the financial statements.

**Statement of Net Assets  
Fiduciary Funds  
As of December 31, 2005**

|                            | <u>Agency Funds</u>          |
|----------------------------|------------------------------|
| <b>ASSETS</b>              |                              |
| <b>Current Assets</b>      |                              |
| Cash and Cash Equivalents  | \$ 537,017,918               |
| Cash, Restricted           | -                            |
| Investments                | -                            |
| Taxes Receivable           | 23,856,199                   |
| Other Receivables, Net     | 5,933,944                    |
| Interest Receivable        | -                            |
| Due From Other Funds       | -                            |
| Due From Other Governments | 55,631                       |
| Prepayments                | -                            |
| Deferred Charges           | 6,348                        |
| <b>Total Assets</b>        | <u>566,870,040</u>           |
| <b>LIABILITIES</b>         |                              |
| <b>Current Liabilities</b> |                              |
| Due to Other Governments   | <u>566,870,040</u>           |
| <b>Total Liabilities</b>   | <u><u>\$ 566,870,040</u></u> |

The accompanying notes are an integral part of the financial statements.

**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. 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. Fourteen 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, and 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 Governmental Accounting Standards Board (GASB) Statement No. 40, Deposit and Investment Risk Disclosures and GASB Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries beginning with the 2005 reporting year.

**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,” and GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units.” Accordingly, the County reports as component units those entities where the County appointed a voting majority of the board of directors, the County is 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.

As of December 31, 2005, the PFD had 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 Edmond's 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, MS610, 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 assets* 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 County funds except for the agency funds, 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, and animal control services.

*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.

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

*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, and children's services.

*Culture and Recreation* - Costs associated with the maintenance and general operations of County parks, trails, natural land and recreational facilities and the fairgrounds.

#### Interfund Activity

Interfund activity can be classified into two general categories:

- *Reciprocal* interfund activities are transfers similar to an 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 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, liabilities, revenues, or expenditures/expenses equal at least 10% of the corresponding total for all funds of that category or type, or 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 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.
- Inventories and prepaid items are reported as expenditures when purchased and the reported inventories are offset by a fund balance reserve account.
- 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 County Road Fund and the Community Development Fund.

- 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 Community Development fund is responsible for long-range planning, including review of the County's Comprehensive Plan, zoning, permitting, and inspection. Additionally, Community Development collects and distributes traffic, parks, and schools mitigation funds for the various local governments operating within Snohomish County. Revenue is generated by service charges, taxes, and both state and federal grants.

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

*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. 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 operations and purpose of the fund. In accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 20, the County has elected to follow all Financial Accounting Standards Board (FASB) pronouncements issued prior to November 30, 1989, unless they conflict with a GASB pronouncement. Under this election, the County chooses not to follow FASB pronouncements issued after that date.

**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 wholly 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 assets are reported as governmental activities. The County maintains six internal service funds: equipment rental and revolving fund, information services fund, Snohomish County insurance fund, pits and quarries fund and employee benefit fund, and facility services fund.

#### Fiduciary Funds

Fiduciary funds account for assets held by the County as an agent for other entities. These consist of agency funds which are clearing accounts - assets equal liabilities and there is no measurement of results of operations.



## 1.C Assets, Liabilities, and Equity

### Cash, Cash Equivalents, and Investments

For the purpose of the statement of net assets, 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 equivalents as funds held within the pool can be liquidated on demand to meet daily cash flow needs.

Investments are recorded at cost, which is materially equivalent to fair value. Additional cash and investment disclosures are presented in Note 3.A.

### 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 "interfund receivables and payables." Long-term interfund loans (non-current portion) are reported as "advances to and from other funds."

### Receivables

Property taxes levied for the current year are recorded as taxes receivable and deferred revenue. As tax payments are collected, the taxes receivable and deferred revenue balances are reduced and revenue is recognized. Taxes receivable includes the related interest and penalties. Other receivables represent primarily amounts due from private individuals and organizations for goods or services rendered.

Amounts reported as due from other governments and notes/contract receivable 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

Governmental funds use the purchase method whereby inventory items are considered expenditures when purchased. Proprietary funds value inventories using average cost method.

### 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) 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) 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 10 to 50 years, machinery and equipment 3 to 20 years, and infrastructure 5 to 60 years.

#### Restricted Assets and Liabilities

Restricted assets include cash and investments that are subject to legal restrictions and also other assets which are considered to be restricted for a particular purpose such as customer deposits. Related liabilities are reported as payable from restricted assets.

Restricted investments of business-type activities in the amount of \$1,563,437 represent funds set aside to finance the post closure care costs of the Cathcart Landfill, which closed in 1992. Federal, state and local requirements mandate that such reserves be established to cover future post closure care costs such as site monitoring, testing, maintenance, and treatment of leachates. The County has no landfills in active operation. The related liability in the amount of \$1,312,542 represents the estimated cost of future post closure care as of December 31, 2005. This estimate is subject to change due to inflation, technological changes, or regulatory changes.

#### Investment in Joint Venture

Snohomish County Emergency Radio Systems (SERS), a public nonprofit corporation, was established via an interlocal agreement between the County, eight cities, and a fire district located within the county. Each member city and the County provide a voting member to the SERS board of directors. The purpose of SERS is to develop a countywide public safety communications system. The County financed its investment in SERS with general obligation bond proceeds.

In accordance with generally accepted accounting principles, the investment balance was adjusted by \$71,934 for the 2005 year to reflect the County's share of SERS revenues and expenditures.

The County entered into an interlocal agreement with SERS to provide accounting services, including preparation of SERS financial statements. Pursuant to this agreement, SERS pays the County an annual fee of \$48,000. SERS also reimburses the County for various minor miscellaneous expenses. 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, MS610, 3000 Rockefeller Ave., Everett, WA 98201.

#### Long-Term Debt

Long-term debt incurred by the governmental funds is not reported as a liability in the 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/discounts and issuance costs 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.

### Deferred Revenues

Deferred revenues are recorded for property taxes, special assessments, grant related advances, and prepaid revenues. There are differences between deferred revenues reported on the fund statements and those reported on the entity wide statements. Deferred revenue for property taxes and special assessments is reclassified to revenue on the entity wide statements.

### Equity Classifications

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

- Invested in capital assets, net of related debt: 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 assets: Consists of net assets 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 assets: All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The governmental funds' financial statements present equity as fund balance. Fund balance is further classified as reserved and unreserved. Proprietary fund equity is classified the same as in the government-wide statements.

## **Note 2 Stewardship, Compliance, And Accountability**

### **2.A Budgetary Requirements**

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").

All departments of County government submit their proposed budget to the County Executive. From these submissions the County Executive develops the recommended budget that is presented to the County Council on or before October 1st of each year. The Council holds public hearings and has the ability to make amendments prior to adopting the final budget at least 30 days before the end of the calendar year. The County Executive has veto power over budget ordinances approved by the Council.

Budget transfers and reallocations within departments and between programs within a fund in amounts of \$50,000 or less may be made without Council approval subject to certain significant restrictions. These restrictions include revisions that create new salaried positions and that establish new programs or delete ongoing programs. Changes to personnel costs and capital costs are also restricted.

Unless otherwise provided by the appropriation ordinances, all unexpended and unencumbered annual appropriations lapse at the end of the year, except for the Capital Projects funds in the 300 series, which are multi-year funds.

### Budgetary Comparison Statement

The budgetary comparison statement (budgetary basis) for the general fund and major special revenue funds differs from the statement of revenues, expenditures and changes in fund balance (GAAP basis) as explained below.

**Explanation of Differences between Budgetary Sources and Uses of Funds and GAAP Revenues and Expenditures For the Year Ended December 31, 2005**

|   | General Fund          | County Road Fund     | Community Development |
|---|-----------------------|----------------------|-----------------------|
| <b>Sources (Inflows) of resources</b>   |                       |                      |                       |
| Actual amounts (budgetary basis) "Available for appropriation" from the budgetary comparison schedules  | \$ 198,092,266        | \$ 122,451,985       | \$ 31,435,113         |
| <b>Adjustments:</b>   |                       |                      |                       |
| The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for GAAP reporting                                    | (11,462,000)          | (33,534,165)         | (13,458,436)          |
| <b>Reclassifications:</b>   |                       |                      |                       |
| Revenues included as budgetary resources but reported as "other financial sources" in the fund financial statements   | (6,010,777)           | (13,262,761)         | (1,022,562)           |
| Disposition of Capital Assets are included as budgetary resources, but reported as "other financing sources" in the fund financial statements.                | (10,500,795)          | -                    | -                     |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.                                      | <u>\$ 170,118,694</u> | <u>\$ 75,655,059</u> | <u>\$ 16,954,115</u>  |
| <b>Uses (Outflows) of resources</b>   |                       |                      |                       |
| Actual amounts (budgetary basis) "Amount charged to appropriations" from the budgetary comparison schedules   | \$ 181,589,294        | \$ 90,974,110        | \$ 18,189,736         |
| <b>Reclassifications:</b>   |                       |                      |                       |
| Operating/Capital Transfers-out are included as a charge to appropriation but reported as "other financial sources of funds" in the fund financial statements | (14,208,607)          | (6,814,758)          | (1,172,019)           |
| Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.                                  | <u>\$ 167,380,687</u> | <u>\$ 84,159,352</u> | <u>\$ 17,017,717</u>  |

## 2.B Deficit Fund Equity

### Insurance Fund

At December 31, 2005, the insurance fund (an internal service fund) reported a deficit fund balance of \$6 million. This represents a \$452,310 decrease in the deficit from the prior year. Adjustments to rates are being made to address this deficit.

### Commissary Fund

The County's Correction Commissary Fund had a negative equity balance of \$151,927 due to the increased indigent population and the additional purchases of commissary type items for the new County jail.

## 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 multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

### Investments

It is the policy of the Snohomish County Treasurer's Office 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 Union Bank of California, 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 highly sensitive to changes in fair value due to interest rate change by limiting the weighted average of maturity of its investments. According to the policy one half of 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 two years.

Investments are reported at fair value which is materially equivalent to cost. As of December 31, 2005, the County held the following investments:

| Investment Type                  | Fair Value            | Weighted Average Maturity (Years) |
|----------------------------------|-----------------------|-----------------------------------|
| U.S. Agencies                    | \$ 144,051,319        | 1.85                              |
| U.S. Treasury                    | 997,812               | 0.35                              |
| Local Government Investment Pool | 597,251,214           |                                   |
| Municipal Investor Account       | 13,504,297            |                                   |
| Certificate of Deposit           | 20,838,729            | 0.34                              |
| <b>Total Fair Value</b>          | <b>\$ 776,643,371</b> |                                   |

|                                     |      |
|-------------------------------------|------|
| Portfolio Weighted Average Maturity | 0.51 |
|-------------------------------------|------|

*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, 2005 are:

| Investment   | Fair Value            | S&P Rating  |
|--|-----------------------|-------------|
| Local Government Investment Pool                   | \$ 610,755,510        | Not subject |
| Certificate of Deposit                             | 20,838,729            | Not subject |
| U.S. Treasury                                      | 997,812               | Not subject |
| Federal Home Loan Bank                             | 86,374,018            | AAA         |
| Federal Home Loan Mortgage Corporation             | 15,900,471            | AAA         |
| Federal National Mortgage Association (Fannie Mae) | 41,776,831            | AAA         |
| <b>Total</b>                                       | <b>\$ 776,643,371</b> |             |

*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 to 25% of the portfolio a single security type or amount deposited with a single financial institution, with the exception of U.S. Treasury and Agency Securities and the Local Government Investment Pool.

| Investment   | Fair Value            | Percent of Portfolio |
|--|-----------------------|----------------------|
| Local Government Investment Pool                   | \$ 610,755,510        | 78.64%               |
| Certificate of Deposit                             | 20,838,729            | 2.68%                |
| U.S. Treasury                                      | 997,813               | 0.13%                |
| Federal Home Loan Bank                             | 86,374,018            | 11.12%               |
| Federal Home Loan Mortgage Corporation             | 15,900,471            | 2.05%                |
| Federal National Mortgage Association (Fannie Mae) | 41,776,831            | 5.38%                |
| <b>Total</b>                                       | <b>\$ 776,643,371</b> |                      |

### 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 2005 was \$1.0498 per \$1,000 on an assessed valuation of \$60 billion for a total regular tax levy of \$63.8 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 2005 was \$1.5688 per \$1,000 on assessed valuation of \$27.7 billion for a total road levy of \$43.5 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 \$0.0477 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:

| <b>Property Tax Calendar</b> |   |
|------------------------------|---|
| 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 revenue when levied. Property tax collections are recorded as a reduction of the receivable. Also, upon collection, the related deferred revenue 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. The balance of taxes receivable includes related interest and penalties.

**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 so 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 to 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. In other respects, and subject to the "Homestead Exemption," the lien for delinquent property taxes is prior to all other liens or encumbrances of any kind on real or personal property subject to taxation. The courts have not decided whether the Homestead Law (chapter 6.13 RCW) may give the occupying homeowner a right in the forced sale of the family residence for delinquent general property taxes to retain the first \$40,000 of proceeds of the sale (see *Algona v. Sharp*, 30 Wn. App. 837, 638, P.2d 627 (1982), holding the homestead right superior to liens for local improvement district assessments).

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, together with interest on such amount at the rate of 12% per annum.

### 3.C Other Receivables

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

| <b>Other Receivables</b>       |                                    |                                     |                                     |
|--------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| <b>As of December 31, 2005</b> |                                    |                                     |                                     |
|                                | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total Primary<br/>Government</b> |
| Other Receivables              | \$ 3,547,253                       | \$ 4,450,900                        | \$ 7,998,153                        |
| Allowance for Uncollectibles   | (266,379)                          | (241,683)                           | (508,062)                           |
| Other Receivables, Net         | \$ 3,280,874                       | \$ 4,209,217                        | \$ 7,490,091                        |
|                                |                                    |                                     |                                     |

### 3.D Interfund Receivables and Payables

The entity wide statement of net assets includes \$21,522,945 receivable to business type activities from governmental activities. This represents the balance due, including interest, from the general fund to the solid waste fund for the purchase of land. Payments on this balance are due annually through the year 2007.

### 3.E 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, 2005**

|   | <b>Beginning<br/>Balance</b> | <b>Increases</b>      | <b>Decreases</b>        | <b>Ending<br/>Balance</b> |
|---|------------------------------|-----------------------|-------------------------|---------------------------|
| <b>Governmental Activities:</b>               |                              |                       |                         |                           |
| Capital assets not depreciated:               |                              |                       |                         |                           |
| Land and improvements                         | \$ 133,501,890               | \$ 6,512,271          | \$ (6,957,135)          | \$ 133,057,026            |
| Construction in Progress                      | 132,497,080                  | 21,981,678            | (123,415,948)           | 31,062,811                |
| Total capital assets not depreciated          | <u>265,998,970</u>           | <u>28,493,949</u>     | <u>(130,373,083)</u>    | <u>164,119,837</u>        |
| Other capital assets:                         |                              |                       |                         |                           |
| Buildings                                     | 107,840,604                  | 130,808,930           | (505,000)               | 238,144,534               |
| Improvements                                  | 13,521,940                   | 17,010,947            | (5,160,898)             | 25,371,990                |
| Equipment                                     | 68,234,907                   | 9,718,806             | (5,471,806)             | 72,481,907                |
| Infrastructure                                | 434,495,529                  | 32,828,031            | (24,021,248)            | 443,302,312               |
| Intangible Assets                             | 6,882,365                    | 652,944               | -                       | 7,535,309                 |
| Total other capital assets at historical cost | <u>630,975,345</u>           | <u>191,019,657</u>    | <u>(35,158,952)</u>     | <u>786,836,051</u>        |
| Less accumulated depreciation for:            |                              |                       |                         |                           |
| Buildings                                     | (45,233,226)                 | (5,389,216)           | -                       | (50,622,442)              |
| Improvements                                  | (2,387,065)                  | (1,916,854)           | -                       | (4,303,919)               |
| Equipment                                     | (34,904,411)                 | (6,542,062)           | 4,722,021               | (36,724,452)              |
| Infrastructure                                | (176,888,314)                | (21,069,273)          | 12,354,165              | (185,603,422)             |
| Intangible Assets                             | (6,673,541)                  | (197,587)             | -                       | (6,871,128)               |
| Total accumulated depreciation                | <u>(266,086,557)</u>         | <u>(35,114,992)</u>   | <u>17,076,186</u>       | <u>(284,125,363)</u>      |
| Other capital assets, net                     | <u>364,888,788</u>           | <u>155,904,666</u>    | <u>(18,082,766)</u>     | <u>502,710,688</u>        |
| Governmental activities capital assets, net   | <u>\$ 630,887,758</u>        | <u>\$ 184,398,615</u> | <u>\$ (148,455,849)</u> | <u>\$ 666,830,525</u>     |
| <b>Business-type Activities</b>               |                              |                       |                         |                           |
| Capital assets not depreciated:               |                              |                       |                         |                           |
| Land and improvements                         | \$ 31,157,068                | \$ -                  | \$ (111,272)            | \$ 31,045,796             |
| Construction in Progress                      | 14,575,092                   | 20,074,696            | (26,517,606)            | 8,132,183                 |
| Total capital assets not depreciated          | <u>45,732,160</u>            | <u>20,074,696</u>     | <u>(26,628,878)</u>     | <u>39,177,979</u>         |
| Other capital assets:                         |                              |                       |                         |                           |
| Buildings                                     | 64,863,678                   | 24,462,603            | -                       | 89,326,281                |
| Equipment                                     | 5,128,356                    | 254,132               | (49,341)                | 5,333,146                 |
| Infrastructure                                | 80,517,725                   | 1,771,458             | -                       | 82,289,183                |
| Other improvements                            | 79,099,224                   | 3,309,898             | (272,738)               | 82,136,384                |
| Intangible Assets                             | 1,202,382                    | -                     | -                       | 1,202,382                 |
| Total other capital assets at historical cost | <u>230,811,365</u>           | <u>29,798,091</u>     | <u>(322,080)</u>        | <u>260,287,376</u>        |
| Less accumulated depreciation for:            |                              |                       |                         |                           |
| Buildings                                     | (14,553,921)                 | (2,361,833)           | 17,437                  | (16,898,317)              |
| Equipment                                     | (2,958,150)                  | (432,386)             | 21,535                  | (3,369,002)               |
| Infrastructure                                | (56,133,102)                 | (3,790,003)           | 8,522                   | (59,914,583)              |
| Other improvements                            | (26,728,592)                 | (2,278,157)           | -                       | (29,006,749)              |
| Intangible Assets                             | (1,039,003)                  | (97,546)              | -                       | (1,136,549)               |
| Total accumulated depreciation                | <u>(101,412,769)</u>         | <u>(8,959,924)</u>    | <u>47,494</u>           | <u>(110,325,200)</u>      |
| Other capital assets, net                     | <u>129,398,596</u>           | <u>20,838,167</u>     | <u>(274,586)</u>        | <u>149,962,176</u>        |
| Business-type activities capital assets, net  | <u>\$ 175,130,756</u>        | <u>\$ 40,912,863</u>  | <u>\$ (26,903,464)</u>  | <u>\$ 189,140,155</u>     |

Depreciation

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

**Depreciation Expense  
For the Year Ended December 31, 2005**

| <b>Governmental Activities</b>        |                      |
|---------------------------------------|----------------------|
| General Government                    | \$ 7,843,619         |
| Judicial                              | 2,378,720            |
| Public Safety                         | 1,107,306            |
| Physical Environment                  | 22,849               |
| Transportation                        | 22,109,151           |
| Economic Environment                  | 73,650               |
| Health and Human Services             | 123                  |
| Culture and Recreation                | 1,579,574            |
| <b>Total Governmental Activities</b>  | <b>35,114,992</b>    |
| <b>Business-type Activities</b>       |                      |
| Airport                               | 3,501,094            |
| Solid Waste Management                | 3,413,962            |
| Surface Water Management              | 643,522              |
| <b>Total Business-type Activities</b> | <b>7,558,577</b>     |
| <b>Total Primary Government</b>       | <b>\$ 42,673,569</b> |

**3.F Long-Term Debt**

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

RID 24A bonds were issued in 1997 for \$3.8 million as special limited obligation bonds. These are payable solely from assessments levied on property owners. As of December 31, 2005, there were no delinquent assessments. Bonds due in 2009 and a portion due in 2010 have been redeemed during 2005 – the next due date is in 2010. RID guaranty funds are required by state law and are reflected by restricted assets of \$56,308 recorded as of December 31, 2005. State law also requires that county road funds be used to make up for any insufficiencies in monies available to make debt payments.

Advanced Refunding

In order to lower interest costs, the County partially refunded and defeased the Limited Tax General Obligation Bonds, 1997, Series A and the Limited Tax General Obligation Bonds, 1999. The proceeds of refunding bonds are placed in irrevocable trusts for the purchase of federal, state, and local government securities to provide for all future debt service on the old bonds. As a result, the old bonds including those refunded are considered defeased, and the corresponding liabilities are not included in the statement

of net assets. The following paragraphs discuss the advance refunding that occurred in 2005.

The aggregate total debt service on the LTGO 1997 refunded bonds requires a cash flow of \$32.1 million, including \$10 million in interest. The aggregate total debt service on the refunding bonds requires a cash flow of \$30.8 million including interest of \$8.2 million. The difference between the cash flows required to service the old and the new debt and complete the refunding totaled \$1.3 million, and the aggregate economic gain amounted to \$975,762 at net present value.

The aggregate total debt service on the LTGO 1999 refunded bonds requires a cash flow of \$19.9 million, including \$7.3 million in interest. The aggregate total debt service on the refunding bonds requires a cash flow of \$19.1 million including interest of \$5.36 million. The difference between the cash flows required to service the old and the new debt and complete the refunding totaled \$.8 Million, and the aggregate economic gain amounted to \$622,684 at net present value.

The following table summarizes the long-term debt issued and outstanding as of December 31, 2005:

# Notes To The Financial Statements

## 2005 Schedule of Long Term Debt

| Purpose                        |  | Original Issue Amount | Beginning Outstanding Balance | Ending Outstanding Balance | Scheduled Payoff Date | 2006 Redemption  | Interest Rate |
|--------------------------------|--|-----------------------|-------------------------------|----------------------------|-----------------------|------------------|---------------|
| <b>Governmental Activities</b> |  |                       |                               |                            |                       |                  |               |
| <b>1997 Bond Issue</b>         | Honeywell Campus                         | 2,665,000             | 910,000                       | 625,000                    | 2007                  | 305,000          | 4.5-6.0%      |
|                                | Honeywell Corrections                    | 565,000               | 195,000                       | 135,000                    | 2007                  | 65,000           | 4.5-6.0%      |
|                                | Conservation Futures                     | 24,800,000            | 18,465,000                    | 2,190,000                  | 2017                  | 1,065,000        | 4.5-6.0%      |
|                                | Memorial Stadium Series A                | 400,000               | 400,000                       | -                          | 2027                  | -                | 4.5-6.0%      |
|                                |  |                       |                               |                            |                       | Deferred to      |               |
|                                | Memorial Stadium Series B                | 1,134,775             | 1,134,775                     | 1,134,775                  | 2026                  | 2019             | 4.5-6.0%      |
|                                | GTE Building                             | 2,035,000             | 1,505,000                     | 180,000                    | 2017                  | 90,000           | 4.5-6.0%      |
|                                | <b>Total 1997 Issue</b>                  | <b>31,599,775</b>     | <b>22,609,775</b>             | <b>4,264,775</b>           |                       | <b>1,525,000</b> |               |
| <b>1999 Bond Issue</b>         | Auditor Imaging Equipment Purchase       | 480,000               | 155,000                       | 80,000                     | 2006                  | 80,000           | 4.8-6.0%      |
|                                | Parks Land Purchase                      | 8,333,248             | 6,202,944                     | 2,220,372                  | 2014                  | 516,912          | 4.8-6.0%      |
|                                | Snohomish County Radio Project           | 4,435,662             | 3,708,202                     | 764,594                    | 2019                  | 177,224          | 4.8-6.0%      |
|                                | City of Edmonds Radio Project            | 1,479,808             | 1,237,114                     | 255,081                    | 2019                  | 59,125           | 4.8-6.0%      |
|                                | Fire District No. 1 Radio Project        | 1,389,386             | 1,161,523                     | 239,495                    | 2019                  | 55,512           | 4.8-6.0%      |
|                                | City of Lynnwood Radio Project           | 1,795,107             | 1,500,704                     | 309,431                    | 2019                  | 71,722           | 4.8-6.0%      |
|                                | City of Marysville Radio Project         | 1,197,020             | 1,000,705                     | 206,335                    | 2019                  | 47,826           | 4.8-6.0%      |
|                                | City of Mill Creek Radio Project         | 451,709               | 377,627                       | 77,863                     | 2019                  | 18,048           | 4.8-6.0%      |
|                                | City of Mountlake Terrace Radio Project  | 804,410               | 672,483                       | 138,660                    | 2019                  | 32,140           | 4.8-6.0%      |
|                                | City of Woodway Radio Project            | 60,674                | 50,723                        | 10,459                     | 2019                  | 2,424            | 4.8-6.0%      |
|                                | Snocom 800 MHz/Edmonds                   | 404,986               | 338,567                       | 69,810                     | 2019                  | 16,181           | 4.8-6.0%      |
|                                | Snocom 800 MHz/Mountlake Terrace         | 215,882               | 180,477                       | 37,212                     | 2019                  | 8,625            | 4.8-6.0%      |
|                                | Snocom 800 MHz/ Other                    | 905,356               | 756,875                       | 156,060                    | 2019                  | 36,173           | 4.8-6.0%      |
|                                | Information Services GIS Phase III       | 2,865,000             | 1,705,000                     | 1,380,000                  | 2008                  | 355,000          | 4.8-6.0%      |
|                                | <b>Total 1999 Issue</b>                  | <b>24,818,248</b>     | <b>19,047,944</b>             | <b>5,945,372</b>           |                       | <b>1,476,912</b> |               |
| <b>2001 Bond Issue</b>         | 800 MHZ Radio Project Phase 2            | 12,572,432            | 11,616,399                    | 11,173,944                 | 2021                  | 464,578          | 5.0-5.5%      |
|                                | Parks                                    | 5,667,266             | 5,236,315                     | 5,036,870                  | 2021                  | 209,417          | 5.0-5.5%      |
|                                | County Campus Redevelopment              | 117,258,945           | 111,865,013                   | 109,029,970                | 2026                  | 2,972,545        | 5.0-5.5%      |
|                                | Elevator                                 | 140,000               | 90,000                        | 45,000                     | 2006                  | 45,000           | 4%            |
|                                | GIS                                      | 300,000               | 195,000                       | 100,000                    | 2006                  | 100,000          | 4%            |
|                                | Denny Youth Center                       | 15,925,000            | 15,350,000                    | 14,225,000                 | 2015                  | 1,160,000        | 4.0-5.5%      |
|                                | Memorial Stadium                         | 4,385,000             | 4,205,000                     | 4,070,000                  | 2018                  | 155,000          | 4.0-5.5%      |
|                                | Medical Examiner                         | 1,345,000             | 1,300,000                     | 1,205,000                  | 2015                  | 100,000          | 4.0-5.5%      |
|                                | Surface Water                            | 275,000               | 260,000                       | -                          | 2005                  | -                | 4%            |
|                                | Parks                                    | 230,000               | 215,000                       | -                          | 2005                  | -                | 4%            |
|                                | Public Safety                            | 205,000               | 195,000                       | -                          | 2005                  | -                | 4%            |
|                                | <b>Total 2001 Issue</b>                  | <b>158,303,643</b>    | <b>150,527,727</b>            | <b>144,885,784</b>         |                       | <b>5,206,540</b> |               |
| <b>2003 Bond Issue</b>         | Auditor Voting Equipment Purchase        | 4,740,000             | 4,300,000                     | 4,040,000                  | 2017                  | 265,000          | 2.0-5.0%      |
|                                | Sheriff's Gun Range Construction         | 738,000               | 692,000                       | 665,000                    | 2022                  | 27,000           | 2.0-5.0%      |
|                                | County Campus Redevelopment              | 45,500,000            | 43,520,000                    | 42,375,000                 | 2027                  | 1,170,000        | 2.0-5.0%      |
|                                | <b>Total 2003 Issue</b>                  | <b>50,978,000</b>     | <b>48,512,000</b>             | <b>47,080,000</b>          |                       | <b>1,462,000</b> |               |
| <b>2003A Bond Issue</b>        | County Campus Redevelopment              | 3,755,000             | 3,665,000                     | 3,560,000                  | 2027                  | 110,000          | 2.0-5.0%      |
|                                | Park Improvements/Willis Tucker Park     | 2,035,000             | 1,965,000                     | 1,890,000                  | 2023                  | 80,000           | 2.0-4.9%      |
|                                | <b>Total 2003A Issue</b>                 | <b>5,790,000</b>      | <b>5,630,000</b>              | <b>5,450,000</b>           |                       | <b>190,000</b>   |               |
| <b>2005A Bond Issue</b>        | County New Administration Building       | 2,926,055             | -                             | 2,926,055                  | 2030                  | 75,649           | 3.0-4.4%      |
|                                | Existing Administration Building Remodel | 3,110,324             | -                             | 3,110,324                  | 2030                  | 80,413           | 3.0-4.4%      |
|                                | Mission Building                         | 487,688               | -                             | 487,688                    | 2030                  | 12,609           | 3.0-4.4%      |
|                                | County Campus Redevelopment - Jail       | 1,853,213             | -                             | 1,853,213                  | 2030                  | 47,912           | 3.0-4.4%      |
|                                | Other Campus Remodel Projects            | 975,375               | -                             | 975,375                    | 2030                  | 25,217           | 3.0-4.4%      |
|                                | Fairgrounds Property                     | 507,195               | -                             | 507,195                    | 2030                  | 13,113           | 3.0-4.4%      |
|                                | Sheriff Storage/Gun Range                | 390,150               | -                             | 390,150                    | 2030                  | 10,087           | 3.0-4.4%      |
|                                | Memorial Stadium                         | 435,000               | -                             | 435,000                    | 2027                  | -                | 3.0-4.4%      |
|                                | <b>Total 2005A Issue</b>                 | <b>10,685,000</b>     | <b>-</b>                      | <b>10,685,000</b>          |                       | <b>265,000</b>   |               |
| <b>2005B Bond Issue</b>        | GTE Building                             | 1,191,659             | -                             | 1,187,368                  | 2017                  | 3,719            | 3.0-5.0%      |
|                                | Conservation Futures                     | 14,655,477            | -                             | 14,602,709                 | 2017                  | 45,732           | 3.0-5.0%      |
|                                | Cathcart Athletic Fields                 | 3,507,469             | -                             | 3,495,484                  | 2014                  | 11,985           | 3.0-5.0%      |
|                                | Snohomish County Radio Project           | 2,820,390             | -                             | 2,806,887                  | 2019                  | 16,878           | 3.0-5.0%      |
|                                | City of Edmonds Radio Project            | 940,929               | -                             | 936,424                    | 2019                  | 5,631            | 3.0-5.0%      |
|                                | Fire District No. 1 Radio Project        | 883,434               | -                             | 879,205                    | 2019                  | 5,287            | 3.0-5.0%      |
|                                | City of Lynnwood Radio Project           | 1,141,411             | -                             | 1,135,946                  | 2019                  | 6,831            | 3.0-5.0%      |
|                                | City of Marysville Radio Project         | 761,119               | -                             | 757,475                    | 2019                  | 4,555            | 3.0-5.0%      |
|                                | City of Mill Creek Radio Project         | 287,218               | -                             | 285,843                    | 2019                  | 1,719            | 3.0-5.0%      |
|                                | City of Mountlake Terrace Radio Project  | 511,481               | -                             | 509,032                    | 2019                  | 3,061            | 3.0-5.0%      |
|                                | City of Woodway Radio Project            | 38,580                | -                             | 38,395                     | 2019                  | 231              | 3.0-5.0%      |
|                                | Snocom 800 MHz/Edmonds                   | 257,509               | -                             | 256,276                    | 2019                  | 1,541            | 3.0-5.0%      |
|                                | Snocom 800 MHz/Mountlake Terrace         | 137,265               | -                             | 136,608                    | 2019                  | 821              | 3.0-5.0%      |
|                                | Snocom 800 MHz/ Other                    | 575,665               | -                             | 572,909                    | 2019                  | 3,445            | 3.0-5.0%      |
|                                | Various County Remodel/Building Projects | 415,000               | -                             | 415,000                    | 2019                  | -                | 4.0%          |
|                                | <b>Total 2005B Issue</b>                 | <b>28,124,606</b>     | <b>-</b>                      | <b>28,015,561</b>          |                       | <b>111,436</b>   |               |

**2005 Schedule of Long Term Debt**

| Purpose                                     | Original Issue Amount | Beginning Outstanding Balance | Ending Outstanding Balance | Scheduled Payoff Date | 2006 Redemption  | Interest Rate |
|---|-----------------------|-------------------------------|----------------------------|-----------------------|------------------|---------------|
| Total G.O. Bonds - Governmental Activities  | 310,299,272           | 246,327,446                   | 246,326,492                |                       | 10,236,888       |               |
| Bond Discounts and Premiums                 |                       | 2,509,119                     | 4,645,718                  |                       | 271,623          |               |
| Deferred Amount on Refunding                |                       | -                             | (1,642,664)                |                       | (117,871)        |               |
| Net G.O. Bonds - Governmental Activities    |                       | 248,836,565                   | 249,329,546                |                       | 10,390,640       |               |
| <b>Capital Leases</b>                       |                       |                               |                            |                       |                  |               |
| Purchase of Trucks                          | 323,199               | 177,323                       | 92,985                     | 2006                  | 92,985           | 9.8%          |
| <b>Public Works Trust Fund Loans</b>        |                       |                               |                            |                       |                  |               |
| Relocate Road Away from River               | 500,000               | 378,245                       | 351,227                    | 2018                  | 27,018           | 1.0%          |
| County Wide Payment Overlays                | 3,703,529             | 2,352,066                     | 2,156,061                  | 2016                  | 196,005          | 1.0%          |
| Bridge Replacement Program Phase 111        | 1,000,000             | 582,164                       | 529,240                    | 2015                  | 52,924           | 1.0%          |
| High Bridge Road Re-alignment               | 844,615               | 488,473                       | 439,626                    | 2014                  | 48,847           | 3.0%          |
| 88th. St. NE Road Improvements              | 45,000                | 23,685                        | 21,317                     | 2014                  | 2,368            | 1.0%          |
| Enhanced Bridge Replacement Program         | 665,873               | 267,233                       | 229,057                    | 2011                  | 38,176           | 1.0%          |
| Enhanced Bridge Replacement Program         | 1,218,000             | 410,274                       | 341,895                    | 2010                  | 68,379           | 1.0%          |
| Road Improvements                           | 1,000,000             | 270,897                       | 216,717                    | 2009                  | 54,180           | 1.0%          |
| Total PWTF Loans                            | 8,977,017             | 4,773,037                     | 4,285,140                  |                       | 487,897          |               |
| <b>Other Loans</b>                          |                       |                               |                            |                       |                  |               |
| Evaluation & Treatment Facility             | 999,667               | 541,667                       | 450,000                    | 2009                  | 100,000          | 0%            |
| Furniture, Fixtures and Equipment           | 1,973,000             | -                             | 1,888,008                  | 2015                  | 168,558          | 3.8%          |
| Total Other Loans                           | 2,972,667             | 541,667                       | 2,338,008                  |                       | 268,558          |               |
| <b>Special Assessment Bonds</b>             |                       |                               |                            |                       |                  |               |
| Road Improvement District                   | 3,856,632             | 1,710,000                     | 1,445,000                  |                       | -                |               |
| Total Debt - Governmental Activities        |                       | 256,038,591                   | 257,490,678                |                       | 11,240,080       |               |
| <b>Business-Type Activities</b>             |                       |                               |                            |                       |                  |               |
| <b>1997 Bond Issue</b>                      |                       |                               |                            |                       |                  |               |
| Airport                                     | 8,415,000             | 6,275,000                     | 745,000                    | 2017                  | 365,000          | 4.5-6.0%      |
| <b>1998 Bond Issue</b>                      |                       |                               |                            |                       |                  |               |
| Solid Waste                                 | 19,450,000            | 13,065,000                    | 11,140,000                 | 2010                  | 2,020,000        | 3.8-5.4%      |
| <b>1999 Bond Issue</b>                      |                       |                               |                            |                       |                  |               |
| Airport Building Purchase                   | 1,188,488             | 884,664                       | 316,670                    | 2014                  | 73,722           | 4.8-6.0%      |
| Airport Building Purchase                   | 1,118,264             | 832,392                       | 297,959                    | 2014                  | 69,366           | 4.8-6.0%      |
| Total 1999 Issue                            | 2,306,752             | 1,717,056                     | 614,628                    |                       | 143,088          |               |
| <b>2001 Bond Issue</b>                      |                       |                               |                            |                       |                  |               |
| Surface Water Management                    | 13,777,451            | 12,729,786                    | 12,244,923                 | 2021                  | 509,106          | 5.0-5.5%      |
| Airport Debt Service 10 Year                | 502,339               | 383,548                       | 336,441                    | 2011                  | 49,463           | 5.0-5.3%      |
| Airport Debt Service 20 Year                | 10,686,567            | 9,873,939                     | 9,497,852                  | 2021                  | 394,891          | 5.0-5.5%      |
| Total 2001 Issue                            | 24,966,357            | 22,987,273                    | 22,079,216                 |                       | 953,460          |               |
| <b>2003 Bond Issue</b>                      |                       |                               |                            |                       |                  |               |
| T-Hangar Paine Field                        | 2,552,000             | 2,396,000                     | 2,304,000                  | 2022                  | 94,000           | 2.0-5.0%      |
| Solid Waste Facility Construction           | 18,905,000            | 17,737,000                    | 17,056,000                 | 2022                  | 694,000          | 2.0-5.0%      |
| Paine Field Museum                          | 22,465,000            | 22,465,000                    | 22,465,000                 | 2027                  | Deferred to 2008 | 3.1-5.0%      |
| Total 2003 Issue                            | 43,922,000            | 42,598,000                    | 41,825,000                 |                       | 788,000          |               |
| <b>2003A Bond Issue</b>                     |                       |                               |                            |                       |                  |               |
| Solid Waste Refunding 1993                  | 2,040,000             | 1,375,000                     | 695,000                    | 2006                  | 695,000          | 2.0-2.5%      |
| Solid Waste Refunding 1993B                 | 7,780,000             | 6,090,000                     | 4,355,000                  | 2007                  | 1,750,000        | 2.0-2.5%      |
| Total 2003A Issue                           | 9,820,000             | 7,465,000                     | 5,050,000                  |                       | 2,445,000        |               |
| <b>2005B Bond Issue</b>                     |                       |                               |                            |                       |                  |               |
| Airport                                     | 4,982,863             | -                             | 4,964,922                  | 2017                  | 15,549           | 3.0-5.0%      |
| Airport C-3                                 | 500,235               | -                             | 498,526                    | 2014                  | 1,709            | 3.0-5.0%      |
| Airport C-5                                 | 382,296               | -                             | 380,990                    | 2014                  | 1,306            | 3.0-5.0%      |
| Total 2005B Issue                           | 5,865,394             | -                             | 5,844,438                  |                       | 18,564           |               |
| Total G.O. Bonds - Business-Type Activities | 114,745,503           | 94,107,329                    | 87,298,282                 |                       | 6,733,112        |               |
| Bond Discounts and Premiums                 |                       | 3,393,334                     | 3,622,841                  |                       | 258,032          |               |
| Deferred Amount on Refunding                |                       | -                             | (134,531)                  |                       | (9,609)          |               |
| Net G.O. Bonds - Business-Type Activities   |                       | 97,500,663                    | 90,786,592                 |                       | 6,981,534        |               |
| <b>Public Works Trust Fund Loans</b>        |                       |                               |                            |                       |                  |               |
| Recycling & Transfer Station Construction   | 10,000,000            | 9,000,000                     | 9,000,000                  | 2022                  | 529,412          | 0.5%          |
| Recycling & Transfer Station Construction   | 1,000,000             | 894,736                       | 842,104                    | 2021                  | 52,632           | 0.5%          |
| Recycling & Transfer Station Reconstruction | 10,000,000            | 7,929,825                     | 8,434,211                  | 2020                  | 562,281          | 1.0%          |
| Dry Creek Estates Drainage Improvements     | 225,001               | 130,264                       | 118,422                    | 2015                  | 11,842           | 1.0%          |
| Surface Water Detention & Drainage Systems  | 1,116,160             | 393,747                       | 337,497                    | 2011                  | 56,250           | 1.0%          |
| Regional Stormwater Detention Facility      | 665,000               | 219,843                       | 183,202                    | 2010                  | 36,641           | 1.0%          |
| Storm Drainage System                       | 267,140               | 228,978                       | 209,897                    | 2016                  | 19,081           | 1.0%          |
| Total PWTF Loans                            | 23,273,301            | 18,797,393                    | 19,125,334                 |                       | 1,268,139        |               |
| Total Debt - Business-Type Activities       |                       | 116,298,056                   | 109,911,926                |                       | 8,249,673        |               |



The following table summarizes the changes in long-term debt during 2005:

**Long-term Debt (in thousands)**  
**For the Year Ended December 31, 2005**

|                                       | <b>Beginning<br/>Balance</b> | <b>Additions</b> | <b>Reductions</b> | <b>Ending<br/>Balance</b> | <b>Current<br/>Portion</b> | <b>Non-Current<br/>Portion</b> |
|---------------------------------------|------------------------------|------------------|-------------------|---------------------------|----------------------------|--------------------------------|
| <b>Governmental Activities:</b>       |                              |                  |                   |                           |                            |                                |
| General Obligation Bonds              | \$ 246,327                   | \$ 38,810        | \$ 38,811         | \$ 246,326                | \$ 10,237                  | \$ 236,090                     |
| Special Assessment Bonds              | 1,710                        | -                | 265               | 1,445                     | -                          | 1,445                          |
| Capital Leases                        | 177                          | -                | 84                | 93                        | 93                         | -                              |
| Loans Payable                         | 5,315                        | 1,973            | 665               | 6,623                     | 756                        | 5,867                          |
| Total Bonds, Notes, and Loans Payable | 253,529                      | 40,783           | 39,824            | 254,488                   | 11,086                     | 243,401                        |
| Unamortized Prem/Disc on G.O. Bond    | 2,509                        | 2,404            | 268               | 4,646                     | 272                        | 4,374                          |
| Deferred Amount on Refunding          | -                            | (1,703)          | (61)              | (1,643)                   | (118)                      | (1,525)                        |
| <b>Subtotal</b>                       | <b>256,039</b>               | <b>41,483</b>    | <b>40,031</b>     | <b>257,491</b>            | <b>11,240</b>              | <b>246,251</b>                 |
| <b>Business-type Activities:</b>      |                              |                  |                   |                           |                            |                                |
| GO Bonds/Solid Waste                  | 38,267                       | -                | 5,021             | 33,246                    | 5,159                      | 28,087                         |
| GO Bonds/Airport                      | 43,111                       | 5,865            | 7,169             | 41,807                    | 1,065                      | 40,742                         |
| GO Bonds/Surface Water                | 12,730                       | -                | 485               | 12,245                    | 509                        | 11,736                         |
| Loans Payable/Solid Waste             | 17,825                       | 1,500            | 1,048             | 18,276                    | 1,144                      | 17,132                         |
| Loans Payable/Surface Water           | 973                          | -                | 124               | 849                       | 124                        | 725                            |
| Total Bonds, Notes, and Loans Payable | 112,905                      | 7,365            | 13,847            | 106,424                   | 8,001                      | 98,422                         |
| Unamortized Prem/Disc on G.O. Bond    | 3,393                        | 511              | 282               | 3,623                     | 258                        | 3,365                          |
| Deferred Amount on Refunding          | -                            | (191)            | (57)              | (135)                     | (10)                       | (125)                          |
| <b>Subtotal</b>                       | <b>116,298</b>               | <b>7,685</b>     | <b>14,071</b>     | <b>109,912</b>            | <b>8,250</b>               | <b>101,662</b>                 |
| <b>Total Primary Government:</b>      | <b>\$ 372,337</b>            | <b>\$ 49,169</b> | <b>\$ 54,103</b>  | <b>\$ 367,403</b>         | <b>\$ 19,490</b>           | <b>\$ 347,913</b>              |

Debt service requirements at December 31, 2005 are as follows:

**Debt Service Requirements (in thousands)  
For the Year Ended December 31, 2005**

**Governmental Activities**

|           | General Obligation |            | Other Debt |          | Special Assessment |          | Capital Leases |          |
|-----------|--------------------|------------|------------|----------|--------------------|----------|----------------|----------|
|           | Principal          | Interest   | Principal  | Interest | Principal          | Interest | Principal      | Interest |
| 2006      | \$ 10,237          | \$ 12,229  | \$ 756     | \$ 122   | \$ -               | \$ -     | \$ 93          | \$ 5     |
| 2007      | 10,584             | 11,760     | 771        | 551      | -                  | -        | -              | -        |
| 2008      | 10,614             | 11,287     | 786        | 545      | -                  | -        | -              | -        |
| 2009      | 10,561             | 10,804     | 802        | 538      | -                  | -        | -              | -        |
| 2010      | 11,019             | 10,295     | 630        | 28       | 115                | 92       | -              | -        |
| 2011-2015 | 63,413             | 42,797     | 2,601      | 721      | 950                | 288      | -              | -        |
| 2016-2020 | 57,289             | 26,630     | 277        | 4        | 380                | 35       | -              | -        |
| 2021-2025 | 54,367             | 12,778     | -          | -        | -                  | -        | -              | -        |
| 2025-2030 | 18,242             | 1,364      | -          | -        | -                  | -        | -              | -        |
| Total     | \$ 246,326         | \$ 139,943 | \$ 6,623   | \$ 2,508 | \$ 1,445           | \$ 415   | \$ 93          | \$ 5     |

**Debt Service Requirements (in thousands)  
For the Year Ended December 31, 2005**

**Business-Type Activities**

|           | Solid Waste |           | Airport   |           | Surface Water |          | Other Debt |          |
|-----------|-------------|-----------|-----------|-----------|---------------|----------|------------|----------|
|           | Principal   | Interest  | Principal | Interest  | Principal     | Interest | Principal  | Interest |
| 2006      | \$ 5,159    | \$ 1,491  | \$ 1,065  | \$ 2,067  | \$ 509        | \$ 649   | \$ 1,268   | \$ 137   |
| 2007      | 5,435       | 1,308     | 1,112     | 2,013     | 535           | 624      | 1,268      | 132      |
| 2008      | 2,961       | 1,116     | 1,838     | 1,959     | 561           | 597      | 1,268      | 123      |
| 2009      | 3,105       | 968       | 1,925     | 1,875     | 589           | 569      | 1,268      | 113      |
| 2010      | 3,263       | 804       | 2,004     | 1,778     | 619           | 540      | 1,268      | 103      |
| 2011-2015 | 4,656       | 2,778     | 11,092    | 7,361     | 3,614         | 2,179    | 5,932      | 375      |
| 2016-2020 | 5,890       | 1,547     | 11,212    | 4,486     | 4,716         | 1,077    | 5,741      | 156      |
| 2021-2025 | 2,777       | 196       | 8,250     | 1,949     | 1,102         | 56       | 1,111      | 8        |
| 2026-2030 | -           | -         | 3,310     | 250       | -             | -        | -          | -        |
| Total     | \$ 33,246   | \$ 10,209 | \$ 41,807 | \$ 23,739 | \$ 12,245     | \$ 6,291 | \$ 19,125  | \$ 1,147 |

**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 of 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 Table 8 of the statistical section of this report.

### 3.G Compensated Absences

The compensated absences liability attributable to the governmental activities will be liquidated primarily by the general fund. Historically, approximately 72% has been paid by the general fund, 14% by the road fund and the remainder by various other governmental and internal service funds.

**Compensated Absences (in \$/1000)**  
**For the Year Ended December 31, 2005**

|                          | <b>Beginning<br/>Balance</b> | <b>Additon/<br/>Deletion</b> | <b>Ending<br/>Balance</b> | <b>Amounts Due<br/>Within One Year</b> |
|--------------------------|------------------------------|------------------------------|---------------------------|--|
| Governmental Activities  | \$ 11,543                    | \$ 1,740                     | \$ 13,283                 | \$ 3,984                               |
| Business-type Activities |                              |                              |                           |  |
| Solid Waste              | 542                          | 30                           | 572                       | 172                                    |
| Airport                  | 314                          | (27)                         | 287                       | 86                                     |
| Surface Water            | 275                          | 65                           | 340                       | 102                                    |
| Subtotal Business-type   | 1,131                        | 68                           | 1,199                     | 360                                    |
| Total Primary Government | \$ 12,674                    | \$ 1,808                     | \$ 14,482                 | \$ 4,344                               |

### 3.H Accrued Liabilities

The County's accrued liabilities include the following:

**Accrued Liabilities**  
**As of December 31, 2005**

|                           | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total Primary<br/>Government</b> |
|---------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| Interest Payable          | \$ 1,829,377                       | \$ 415,434                          | \$ 2,244,812                        |
| Wages Payable             | 7,318,287                          | 772,577                             | 8,090,865                           |
| Other Accrued Liabilities | 136,963                            | 311,406                             | 448,370                             |
| Total                     | \$ 9,284,628                       | \$ 1,499,418                        | \$ 10,784,046                       |

### 3.I Transfers

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 table below summarizes the transfers made between funds and activities:

## Notes To The Financial Statements

**Schedule of Interfund Transfers  
For the Year Ended December 31, 2005**

| Disbursing Funds                     | Receiving Funds         |                      |                            |                               |                          |                          |                      |                   |                      |                                   | Transfers Out                 |                        |                       |
|--------------------------------------|-------------------------|----------------------|----------------------------|-------------------------------|--------------------------|--------------------------|----------------------|-------------------|----------------------|-----------------------------------|-------------------------------|------------------------|-----------------------|
|                                      | Governmental Activities |                      |                            |                               |                          | Business-type Activities |                      |                   |                      |                                   | Total Statement of Activities | Full Accrual Activity* | Total Fund Statements |
|                                      | General Fund            | County Road Fund     | Community Development Fund | Limited Tax Debt Service Fund | Other Governmental Funds | Internal Service Funds   | Airport Fund         | Solid Waste Fund  | Surface Water Fund   | Subtotal Business-type Activities |                               |                        |                       |
| <b>Governmental Activities</b>       |                         |                      |                            |                               |                          |                          |                      |                   |                      |                                   |                               |                        |                       |
| General Fund                         | \$ -                    | \$ 71,250            | \$ 963,956                 | \$ 236,336                    | \$ 2,663,609             | \$ 823,860               | \$ 4,759,011         | \$ -              | \$ 175,702           | \$ 9,562,757                      | \$ 14,321,768                 | \$ (113,161)           | \$ 14,208,607         |
| County Road Fund                     | 1,905,098               | 111,272              | 15,260                     | 154,132                       | 3,500,000                | 248,494                  | 5,934,257            | 118,336           | 10,000               | 1,128,996                         | 7,063,252                     | (248,494)              | 6,814,758             |
| Community Development Fund           | 581,380                 | -                    | -                          | 90,639                        | 500,000                  | -                        | 1,172,019            | -                 | -                    | -                                 | 1,172,019                     | -                      | 1,172,019             |
| Limited tax Debt Service Fund        | 1,292,748               | -                    | -                          | 1,292,748                     | 399,574                  | -                        | 2,985,069            | -                 | -                    | -                                 | 2,985,069                     | -                      | 2,985,069             |
| Other Governmental Funds             | 1,672,287               | 9,691,511            | -                          | 14,776,623                    | 8,276,700                | -                        | 34,417,120           | -                 | -                    | -                                 | 38,065,714                    | -                      | 38,065,714            |
| Internal Service Funds               | 377,029                 | 3,500,000            | 43,346                     | 543,925                       | 1,442,906                | -                        | 5,907,206            | -                 | -                    | -                                 | 5,907,206                     | -                      | 5,907,206             |
| <b>Subtotal</b>                      | <b>5,828,541</b>        | <b>13,374,033</b>    | <b>1,022,562</b>           | <b>17,094,402</b>             | <b>16,782,789</b>        | <b>1,072,354</b>         | <b>55,174,682</b>    | <b>118,336</b>    | <b>10,409,715</b>    | <b>14,340,347</b>                 | <b>69,515,029</b>             | <b>(361,656)</b>       | <b>69,153,373</b>     |
| <b>Business-type Activities</b>      |                         |                      |                            |                               |                          |                          |                      |                   |                      |                                   |                               |                        |                       |
| Airport Fund                         | -                       | -                    | -                          | -                             | -                        | 40,039                   | 40,039               | -                 | -                    | -                                 | 40,039                        | -                      | 40,039                |
| Solid Waste Fund                     | 9,402,055               | -                    | -                          | -                             | -                        | 194,220                  | 9,596,275            | -                 | -                    | -                                 | 9,596,275                     | (9,387,055)            | 209,220               |
| Surface Water Fund                   | 167,236                 | -                    | -                          | 45,981                        | -                        | -                        | 213,217              | -                 | -                    | -                                 | 213,217                       | -                      | 213,217               |
| <b>Subtotal</b>                      | <b>9,569,291</b>        | <b>-</b>             | <b>-</b>                   | <b>45,981</b>                 | <b>-</b>                 | <b>234,259</b>           | <b>9,849,531</b>     | <b>-</b>          | <b>-</b>             | <b>-</b>                          | <b>9,849,531</b>              | <b>(9,387,055)</b>     | <b>462,476</b>        |
| <b>Total Statement of Activities</b> | <b>\$ 15,397,832</b>    | <b>\$ 13,374,033</b> | <b>\$ 1,022,562</b>        | <b>\$ 17,140,383</b>          | <b>\$ 16,782,789</b>     | <b>\$ 1,306,613</b>      | <b>\$ 65,024,213</b> | <b>\$ 118,336</b> | <b>\$ 10,409,715</b> | <b>\$ 14,340,347</b>              | <b>\$ 79,364,560</b>          | <b>\$ (9,748,711)</b>  | <b>\$ 69,615,849</b>  |
| Full Accrual Activity*               | (9,387,055)             | (111,272)            | -                          | -                             | -                        | -                        | (9,498,327)          | -                 | (9,387,055)          | (9,387,055)                       | -                             | -                      | -                     |
| <b>Total Fund Statements</b>         | <b>\$ 6,010,777</b>     | <b>\$ 13,262,761</b> | <b>\$ 1,022,562</b>        | <b>\$ 17,140,383</b>          | <b>\$ 16,782,789</b>     | <b>\$ 1,306,613</b>      | <b>\$ 55,525,886</b> | <b>\$ 118,336</b> | <b>\$ 1,022,660</b>  | <b>\$ 4,953,292</b>               | <b>\$ 79,364,560</b>          | <b>\$ (9,748,711)</b>  | <b>\$ 69,615,849</b>  |

\*The governmental fund statements and the entity wide statements reflect a different basis of accounting and measurement focus. Accordingly, not all transfer activity is reflected in the governmental fund statements.

| Total Transfers on Statement of Activities    |                     |
|---|---------------------|
| <b>Governmental Activities</b>                |                     |
| Total transfers in                            | \$ 65,024,213       |
| Less total transfers out                      | 69,515,029          |
| Net transfers out to business-type activities | <b>4,490,816</b>    |
| <b>Business-type Activities</b>               |                     |
| Total transfers in                            | 14,340,347          |
| Less total transfers out                      | 9,849,531           |
| Net transfers in from governmental activities | <b>\$ 4,490,816</b> |

**3.J Net Assets**

The County reported \$101.8 million in restricted net assets. These net assets are subject to external restrictions such as those imposed by the state and federal law or by contractual agreements with third parties. Unrestricted net assets of \$182.3 million represents the amount that the County may use to meet its ongoing obligations that is not subject to third party restrictions.

The restricted net assets of governmental activities are summarized below:

Restricted Net Assets – Governmental Activities

**Restricted Net Assets - Governmental Activities**  
**As of December 31, 2005**

|  |                       |
|--|-----------------------|
| <b>General Government</b>                    |                       |
| Elections Equipment Cumulative Reserve       | 623,865               |
| Grant Control                                | 2,145,405             |
| Snohomish County Tomorrow Cumulative Reserve | 60,809                |
| Treasurer's Operation & Maintenance          | 356,250               |
| <b>Subtotal</b>                              | <b>3,186,329</b>      |
| <b>Public Safety</b>                         |                       |
| Antiprofitereing Revolving                   | 69,819                |
| Arson Investigation & Equipment              | 2,278                 |
| Boating Safety                               | 103,252               |
| Crime Victims/Witness                        | 580,633               |
| Emergency Services Communication             | 1,328,860             |
| Sheriff Drug Buy Fund                        | 1,069,390             |
| Special Revenue Funds                        | 646,070               |
| <b>Subtotal</b>                              | <b>3,800,302</b>      |
| <b>Health &amp; Human Services</b>           |                       |
| Housing Trust Fund                           | 3,907,246             |
| US Department of Housing Grants              | 3,717,224             |
| <b>Subtotal</b>                              | <b>7,624,470</b>      |
| <b>Culture and Recreation</b>                |                       |
| Auditor's Operation and Maintenance          | 989,053               |
| Fair Sponsorships & Donations                | 37,911                |
| Parks Mitigation                             | 5,214,347             |
| <b>Subtotal</b>                              | <b>6,241,311</b>      |
| <b>Transportation</b>                        |                       |
| County Road                                  | 33,010,503            |
| Transportation Mitigation                    | 15,410,186            |
| <b>Subtotal</b>                              | <b>48,420,689</b>     |
| <b>Physical Environment</b>                  |                       |
| Conservation Futures Tax                     | 11,475,721            |
| River Management                             | 602,474               |
| <b>Subtotal</b>                              | <b>12,078,195</b>     |
| <b>Economic Environment</b>                  |                       |
| Convention & Performing Arts                 | 2,173,263             |
| <b>Subtotal</b>                              | <b>2,173,263</b>      |
| <b>Capital Acquisition</b>                   |                       |
| Equipment Rental and Revolving               | 6,247,725             |
| Real Estate Excise Tax                       | 10,645,176            |
| <b>Subtotal</b>                              | <b>16,892,901</b>     |
| <b>Debt Service</b>                          |                       |
| Road Improvement District 11A Assessment     | 3,175                 |
| Road Improvement District 13 Long Term Debt  | 533                   |
| Road Improvement District 24A                | 56,015                |
| Road Improvement District 30                 | 21,527                |
| Snohomish County Road Improvement Guarantee  | 151,374               |
| <b>Subtotal</b>                              | <b>232,624</b>        |
| <b>Total Restricted Net Assets</b>           | <b>\$ 100,650,084</b> |

**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 the Public Employees Retirement System (PERS) or the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF). Both systems are defined benefit pension plans administered by the Washington State Department of Retirement Systems for local government employers statewide. The Department of Retirement Systems issues a comprehensive annual financial report which is available on its website at <http://www.drs.wa.gov/> or by writing:

Department of Retirement Systems  
P.O. Box 48380  
Olympia, WA 98504-8380

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

PERS is a cost-sharing multiple-employer defined benefit pension plan. Membership in the system includes: elected officials; state employees; employees of the Supreme Appeals, and Superior courts (other than judges); employees of legislative committees; college and university employees (not in national higher education retirement programs) judges of district and municipal courts; non-certified employees of school districts; and employees of local government. PERS contains three "plans". Participants who joined the system before October 1, 1977, are Plan 1 members. Those joining after this date are considered Plan 2 members. Retirement benefits for both plans are financed from employee and employer contributions and investment earnings. These benefits become vested after completion of 5 years of eligible service. A new Plan 3 was created in March of 2000 and became effective on September 1, 2002. Plan 2 members may elect to transfer to Plan 3 and new employees may choose between Plans 2 and 3.

Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with 5 years of service, or at the age of 55 with 25 years of service. The annual pension is 2 percent of the final average salary per each year of service, capped at 60 percent.

Plan 2 members may retire at age 65 with 5 years of service, or at 55 with 20 years of service. Benefits are reduced for retirement before age 65. The monthly benefit is calculated at 2 percent for each year of service, based on the average of the highest paid 60 consecutive months. There is no cap on years of service credit and a cost-of-living allowance is granted, capped at 3 percent annually.

Plan 3 is composed of two separate benefit components. Member contributions finance a defined contribution component, and employer contributions finance a defined benefit component. The member-financed, defined contribution component provides an investment program that can be accessed when a member separates from covered employment. The amount of retirement income generated by the defined contribution component depends on member's contribution and the performance of the investments.

The employer-financed, defined benefit component provides for a lifetime monthly benefit at age 65, or a reduced lifetime monthly benefit as early as age 55. Reduction factors vary based on the number of service credit years and member’s age.

Each biennium the state legislature establishes Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates and Plan 3 employer contribution rates for the defined benefit component. Members for Plan 3 elect their contribution rate upon enrollment. Employee contribution rates for Plan 1 are established by statute and do not vary from year to year. The employer and employee contribution rates for Plan 2 and 3 are developed by the Office of State Actuary to fully fund the system. All employers are required to contribute at the level established by the legislature. The methods used to determine the contribution requirements were established under state statute.

The required contribution rates expressed as a percentage of covered payrolls, as of December 31, 2005 were:

| <b>Contributor</b> | <b>PERS 1<br/>Required</b> | <b>PERS 2<br/>Required</b> | <b>PERS 3<br/>Required</b> |                   |
|--------------------|----------------------------|----------------------------|----------------------------|-------------------|
| Employer           | 1.38%                      | 1.38%                      | 1.38%                      | 01/01/05-06/30/05 |
| Employee           | 6.00%                      | 1.18%                      | Choice of 7<br>rates 5-15% | 01/01/05-06/30/05 |
| Total              | 7.38%                      | 2.56%                      | N/A                        |                   |
| Employer           | 2.44%                      | 2.44%                      | 2.44%                      | 07/01/05-12/31/05 |
| Employee           | 6.00%                      | 2.25%                      | Choice of 7<br>rates 5-15% | 07/01/05-12/31/05 |
| Total              | 8.44%                      | 4.69%                      | 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, 2005 were:

| <b>Year</b> | <b>PERS<br/>Plan 1</b> | <b>PERS<br/>Plan 2</b> | <b>PERS<br/>Plan 3</b> |
|-------------|------------------------|------------------------|------------------------|
| 2005        | \$ 844,958             | \$ 4,255,711           | \$ 682,960             |
| 2004        | 843,149                | 2,811,481              | 553,399                |
| 2003        | 958,074                | 2,467,825              | 367,745                |
| 2002        | 1,111,033              | 2,347,711              | 8,827                  |
| 2001        | 1,432,388              | 4,890,518              | N/A                    |
| 2000        | 1,617,163              | 5,998,419              | N/A                    |

Law Enforcement Officers' And Fire Fighters' Retirement System (LEOFF)

LEOFF is a cost-sharing multiple-employer defined benefit pension plan. Membership includes all full-time, fully compensated local law enforcement officers and fire fighters. Employee and employer contributions, investment earnings, and legislative appropriation finance retirement benefits. LEOFF is comprised solely of non-state employees.

LEOFF system contains two plans. Participants who joined the system before October 1, 1977, are Plan 1 members. Those joining after this date are considered Plan 2



members. Retirement benefits are vested after completion of 5 years of eligible service. Plan 1 participants are eligible to retire with 5 years of service at age 50. The benefit per year of service is as follows:

| Term of Service | Percent of Final Average |
|-----------------|--------------------------|
| 20+ Years       | 2.0%                     |
| 10-20 Years     | 1.5%                     |
| 5-10 Years      | 1.0%                     |

The final average salary is the monthly salary received at time of retirement, provided the member has held the same position for the preceding 12 months. Otherwise it is the average of the highest 24 consecutive months' salary within the last 10 years of service. Substantial disability and death benefits are provided by the plan. Retirement benefits are indexed to the Seattle area consumer price index.

Plan 2 participants are eligible to retire at the age of 50 with 20 years of service or at 53 with 5 years of service. Retirement benefits prior to age 55 are actuarially reduced. The benefit is 2 percent of average salary per year of service. The average salary is based on the highest 5-year period. Retirement benefits are indexed to the consumer price index with a cap of 3 percent annually. Death and disability benefits are also provided.

Employer and employee contribution rates for Plan 2 are developed by the Office of State Actuary to fully fund the system. Plan 2 employers and employees are required to pay at the level established by the legislature. Plan 1 is considered fully funded by state subsidy and no employer or employee contributions were required, although an administrative fee is charged to employers. State statutes established the methods used to determine the contribution requirements.

The required contribution rates expressed as a percentage of covered payrolls, as of December 31, 2005 were:

| Contributor       |              | LEOFF 1 Required | LEOFF 2 Required |
|-------------------|--------------|------------------|------------------|
| 01/01/05-06/30/05 | Employer     | 0.19%            | 3.25%            |
| 01/01/05-12/31/05 | Employee     | 0.00%            | 5.09%            |
|                   | <b>Total</b> | <b>0.19%</b>     | <b>8.34%</b>     |
| 07/01/05-08/31/05 | Employer     | 0.19%            | 4.24%            |
| 07/01/05-08/31/05 | Employee     | 0.00%            | 6.75%            |
|                   | <b>Total</b> | <b>0.19%</b>     | <b>10.99%</b>    |
| 09/01/05-12/31/05 | Employer     | 0.19%            | 4.39%            |
| 09/01/05-12/31/05 | Employee     | 0.00%            | 6.99%            |
|                   | <b>Total</b> | <b>0.19%</b>     | <b>11.38%</b>    |

Both Snohomish County and the employees made the required contributions. Snohomish County's required contributions for the years ended December 31, 2005 were:

|      | <b>LEOFF<br/>Plan 1</b> | <b>LEOFF<br/>Plan 2</b> |
|------|-------------------------|-------------------------|
| 2005 | \$ 1,742                | \$ 1,904,633            |
| 2004 | 1,867                   | 1,421,344               |
| 2003 | 2,032                   | 1,315,879               |
| 2002 | 2,265                   | 1,104,314               |
| 2001 | 3,720                   | 1,338,532               |
| 2000 | 63,468                  | 1,310,574               |

Post Employment Benefit Plans

At December 31, 2005, there were 8 active LEOFF 1 employees, and 76 LEOFF 1 retirees. For the retiree group as a whole, there was an average of 271 subscribers (retiree, both LEOFF 1 and PERS/LEOFF II) in 2005. For 2005, the estimated total claims cost paid is \$789,257, which is an average of \$2,912 per subscriber. This includes claims and the LEOFF disability board reimbursements of \$411,302. The LEOFF board payments are all related to medical expenses. These payments are funded by general fund and airport revenues.

**4.B Risk Management**

Snohomish County is exposed to various risks of loss, including theft, 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, and employee medical and dental benefits self-insurance programs. The County contracts with third-party claim administrators for general liability claims under \$10,000 (small claims), workers' compensation, unemployment compensation, and employee medical benefits claims. The Civil Division of the County’s Prosecuting Attorney’s office handles general liability claims over \$10,000. The County self-insures up to \$1,000,000, and procures insurance for coverage of occurrences, accidents or events, above \$1,000,000. Since 2000, claims settlements have not exceeded this commercial coverage.

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 claim settlements and for purchasing certain 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 2004 and 2005 are:

**Claims and Judgments Payable**  
**For the Year Ended December 31, 2004**

|                           | <b>Beginning of<br/>the Year<br/>Liability</b> | <b>Current Year<br/>Claims &amp;<br/>Changes in<br/>Estimates</b> | <b>Claims<br/>Payments</b> | <b>Balance at<br/>Year End</b> | <b>Claims due<br/>Within one year</b> |
|---------------------------|--|---|----------------------------|--------------------------------|---------------------------------------|
| Workers Compensation      | \$ 5,056,105                                   | \$ 3,761,677  | \$ (3,194,809)             | \$ 5,622,973                   | \$ 1,124,827                          |
| General Liability         | 8,507,439                                      | 1,124,187   | (1,207,306)                | 8,424,320                      | 1,684,864                             |
| Employee Medical Benefits | 1,746,085                                      | 14,614,545  | (14,743,671)               | 1,616,959                      | -                                     |
| <b>Total</b>              | <b>\$ 15,309,629</b>                           | <b>\$ 19,500,409</b>  | <b>\$ (19,145,786)</b>     | <b>\$ 15,664,252</b>           | <b>\$ 2,809,691</b>                   |

**Claims and Judgments Payable**  
**For the Year Ended December 31, 2005**

|                           | <b>Beginning of<br/>the Year<br/>Liability</b> | <b>Current Year<br/>Claims &amp;<br/>Changes in<br/>Estimates</b> | <b>Claims<br/>Payments</b> | <b>Balance at<br/>Year End</b> | <b>Claims due<br/>Within one year</b> |
|---------------------------|--|---|----------------------------|--------------------------------|---------------------------------------|
| Workers Compensation      | \$ 5,622,973                                   | \$ 5,209,940  | \$ (2,727,783)             | \$ 8,105,130                   | \$ 1,621,026                          |
| General Liability         | 8,424,320                                      | (598,103)   | (842,669)                  | 6,983,548                      | 1,396,710                             |
| Employee Medical Benefits | 1,616,959                                      | 18,161,214  | (17,552,215)               | 2,225,958                      | -                                     |
| <b>Total</b>              | <b>\$ 15,664,252</b>                           | <b>\$ 22,773,051</b>  | <b>\$ (21,122,667)</b>     | <b>\$ 17,314,636</b>           | <b>\$ 3,017,736</b>                   |

There are no non-incremental claims adjustment expenses included in claims and judgments payable.

### 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 those that are commonly covered by general liability, automobile liability, police professional, directors and officials, error and omissions, and professional malpractice insurance policies. In addition to its property insurance policies and excess liability policy, the County has specific liability insurance policies to cover some of its other exposures and coverage for protection against other types of losses such as employee dishonesty.

The fund also accounts for safety and worker's compensation liability. The County is self-insured for workers' compensation as certified under the Revised Code of Washington, Industrial Insurance Act, and Title 51.

General liability estimates are based on an actuarial analysis prepared by AON Actuarial & Analytical Consulting in February 2005. The estimate includes all pending claim reserves and estimates for incurred but not yet received claims (IBNR).

Unemployment compensation is expensed quarterly as claims are billed from the Washington State Employment Security Department. Claims settlements and loss expenses are accrued in the insurance fund for the estimated settlement value of both

reported and unreported claims. This fund is responsible for collecting interfund premiums from insured funds and departments, for paying claim settlements and for purchasing certain insurance policies. Interfund premiums are assessed on the basis of claims experience and are reported as revenues by the insurance fund and expenses or expenditures by the insured departments and 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 benefit, 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 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.

#### Debt

The County has guaranteed payment of \$17,240,000 in revenue bonds issued by the Snohomish County Housing Authority. The County's management has reviewed the housing authority's ability to meet the debt service requirements on these bonds and does not anticipate that it will become necessary for the County to fulfill these guarantees. Accordingly, no liability has been recorded for them.

#### Contracts

In June 1992 Solid Waste Management entered into a waste export contract with Regional Disposal Company, 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 original contract with Rabanco was for a term of seven years (which began in 1992). In 1995, the County exercised its right to renew the contract for two consecutive seven-year periods in exchange for a reduction in the waste export fee thus providing for a contract term of 21 years of waste transport, ending May 13, 2013. In 2005 Snohomish County paid RDC an average rate of approximately \$44.50 per ton. This rate is adjusted quarterly based on average bale weights and also each October by 65% of the fractional change in the consumer price index. The County paid RDC \$20.7 million in 2005. The projected annual estimates

range from \$20 million to \$40 million through the end of the contract, based on a 3% escalation and a 6% tonnage increase.

Beginning January 1, 2005 Snohomish County leased a portion of the Museum of Flight to the Boeing Company, for a period of 25 years, ending December 31<sup>st</sup> 2029. The County will receive equal monthly rent payments during the lease term, with rent adjusted to fair market value every 5 years.

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

### Construction

At December 31, 2005, the County had pending construction project contracts in progress. The commitments related to the remaining contract balances are summarized as follows:

|                                       | <b>Estimated<br/>Contracts</b> | <b>Expended to<br/>12/31/05</b> | <b>Balance<br/>Unexpended</b> |
|---------------------------------------|--------------------------------|---------------------------------|-------------------------------|
| <b>Governmental Activities</b>        |                                |                                 |                               |
| County Roads                          | \$ 77,584,493                  | \$ 66,302,826                   | \$ 11,281,667                 |
| Facilities Management                 | 158,882,428                    | 156,300,938                     | 2,581,490                     |
| Parks Construction                    | 8,263,843                      | 6,367,113                       | 1,896,730                     |
| Executive Office                      | 283,300                        | 260,649                         | 22,651                        |
| <b>Total Governmental Activities</b>  | <b>245,014,064</b>             | <b>229,231,526</b>              | <b>15,782,538</b>             |
| <b>Business-type Activities</b>       |                                |                                 |                               |
| Airport                               | 35,189,368                     | 31,571,696                      | 3,617,672                     |
| Solid Waste                           | 31,262,934                     | 31,253,068                      | 9,866                         |
| Surface Water                         | 3,384,913                      | 3,196,067                       | 188,846                       |
| Road Maintenance/Facility             | 268,536                        | 268,536                         | -                             |
| <b>Total Business-type Activities</b> | <b>70,105,751</b>              | <b>66,289,367</b>               | <b>3,816,384</b>              |
| <b>Total Primary Government</b>       | <b>\$ 315,119,815</b>          | <b>\$ 295,520,893</b>           | <b>\$ 19,598,922</b>          |

### Operating Leases

Future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2005 are as follows:

| <b>Year</b>                        | <b>Amounts</b>      |
|------------------------------------|---------------------|
| 2006                               | \$ 1,072,495        |
| 2007                               | 1,063,135           |
| 2008                               | 1,063,135           |
| 2009                               | 752,134             |
| 2010                               | 178,700             |
| Later years                        | -                   |
| Total minimum<br>payments required | <b>\$ 4,129,599</b> |

The following schedule shows the composition of total 2005 rental expenditures for all operating leases, except those with terms of a month or less that were not renewed:

| <u>Rental Type</u>         | <u>Value</u> |
|----------------------------|--------------|
| Total 2005 Minimum rentals | \$2,555,675  |

### Capital Leases

In 2003, the County entered into an agreement to lease 3 new International trucks. Upon completion of the 48 month rental term, ownership of these vehicles will revert to the County. At the inception of the lease, the present value of the future lease payments was \$253,817, with an imputed interest rate of 9.8%. This has been recorded as long-term debt, except for the current portion in the amount of \$84,338. Future minimum lease payments total \$97,995 in 2006.

These leased trucks are included in capital assets as of December 31, 2005, at a cost of \$323,199, less accumulated amortization of \$96,190. Amortization of leased equipment is reported as depreciation expense.

### 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 has a number of closed landfill sites, four of which have a current potential for risk of environmental liability due to groundwater contamination. No determination has been made regarding the extent of the contamination, if any, nor has any range of financial liability been determined. Federal, state, and local regulations require the performance of certain maintenance and monitoring functions at closed landfill sites. A liability for future landfill closure costs related to one of these sites has been recorded in the solid waste fund and is reflected in the financial statements.

### Litigation

The County is a party to various legal proceedings which normally occur in the course of governmental operations. The financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings.

While the outcome of the above noted proceedings cannot be predicted with certainty, the County feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the County.

By way of update to previous budget notes, the \$60 million claim and subsequent lawsuit by 12 real estate development companies for the recovery of impact fees collected by the County since 1995 for parks, roads, and schools, filed in November 2002, was resolved in favor of Snohomish County by the 9<sup>th</sup> Circuit Court of Appeals

on January 6, 2006. Plaintiffs did not appeal this ruling and the litigation is considered concluded.

The following litigation involves claims for material damages against the County. Currently, the County is unable to provide an opinion as to the ultimate outcome or the amount of damages that may be found:

Corrections officers at the county jail filed 128 damage claims in December 2002. The employees allege that the County has required them to work during their lunch breaks in violation of the provisions of their collective bargaining agreements, state, and federal law. The employees work eight hour shifts with an included and paid half hour lunch break. Each employee claims damages in the amount of \$5,000 per year for each of the last six years or portion thereof worked. The County's position is that it has properly paid for lunch time periods pursuant to the collective bargaining agreements. An additional 12 claims were filed in January and February 2003. All of the claims were denied in February 2003. A lawsuit was filed by the claimants in King County Superior Court on May 2, 2003. On February 6, 2004, cross motions for summary judgment were denied by the Court, but the Court allowed for the inclusion of 20 additional plaintiffs to the Complaint, for a total of 160 plaintiffs. Motions for reconsideration were filed by both sides in March 2004 and denied by the Superior Court. Motions for discretionary review filed by both sides in April 2004 with Division I of the state Court of Appeals were granted. Briefs were filed in July and October, 2004; oral argument was held before the Court of Appeals on March 3, 2005, following which the Court of Appeals affirmed the trial court's denial of summary judgment. The case is currently scheduled to proceed to trial on February 5, 2007.

**4.D Major Customers**

The County's major customers include:

|                    | % of       |            |
|--------------------|------------|------------|
|                    | Receivable | % of Sales |
| <b>Solid Waste</b> |            |            |
| Allied Waste       | 9%         | 9%         |
| Waste Management   | 42%        | 42%        |
| Rubantino Refuse   | 30%        | 15%        |
| <b>Airport</b>     |            |            |
| Boeing Company     | 75%        | 31%        |
| Goodrich Aviation  | 0%         | 12%        |

**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 Assets**

Total fund balances for the governmental funds balance sheet differs from net assets of governmental activities as reported in the statement of net assets 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 assets is presented on a full accrual basis. In addition, net internal service fund activity is included in government activities on the statement of net assets. 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 assets included those capital assets among the assets of the County as a whole.

|                             |                       |
|-----------------------------|-----------------------|
| Costs of Capital Assets     | \$ 885,352,590        |
| Accumulated Depreciation    | (255,973,136)         |
| Capital Assets, Net         | <u>629,379,454</u>    |
| Investment in Joint Venture | 16,336,185            |
| Total Capital Assets Added  | <u>\$ 645,715,639</u> |

### 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 assets.

|  |                       |
|--|-----------------------|
| Unamortized Bond Expenses                                | \$ (361,396)          |
| Interest Payable on Long-Term Debt (Accrued Liabilities) | 1,747,699             |
| Current Portion of Long-Term Debt                        | 10,992,609            |
| Noncurrent Portion of Long-Term Debt                     | 266,603,651           |
| Total Long-Term Debt                                     | <u>\$ 278,982,563</u> |

### Internal Service Funds

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

|   |                      |
|---|----------------------|
| Internal Service Funds Total Current Assets         | \$ 42,122,291        |
| Internal Service Funds Total Capital Assets, Net    | 37,458,626           |
| Internal Service Funds Total Assets                 | <u>79,580,917</u>    |
| Internal Service Funds Total Current Liabilities    | 5,078,851            |
| Internal Service Funds Total Noncurrent Liabilities | 16,279,760           |
| Internal Service Funds Total Liabilities            | <u>21,358,611</u>    |
| Internal Service Funds Net Assets                   | <u>\$ 58,222,306</u> |

### Other Assets and Liabilities Related to Full Accrual Adjustments

Offsets to full accrual adjustments to the governmental funds:



|   |                            |
|---|----------------------------|
| Interest Receivable                           | \$ (491,258)               |
| Allowance for Bad Debts                       | 254,348                    |
| Compensated Absences Payable                  | 12,341,087                 |
| Offset to Deferred Revenue for Property Taxes | <u>(6,167,896)</u>         |
| Total   | <u><u>\$ 5,936,280</u></u> |

### 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 is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net assets decrease 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 resource and therefore are not reported as revenues in governmental funds.

|  |                             |
|--|-----------------------------|
| Capital Related Expenditures   | \$ 81,678,510               |
| Depreciation Expense   | <u>(30,490,715)</u>         |
| Subtotal   | 51,187,795                  |
| Contributions and Donations from Private Sources (Capital Donations) | 1,023,275                   |
| Asset Transfers  | (250,383)                   |
| Equity Adjustment in Joint Venture                                   | (71,934)                    |
| Miscellaneous Capital Adjustments                                    | <u>(20,391,218)</u>         |
| Subtotal   | <u>(19,690,260)</u>         |
| Increase (Decrease) in Net Assets                                    | <u><u>\$ 31,497,535</u></u> |

#### Long-Term Debt Transactions

In the statement of activities, debt and capital lease proceeds increase long-term liabilities. However, in the governmental funds, debt proceeds are treated as other financing sources since they provide current financial resources to governmental funds.

Repayments of bond principal and capital lease principal are reported as an expenditure in the governmental funds and thus have the effect of reducing fund balance because current financial resources have been used. However, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities.

Accrual of interest payments for long-term debt do not require the use of current financial resources, and accordingly, are not reported as expenditures in governmental funds.

|   |                       |
|---|-----------------------|
| Principal Payments on Long Term Debt                  | \$ 11,051,664         |
| Payment to Escrow for debt refunding                  | 28,976,403            |
| Bond Proceeds   | (41,900,486)          |
| Accrued Interest Expense/Bond Costs on Long Term Debt | (347,826)             |
| Payments on Capital Leases                            | 70,681                |
| Increase (Decrease) in Net Assets                     | <u>\$ (2,149,564)</u> |

**Internal Service Funds Revenues and Expenses**

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

|   |                      |
|---|----------------------|
| Internal Service Funds Total Operating Revenues             | \$ 70,346,030        |
| Internal Service Funds Total Operating Expenses             | (68,987,148)         |
| Internal Service Funds Total Non-operating Revenue/Expenses | 17,512,104           |
| Internal Service Funds Net Transfers                        | (4,600,593)          |
| Internal Service Funds Net Income (Loss)                    | <u>\$ 14,270,393</u> |

**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.

|   |                     |
|---|---------------------|
| Accrued Interest Income                   | \$ 351,582          |
| Reclassify Deferred Revenue               | (789,665)           |
| Adjust Liability for Compensated Absences | (1,440,576)         |
| Accrued Transfer                          | 9,387,055           |
| Total Increase (Decrease) to Net Assets   | <u>\$ 7,508,396</u> |

**Note 6. Other Disclosures**

**6.A Prior Period Adjustments**

Prior period adjustments were recorded as follows:

- General Fund: \$6,160,633 was added to fund balance to reflect the impact of an accounting change made to comply with GASB 33 and the County’s policy of recognizing revenues when they are measurable and available within 60 days of year end. The County now recognizes sales tax revenue in the year earned provided the revenue is received within the first 60 days of the following year.
- County Road Fund: \$1,532,628 was added to fund balance to reflect the impact to the Roads Fund of the accounting change described above.
- Community Development Fund: \$5,176,666 was deducted from fund balance to allow for reclassification of unearned revenue from designated fund balance to the deferred revenue liability account.

- Debt Service Fund: \$22,500 was deducted from fund balance to correct a 2004 overstatement of revenues.
- Airport: \$1,374,509 was deducted from fund balance to correct the understatement of prior years' depreciation expense.

## **6.B Subsequent Events**

### Merger of Department of Emergency Management

Effective January 1, 2006, the Snohomish County Department of Emergency Management (DEM), a legally separate entity merged with Snohomish County (the County). The merger allows the County to facilitate and coordinate a regional approach to emergency planning within the County. The department is primarily grant funded.

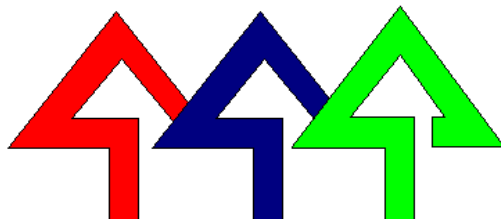
### 2006 General Obligation Bonds

In July of 2006, the County issued \$49,100,000 in general obligation bonds. Proceeds from the new debt are designated for a variety of capital improvement projects primarily related to park and road improvements, maintenance facilities and Airport projects.

### Internal Investment Pool

In the spring of 2006 the County formed an internal investment pool for a portion of the County's funds. Over time the County plans to cautiously expand the pool to include other funds managed by the County. The County pool follows the County's investment policies described in Note 3.A.

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**Snohomish County, Washington**  
**Combining Fund Statements**

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**Combining Balance Sheet  
Other Governmental Funds  
As of December 31, 2005**



**Special Revenue Funds**

|  | <b>Special<br/>Revenue</b> | <b>River<br/>Management</b> | <b>Extradition<br/>Srvc - Pend<br/>Ord</b> | <b>Corrections<br/>Commissary</b> | <b>Convention &amp;<br/>Performing Arts</b> |
|--|----------------------------|-----------------------------|--|-----------------------------------|---|
| <b>ASSETS</b>                                |                            |                             |  |                                   |   |
| Cash and Cash Equivalents                    | \$ 643,999                 | \$ 244,799                  | \$ 9,833                                   | \$ 51,026                         | \$ 2,242,275                                |
| Cash, Restricted                             | -                          | -                           | -  | -                                 | -   |
| Investments                                  | -                          | -                           | -  | -                                 | -   |
| Taxes Receivable                             | -                          | 12,283                      | -  | -                                 | -   |
| Other Receivables, Net                       | -                          | 16,039                      | -  | 170                               | -   |
| Interest Receivable                          | 2,281                      | 601                         | -  | 158                               | 7,174                                       |
| Due from Other Funds                         | -                          | -                           | -  | -                                 | -   |
| Due From Other Governments                   | -                          | 477,119                     | -  | -                                 | -   |
| Notes/Contracts Receivable                   | -                          | -                           | -  | -                                 | -   |
| <b>Total Assets</b>                          | <b>\$ 646,280</b>          | <b>\$ 750,841</b>           | <b>\$ 9,833</b>                            | <b>\$ 51,354</b>                  | <b>\$ 2,249,449</b>                         |
| <b>LIABILITIES</b>                           |                            |                             |  |                                   |   |
| Accounts Payable                             | 210                        | 120,117                     | -  | 9,076                             | 76,186                                      |
| Due To Other Funds                           | -                          | -                           | -  | -                                 | -   |
| Due To Other Governments                     | -                          | -                           | -  | -                                 | -   |
| Accrued Liabilities                          | -                          | 15,967                      | -  | 1,220                             | -   |
| Deferred Revenue                             | -                          | 12,283                      | -  | 10,406                            | -   |
| Custodial Accounts                           | -                          | -                           | -  | 182,579                           | -   |
| <b>Total Liabilities</b>                     | <b>210</b>                 | <b>148,367</b>              | <b>-</b>                                   | <b>203,281</b>                    | <b>76,186</b>                               |
| <b>FUND BALANCES</b>                         |                            |                             |  |                                   |   |
| <b>Reserved For</b>                          |                            |                             |  |                                   |   |
| Debt Service                                 | -                          | -                           | -  | -                                 | -   |
| <b>Total Reserved</b>                        | <b>-</b>                   | <b>-</b>                    | <b>-</b>                                   | <b>-</b>                          | <b>-</b>                                    |
| <b>Unreserved</b>                            |                            |                             |  |                                   |   |
| Special Revenue Funds                        | 646,070                    | 602,474                     | 9,833                                      | (151,927)                         | 2,173,263                                   |
| Capital Projects Funds                       | -                          | -                           | -  | -                                 | -   |
| <b>Total Unreserved</b>                      | <b>646,070</b>             | <b>602,474</b>              | <b>9,833</b>                               | <b>(151,927)</b>                  | <b>2,173,263</b>                            |
| <b>Total Fund Balances</b>                   | <b>646,070</b>             | <b>602,474</b>              | <b>9,833</b>                               | <b>(151,927)</b>                  | <b>2,173,263</b>                            |
| <b>Total Liabilities &amp; Fund Balances</b> | <b>\$ 646,280</b>          | <b>\$ 750,841</b>           | <b>\$ 9,833</b>                            | <b>\$ 51,354</b>                  | <b>\$ 2,249,449</b>                         |

The accompanying notes are an integral part of the financial statements.

**Combining Balance Sheet  
Other Governmental Funds  
As of December 31, 2005**



**Special Revenue Funds**

|  | <b>Crime<br/>Victims/Witness</b> | <b>Human<br/>Services</b> | <b>Grant Control</b> | <b>Sheriff-<br/>Search &amp;<br/>Rescue<br/>Helicopter</b> | <b>Sheriff Drug<br/>Buy</b> |
|--|----------------------------------|---------------------------|----------------------|--|-----------------------------|
| <b>ASSETS</b>                                |                                  |                           |                      |  |                             |
| Cash and Cash Equivalents                    | \$ 590,289                       | \$ 2,397,445              | \$ 739,779           | \$ 126,263   | \$ 1,696,531                |
| Cash, Restricted                             | -                                | -                         | -                    | -  | 1,150                       |
| Investments                                  | -                                | -                         | -                    | -  | -                           |
| Taxes Receivable                             | -                                | 52,233                    | -                    | -  | -                           |
| Other Receivables, Net                       | -                                | 56,651                    | 317,581              | -  | 121                         |
| Interest Receivable                          | 2,073                            | 340                       | -                    | 340  | 3,733                       |
| Due from Other Funds                         | -                                | -                         | 55,656               | -  | -                           |
| Due From Other Governments                   | -                                | 5,958,380                 | 1,437,930            | -  | 2,300                       |
| Notes/Contracts Receivable                   | -                                | -                         | -                    | -  | -                           |
| <b>Total Assets</b>                          | <b>\$ 592,362</b>                | <b>\$ 8,465,049</b>       | <b>\$ 2,550,946</b>  | <b>\$ 126,603</b>  | <b>\$ 1,703,835</b>         |
| <b>LIABILITIES</b>                           |                                  |                           |                      |  |                             |
| Accounts Payable                             | -                                | 2,591,822                 | 131,700              | -  | 14,990                      |
| Due To Other Funds                           | -                                | -                         | -                    | -  | -                           |
| Due To Other Governments                     | -                                | 24,155                    | -                    | -  | 346,680                     |
| Accrued Liabilities                          | 11,729                           | 175,969                   | 138,700              | -  | 78,761                      |
| Deferred Revenue                             | -                                | 3,113,277                 | 135,141              | -  | 194,014                     |
| Custodial Accounts                           | -                                | -                         | -                    | -  | -                           |
| <b>Total Liabilities</b>                     | <b>11,729</b>                    | <b>5,905,223</b>          | <b>405,541</b>       | <b>-</b>   | <b>634,445</b>              |
| <b>FUND BALANCES</b>                         |                                  |                           |                      |  |                             |
| <b>Reserved For</b>                          |                                  |                           |                      |  |                             |
| Debt Service                                 | -                                | -                         | -                    | -  | -                           |
| <b>Total Reserved</b>                        | <b>-</b>                         | <b>-</b>                  | <b>-</b>             | <b>-</b>   | <b>-</b>                    |
| <b>Unreserved</b>                            |                                  |                           |                      |  |                             |
| Special Revenue Funds                        | 580,633                          | 2,559,826                 | 2,145,405            | 126,603  | 1,069,390                   |
| Capital Projects Funds                       | -                                | -                         | -                    | -  | -                           |
| <b>Total Unreserved</b>                      | <b>580,633</b>                   | <b>2,559,826</b>          | <b>2,145,405</b>     | <b>126,603</b>   | <b>1,069,390</b>            |
| <b>Total Fund Balances</b>                   | <b>580,633</b>                   | <b>2,559,826</b>          | <b>2,145,405</b>     | <b>126,603</b>   | <b>1,069,390</b>            |
| <b>Total Liabilities &amp; Fund Balances</b> | <b>\$ 592,362</b>                | <b>\$ 8,465,049</b>       | <b>\$ 2,550,946</b>  | <b>\$ 126,603</b>  | <b>\$ 1,703,835</b>         |

The accompanying notes are an integral part of the financial statements.



**Combining Balance Sheet  
Other Governmental Funds  
As of December 31, 2005**



**Special Revenue Funds**

|  | Arson<br>Investigation<br>& Equipment | Tax Refund        | US Department Of<br>Hud Grants | Housing Trust       | Emergency<br>Services<br>Communication<br>System |
|--|---------------------------------------|-------------------|--------------------------------|---------------------|--|
| <b>ASSETS</b>                                |                                       |                   |                                |                     |  |
| Cash and Cash Equivalents                    | \$ 2,278                              | \$ 315,878        | \$ (251,981)                   | \$ 3,663,736        | \$ 1,415,859                                     |
| Cash, Restricted                             | -                                     | -                 | -                              | -                   | -  |
| Investments                                  | -                                     | -                 | -                              | -                   | -  |
| Taxes Receivable                             | -                                     | 52                | -                              | -                   | -  |
| Other Receivables, Net                       | -                                     | -                 | 575,278                        | -                   | 6,058  |
| Interest Receivable                          | -                                     | -                 | 2,650                          | 13,710              | 3,504  |
| Due from Other Funds                         | -                                     | -                 | -                              | -                   | -  |
| Due From Other Governments                   | -                                     | -                 | 191,391                        | -                   | -  |
| Notes/Contracts Receivable                   | -                                     | -                 | 5,211,906                      | 229,800             | -  |
| <b>Total Assets</b>                          | <b>\$ 2,278</b>                       | <b>\$ 315,930</b> | <b>\$ 5,729,244</b>            | <b>\$ 3,907,246</b> | <b>\$ 1,425,421</b>                              |
| <b>LIABILITIES</b>                           |                                       |                   |                                |                     |  |
| Accounts Payable                             | -                                     | -                 | 456,837                        | -                   | 92,423   |
| Due To Other Funds                           | -                                     | -                 | 55,656                         | -                   | -  |
| Due To Other Governments                     | -                                     | -                 | -                              | -                   | -  |
| Accrued Liabilities                          | -                                     | -                 | -                              | -                   | 4,138  |
| Deferred Revenue                             | -                                     | 52                | 1,499,527                      | -                   | -  |
| Custodial Accounts                           | -                                     | -                 | -                              | -                   | -  |
| <b>Total Liabilities</b>                     | <b>-</b>                              | <b>52</b>         | <b>2,012,020</b>               | <b>-</b>            | <b>96,561</b>                                    |
| <b>FUND BALANCES</b>                         |                                       |                   |                                |                     |  |
| <b>Reserved For</b>                          |                                       |                   |                                |                     |  |
| Debt Service                                 | -                                     | -                 | -                              | -                   | -  |
| <b>Total Reserved</b>                        | <b>-</b>                              | <b>-</b>          | <b>-</b>                       | <b>-</b>            | <b>-</b>   |
| <b>Unreserved</b>                            |                                       |                   |                                |                     |  |
| Special Revenue Funds                        | 2,278                                 | 315,878           | 3,717,224                      | 3,907,246           | 1,328,860  |
| Capital Projects Funds                       | -                                     | -                 | -                              | -                   | -  |
| <b>Total Unreserved</b>                      | <b>2,278</b>                          | <b>315,878</b>    | <b>3,717,224</b>               | <b>3,907,246</b>    | <b>1,328,860</b>                                 |
| <b>Total Fund Balances</b>                   | <b>2,278</b>                          | <b>315,878</b>    | <b>3,717,224</b>               | <b>3,907,246</b>    | <b>1,328,860</b>                                 |
| <b>Total Liabilities &amp; Fund Balances</b> | <b>\$ 2,278</b>                       | <b>\$ 315,930</b> | <b>\$ 5,729,244</b>            | <b>\$ 3,907,246</b> | <b>\$ 1,425,421</b>                              |

The accompanying notes are an integral part of the financial statements.

**Combining Balance Sheet  
Other Governmental Funds  
As of December 31, 2005**



**Special Revenue Funds**

|  | <b>Evergreen<br/>Fairground<br/>Cumulative<br/>Reserve</b> | <b>Conservation<br/>Futures Tax</b> | <b>Auditor's<br/>Operation &amp;<br/>Maintenance</b> | <b>Public Works<br/>Facility<br/>Construction</b> | <b>Elections<br/>Equipment<br/>Cumulative<br/>Reserve</b> |
|--|--|-------------------------------------|--|---|---|
| <b>ASSETS</b>                                |  |                                     |  |   |   |
| Cash and Cash Equivalents                    | \$ 733,064   | \$ 10,453,711                       | \$ 1,007,868   | \$ 7,805,244                                      | \$ 468,179  |
| Cash, Restricted                             | -  | -                                   | -  | -   | -   |
| Investments                                  | -  | 985,530                             | -  | -   | -   |
| Taxes Receivable                             | -  | 116,289                             | -  | -   | -   |
| Other Receivables, Net                       | -  | -                                   | -  | -   | 123,946   |
| Interest Receivable                          | 2,100  | 36,480                              | 3,153  | 29,391  | 1,058   |
| Due from Other Funds                         | -  | -                                   | -  | -   | -   |
| Due From Other Governments                   | -  | -                                   | -  | -   | 41,434  |
| Notes/Contracts Receivable                   | -  | -                                   | -  | -   | -   |
| <b>Total Assets</b>                          | <b>\$ 735,164</b>  | <b>\$ 11,592,010</b>                | <b>\$ 1,011,021</b>                                  | <b>\$ 7,834,635</b>                               | <b>\$ 634,617</b>   |
| <b>LIABILITIES</b>                           |  |                                     |  |   |   |
| Accounts Payable                             | 4,770  | -                                   | 18,428   | 304,926   | 752   |
| Due To Other Funds                           | -  | -                                   | -  | -   | -   |
| Due To Other Governments                     | -  | -                                   | -  | -   | -   |
| Accrued Liabilities                          | -  | -                                   | 3,540  | -   | -   |
| Deferred Revenue                             | -  | 116,289                             | -  | -   | 10,000  |
| Custodial Accounts                           | -  | -                                   | -  | -   | -   |
| <b>Total Liabilities</b>                     | <b>4,770</b>   | <b>116,289</b>                      | <b>21,968</b>  | <b>304,926</b>                                    | <b>10,752</b>   |
| <b>FUND BALANCES</b>                         |  |                                     |  |   |   |
| <b>Reserved For</b>                          |  |                                     |  |   |   |
| Debt Service                                 | -  | -                                   | -  | -   | -   |
| <b>Total Reserved</b>                        | <b>-</b>   | <b>-</b>                            | <b>-</b>   | <b>-</b>  | <b>-</b>  |
| <b>Unreserved</b>                            |  |                                     |  |   |   |
| Special Revenue Funds                        | 730,394  | 11,475,721                          | 989,053  | 7,529,709   | 623,865   |
| Capital Projects Funds                       | -  | -                                   | -  | -   | -   |
| <b>Total Unreserved</b>                      | <b>730,394</b>   | <b>11,475,721</b>                   | <b>989,053</b>                                       | <b>7,529,709</b>                                  | <b>623,865</b>  |
| <b>Total Fund Balances</b>                   | <b>730,394</b>   | <b>11,475,721</b>                   | <b>989,053</b>                                       | <b>7,529,709</b>                                  | <b>623,865</b>  |
| <b>Total Liabilities &amp; Fund Balances</b> | <b>\$ 735,164</b>  | <b>\$ 11,592,010</b>                | <b>\$ 1,011,021</b>                                  | <b>\$ 7,834,635</b>                               | <b>\$ 634,617</b>   |

The accompanying notes are an integral part of the financial statements.

**Combining Balance Sheet  
Other Governmental Funds  
As of December 31, 2005**



**Special Revenue Funds**

|  | <b>Snohomish<br/>County<br/>Tomorrow<br/>Cumulative<br/>Reserve</b> | <b>Real Estate<br/>Excise Tax</b> | <b>Transportation<br/>Mitigation</b> | <b>Boating Safety</b> | <b>Antiprofitteering<br/>Revolving</b> |
|--|---|-----------------------------------|--------------------------------------|-----------------------|--|
| <b>ASSETS</b>                                |   |                                   |                                      |                       |  |
| Cash and Cash Equivalents                    | \$ 67,075   | \$ 10,645,176                     | \$ 15,494,694                        | \$ 102,764            | \$ 69,598                              |
| Cash, Restricted                             | -   | -                                 | -                                    | -                     | -                                      |
| Investments                                  | -   | -                                 | -                                    | -                     | -                                      |
| Taxes Receivable                             | -   | -                                 | -                                    | -                     | -                                      |
| Other Receivables, Net                       | -   | 285                               | 3,546                                | -                     | -                                      |
| Interest Receivable                          | 227   | -                                 | 56,569                               | 722                   | 221                                    |
| Due from Other Funds                         | -   | -                                 | -                                    | -                     | -                                      |
| Due From Other Governments                   | -   | -                                 | -                                    | -                     | -                                      |
| Notes/Contracts Receivable                   | -   | -                                 | -                                    | -                     | -                                      |
| <b>Total Assets</b>                          | <b>\$ 67,302</b>  | <b>\$ 10,645,461</b>              | <b>\$ 15,554,809</b>                 | <b>\$ 103,486</b>     | <b>\$ 69,819</b>                       |
| <b>LIABILITIES</b>                           |   |                                   |                                      |                       |  |
| Accounts Payable                             | 273   | -                                 | -                                    | 234                   | -                                      |
| Due To Other Funds                           | -   | -                                 | -                                    | -                     | -                                      |
| Due To Other Governments                     | -   | -                                 | 144,623                              | -                     | -                                      |
| Accrued Liabilities                          | 2,657   | -                                 | -                                    | -                     | -                                      |
| Deferred Revenue                             | 3,563   | 285                               | -                                    | -                     | -                                      |
| Custodial Accounts                           | -   | -                                 | -                                    | -                     | -                                      |
| <b>Total Liabilities</b>                     | <b>6,493</b>  | <b>285</b>                        | <b>144,623</b>                       | <b>234</b>            | <b>-</b>                               |
| <b>FUND BALANCES</b>                         |   |                                   |                                      |                       |  |
| <b>Reserved For</b>                          |   |                                   |                                      |                       |  |
| Debt Service                                 | -   | -                                 | -                                    | -                     | -                                      |
| <b>Total Reserved</b>                        | <b>-</b>  | <b>-</b>                          | <b>-</b>                             | <b>-</b>              | <b>-</b>                               |
| <b>Unreserved</b>                            |   |                                   |                                      |                       |  |
| Special Revenue Funds                        | 60,809  | 10,645,176                        | 15,410,186                           | 103,252               | 69,819                                 |
| Capital Projects Funds                       | -   | -                                 | -                                    | -                     | -                                      |
| <b>Total Unreserved</b>                      | <b>60,809</b>   | <b>10,645,176</b>                 | <b>15,410,186</b>                    | <b>103,252</b>        | <b>69,819</b>                          |
| <b>Total Fund Balances</b>                   | <b>60,809</b>   | <b>10,645,176</b>                 | <b>15,410,186</b>                    | <b>103,252</b>        | <b>69,819</b>                          |
| <b>Total Liabilities &amp; Fund Balances</b> | <b>\$ 67,302</b>  | <b>\$ 10,645,461</b>              | <b>\$ 15,554,809</b>                 | <b>\$ 103,486</b>     | <b>\$ 69,819</b>                       |

The accompanying notes are an integral part of the financial statements.

**Combining Balance Sheet  
Other Governmental Funds  
As of December 31, 2005**



**Special Revenue Funds**

|  | <b>Parks<br/>Mitigation</b> | <b>Fair<br/>Sponsorships<br/>&amp; Donations</b> | <b>Sno Co Road<br/>Improvement<br/>Guar</b> | <b>Treasurer's<br/>Operation &amp;<br/>Maint</b> | <b>Total Special<br/>Revenue<br/>Funds</b> |
|--|-----------------------------|--|---|--|--|
| <b>ASSETS</b>                                |                             |  |   |  |  |
| Cash and Cash Equivalents                    | \$ 5,199,402                | \$ 39,917  | \$ 151,374                                  | \$ 356,437                                       | \$ 66,482,512                              |
| Cash, Restricted                             | -                           | -  | -   | -  | 1,150                                      |
| Investments                                  | -                           | -  | -   | -  | 985,530                                    |
| Taxes Receivable                             | -                           | -  | -   | -  | 180,857                                    |
| Other Receivables, Net                       | 4,247                       | -  | -   | 63,025   | 1,166,947                                  |
| Interest Receivable                          | 10,698                      | -  | -   | -  | 177,183                                    |
| Due from Other Funds                         | -                           | -  | -   | -  | 55,656                                     |
| Due From Other Governments                   | -                           | -  | -   | -  | 8,108,554                                  |
| Notes/Contracts Receivable                   | -                           | -  | -   | -  | 5,441,706                                  |
| <b>Total Assets</b>                          | <b>\$ 5,214,347</b>         | <b>\$ 39,917</b>                                 | <b>\$ 151,374</b>                           | <b>\$ 419,462</b>                                | <b>\$ 82,600,095</b>                       |
| <b>LIABILITIES</b>                           |                             |  |   |  |  |
| Accounts Payable                             | -                           | 1,904  | -   | 187  | 3,824,835                                  |
| Due To Other Funds                           | -                           | -  | -   | -  | 55,656                                     |
| Due To Other Governments                     | -                           | -  | -   | -  | 515,458                                    |
| Accrued Liabilities                          | -                           | 102  | -   | -  | 432,783                                    |
| Deferred Revenue                             | -                           | -  | -   | 63,025   | 5,157,862                                  |
| Custodial Accounts                           | -                           | -  | -   | -  | 182,579                                    |
| <b>Total Liabilities</b>                     | <b>-</b>                    | <b>2,006</b>                                     | <b>-</b>                                    | <b>63,212</b>                                    | <b>10,169,173</b>                          |
| <b>FUND BALANCES</b>                         |                             |  |   |  |  |
| <b>Reserved For</b>                          |                             |  |   |  |  |
| Debt Service                                 | -                           | -  | -   | -  | -  |
| <b>Total Reserved</b>                        | <b>-</b>                    | <b>-</b>   | <b>-</b>                                    | <b>-</b>   | <b>-</b>                                   |
| <b>Unreserved</b>                            |                             |  |   |  |  |
| Special Revenue Funds                        | 5,214,347                   | 37,911   | 151,374                                     | 356,250  | 72,430,922                                 |
| Capital Projects Funds                       | -                           | -  | -   | -  | -  |
| <b>Total Unreserved</b>                      | <b>5,214,347</b>            | <b>37,911</b>                                    | <b>151,374</b>                              | <b>356,250</b>                                   | <b>72,430,922</b>                          |
| <b>Total Fund Balances</b>                   | <b>5,214,347</b>            | <b>37,911</b>                                    | <b>151,374</b>                              | <b>356,250</b>                                   | <b>72,430,922</b>                          |
| <b>Total Liabilities &amp; Fund Balances</b> | <b>\$ 5,214,347</b>         | <b>\$ 39,917</b>                                 | <b>\$ 151,374</b>                           | <b>\$ 419,462</b>                                | <b>\$ 82,600,095</b>                       |

The accompanying notes are an integral part of the financial statements.

**Combining Balance Sheet  
Other Governmental Funds  
As of December 31, 2005**



**Debt Service Funds**

|  | Road<br>Improvement<br>Dist. 13 Long<br>Term Debt | Road<br>Improvement<br>Dist. 11A<br>Assessment | Road<br>Improvement<br>Dist. 24A | Road<br>Improvement<br>Dist. 30 | Total Debt<br>Service Funds |
|--|---|--|----------------------------------|---------------------------------|-----------------------------|
| <b>ASSETS</b>                                |   |  |                                  |                                 |                             |
| Cash and Cash Equivalents                    | \$ -  | \$ -   | \$ -                             | \$ -                            | \$ -                        |
| Cash, Restricted                             | 533   | 3,175  | 56,308                           | 21,457                          | 81,473                      |
| Investments                                  | -   | -  | -                                | -                               | -                           |
| Taxes Receivable                             | -   | -  | -                                | -                               | -                           |
| Other Receivables, Net                       | -   | -  | 1,517,961                        | 26,459                          | 1,544,420                   |
| Interest Receivable                          | -   | -  | 102                              | 71                              | 173                         |
| Due from Other Funds                         | -   | -  | -                                | -                               | -                           |
| Due From Other Governments                   | -   | -  | -                                | -                               | -                           |
| Notes/Contracts Receivable                   | -   | -  | -                                | -                               | -                           |
| <b>Total Assets</b>                          | <b>\$ 533</b>                                     | <b>\$ 3,175</b>                                | <b>\$ 1,574,371</b>              | <b>\$ 47,987</b>                | <b>\$ 1,626,066</b>         |
| <b>LIABILITIES</b>                           |   |  |                                  |                                 |                             |
| Accounts Payable                             | -   | -  | 396                              | -                               | 396                         |
| Due To Other Funds                           | -   | -  | -                                | -                               | -                           |
| Due To Other Governments                     | -   | -  | -                                | -                               | -                           |
| Accrued Liabilities                          | -   | -  | -                                | -                               | -                           |
| Deferred Revenue                             | -   | -  | 1,517,961                        | 26,459                          | 1,544,420                   |
| Custodial Accounts                           | -   | -  | -                                | -                               | -                           |
| <b>Total Liabilities</b>                     | <b>-</b>  | <b>-</b>                                       | <b>1,518,357</b>                 | <b>26,459</b>                   | <b>1,544,816</b>            |
| <b>FUND BALANCES</b>                         |   |  |                                  |                                 |                             |
| <b>Reserved For</b>                          |   |  |                                  |                                 |                             |
| Debt Service                                 | 533   | 3,175  | 56,014                           | 21,528                          | 81,250                      |
| <b>Total Reserved</b>                        | <b>533</b>  | <b>3,175</b>                                   | <b>56,014</b>                    | <b>21,528</b>                   | <b>81,250</b>               |
| <b>Unreserved</b>                            |   |  |                                  |                                 |                             |
| Special Revenue Funds                        | -   | -  | -                                | -                               | -                           |
| Capital Projects Funds                       | -   | -  | -                                | -                               | -                           |
| <b>Total Unreserved</b>                      | <b>-</b>  | <b>-</b>                                       | <b>-</b>                         | <b>-</b>                        | <b>-</b>                    |
| <b>Total Fund Balances</b>                   | <b>533</b>  | <b>3,175</b>                                   | <b>56,014</b>                    | <b>21,528</b>                   | <b>81,250</b>               |
| <b>Total Liabilities &amp; Fund Balances</b> | <b>\$ 533</b>                                     | <b>\$ 3,175</b>                                | <b>\$ 1,574,371</b>              | <b>\$ 47,987</b>                | <b>\$ 1,626,066</b>         |

The accompanying notes are an integral part of the financial statements.

**Combining Balance Sheet  
Other Governmental Funds  
As of December 31, 2005**



**Capital Projects Funds**

|  | <b>Capital Projects</b> | <b>Parks<br/>Construction</b> | <b>Facility<br/>Construction</b> | <b>Data<br/>Processing<br/>Capital</b> | <b>Facilities<br/>Improvements</b> |
|--|-------------------------|-------------------------------|----------------------------------|--|------------------------------------|
| <b>ASSETS</b>                                |                         |                               |                                  |  |                                    |
| Cash and Cash Equivalents                    | \$ 8,150,256            | \$ 19,534,189                 | \$ 6,997,528                     | \$ 4,262,533                           | \$ 74,629                          |
| Cash, Restricted                             | 4,592,621               | -                             | -                                | -                                      | -                                  |
| Investments                                  | -                       | 1,000,000                     | -                                | 2,000,000                              | -                                  |
| Taxes Receivable                             | -                       | -                             | 81                               | -                                      | -                                  |
| Other Receivables, Net                       | 24,791                  | -                             | -                                | -                                      | -                                  |
| Interest Receivable                          | -                       | -                             | 24,934                           | 13,196                                 | -                                  |
| Due from Other Funds                         | -                       | -                             | -                                | -                                      | -                                  |
| Due From Other Governments                   | -                       | 189,229                       | -                                | -                                      | -                                  |
| Notes/Contracts Receivable                   | -                       | -                             | -                                | -                                      | -                                  |
| <b>Total Assets</b>                          | <b>\$ 12,767,668</b>    | <b>\$ 20,723,418</b>          | <b>\$ 7,022,543</b>              | <b>\$ 6,275,729</b>                    | <b>\$ 74,629</b>                   |
| <b>LIABILITIES</b>                           |                         |                               |                                  |  |                                    |
| Accounts Payable                             | 7,286,966               | 634,459                       | 209,707                          | 108,764                                | -                                  |
| Due To Other Funds                           | -                       | -                             | -                                | -                                      | -                                  |
| Due To Other Governments                     | -                       | -                             | -                                | -                                      | -                                  |
| Accrued Liabilities                          | 3,299                   | 13,631                        | -                                | 3,803                                  | -                                  |
| Deferred Revenue                             | -                       | -                             | 81                               | -                                      | -                                  |
| Custodial Accounts                           | -                       | -                             | -                                | -                                      | -                                  |
| <b>Total Liabilities</b>                     | <b>7,290,265</b>        | <b>648,090</b>                | <b>209,788</b>                   | <b>112,567</b>                         | <b>-</b>                           |
| <b>FUND BALANCES</b>                         |                         |                               |                                  |  |                                    |
| <b>Reserved For</b>                          |                         |                               |                                  |  |                                    |
| Debt Service                                 | -                       | -                             | -                                | -                                      | -                                  |
| <b>Total Reserved</b>                        | <b>-</b>                | <b>-</b>                      | <b>-</b>                         | <b>-</b>                               | <b>-</b>                           |
| <b>Unreserved</b>                            |                         |                               |                                  |  |                                    |
| Special Revenue Funds                        | -                       | -                             | -                                | -                                      | -                                  |
| Capital Projects Funds                       | 5,477,403               | 20,075,328                    | 6,812,755                        | 6,163,162                              | 74,629                             |
| <b>Total Unreserved</b>                      | <b>5,477,403</b>        | <b>20,075,328</b>             | <b>6,812,755</b>                 | <b>6,163,162</b>                       | <b>74,629</b>                      |
| <b>Total Fund Balances</b>                   | <b>5,477,403</b>        | <b>20,075,328</b>             | <b>6,812,755</b>                 | <b>6,163,162</b>                       | <b>74,629</b>                      |
| <b>Total Liabilities &amp; Fund Balances</b> | <b>\$ 12,767,668</b>    | <b>\$ 20,723,418</b>          | <b>\$ 7,022,543</b>              | <b>\$ 6,275,729</b>                    | <b>\$ 74,629</b>                   |

The accompanying notes are an integral part of the financial statements.

**Combining Balance Sheet  
Other Governmental Funds  
As of December 31, 2005**

**Capital Projects Funds**

|  | 1995 Construction<br>Projects | Total Capital<br>Projects<br>Funds | Total Other<br>Governmental<br>Funds |
|--|-------------------------------|------------------------------------|--------------------------------------|
| <b>ASSETS</b>                                |                               |                                    |                                      |
| Cash and Cash Equivalents                    | \$ 244                        | \$ 39,019,379                      | \$ 105,501,891                       |
| Cash, Restricted                             | -                             | 4,592,621                          | 4,675,244                            |
| Investments                                  | -                             | 3,000,000                          | 3,985,530                            |
| Taxes Receivable                             | -                             | 81                                 | 180,938                              |
| Other Receivables, Net                       | -                             | 24,791                             | 2,736,158                            |
| Interest Receivable                          | -                             | 38,130                             | 215,486                              |
| Due from Other Funds                         | -                             | -                                  | 55,656                               |
| Due From Other Governments                   | -                             | 189,229                            | 8,297,783                            |
| Notes/Contracts Receivable                   | -                             | -                                  | 5,441,706                            |
| <b>Total Assets</b>                          | <b>\$ 244</b>                 | <b>\$ 46,864,231</b>               | <b>\$ 131,090,392</b>                |
| <b>LIABILITIES</b>                           |                               |                                    |                                      |
| Accounts Payable                             | -                             | 8,239,896                          | 12,065,127                           |
| Due To Other Funds                           | -                             | -                                  | 55,656                               |
| Due To Other Governments                     | -                             | -                                  | 515,458                              |
| Accrued Liabilities                          | -                             | 20,733                             | 453,516                              |
| Deferred Revenue                             | -                             | 81                                 | 6,702,363                            |
| Custodial Accounts                           | -                             | -                                  | 182,579                              |
| <b>Total Liabilities</b>                     | <b>-</b>                      | <b>8,260,710</b>                   | <b>19,974,699</b>                    |
| <b>FUND BALANCES</b>                         |                               |                                    |                                      |
| <b>Reserved For</b>                          |                               |                                    |                                      |
| Debt Service                                 | -                             | -                                  | 81,250                               |
| <b>Total Reserved</b>                        | <b>-</b>                      | <b>-</b>                           | <b>81,250</b>                        |
| <b>Unreserved</b>                            |                               |                                    |                                      |
| Special Revenue Funds                        | -                             | -                                  | 72,430,922                           |
| Capital Projects Funds                       | 244                           | 38,603,521                         | 38,603,521                           |
| <b>Total Unreserved</b>                      | <b>244</b>                    | <b>38,603,521</b>                  | <b>111,034,443</b>                   |
| <b>Total Fund Balances</b>                   | <b>244</b>                    | <b>38,603,521</b>                  | <b>111,115,693</b>                   |
| <b>Total Liabilities &amp; Fund Balances</b> | <b>\$ 244</b>                 | <b>\$ 46,864,231</b>               | <b>\$ 131,090,392</b>                |

The accompanying notes are an integral part of the financial statements.

**Combining Statement of Revenues,  
Expenditures and Changes in Fund Balance  
Other Governmental Funds  
For the Year Ended December 31, 2005**



**Special Revenue Funds**

|  | Special<br>Revenue | River<br>Management | Extradition<br>Srvc - Pend<br>Ord | Corrections<br>Commissary | Convention &<br>Performing<br>Arts |
|--|--------------------|---------------------|-----------------------------------|---------------------------|------------------------------------|
| <b>Detail Revenues</b>   |                    |                     |                                   |                           |                                    |
| Property Taxes   | \$ -               | \$ 308,692          | \$ -                              | \$ -                      | \$ -                               |
| Sales/Use Taxes  | -                  | -                   | -                                 | -                         | 1,575,784                          |
| Other Taxes  | -                  | 2,124               | -                                 | -                         | -                                  |
| Charges For Services   | -                  | 55,124              | -                                 | 394,923                   | -                                  |
| Intergovernmental Revenues                                       | -                  | 1,745,452           | -                                 | -                         | -                                  |
| Fines And Forfeitures  | -                  | -                   | -                                 | -                         | -                                  |
| Interest And Investment Earnings                                 | 20,478             | 14,244              | -                                 | 2,331                     | 61,454                             |
| Rents, Leases And Concessions                                    | -                  | -                   | -                                 | -                         | -                                  |
| Private Contributions & Donations                                | 5,269              | 12,559              | -                                 | -                         | -                                  |
| Miscellaneous Revenues   | -                  | 834                 | -                                 | 63                        | -                                  |
| <b>Total Detail Revenues</b>                                     | <b>25,747</b>      | <b>2,139,029</b>    | <b>-</b>                          | <b>397,317</b>            | <b>1,637,238</b>                   |
| <b>Detail Expenditures</b>                                       |                    |                     |                                   |                           |                                    |
| <i>Current</i>   |                    |                     |                                   |                           |                                    |
| Judicial   | -                  | -                   | -                                 | -                         | -                                  |
| General Government   | 5,890              | -                   | -                                 | -                         | -                                  |
| Public Safety  | 17,545             | -                   | -                                 | 555,141                   | -                                  |
| Physical Environment   | -                  | 3,215,342           | -                                 | -                         | -                                  |
| Transportation   | -                  | -                   | -                                 | -                         | -                                  |
| Health And Human Services  | -                  | -                   | -                                 | -                         | -                                  |
| Economic Environment   | -                  | -                   | -                                 | -                         | 1,278,239                          |
| Culture & Recreation   | -                  | -                   | -                                 | -                         | -                                  |
| <i>Debt Service</i>  |                    |                     |                                   |                           |                                    |
| Principal Payments   | -                  | -                   | -                                 | -                         | -                                  |
| Interest   | -                  | -                   | -                                 | -                         | -                                  |
| Issuance Discount on LT Debt                                     | -                  | -                   | -                                 | -                         | -                                  |
| <b>Total Detail Expenditures</b>                                 | <b>23,435</b>      | <b>3,215,342</b>    | <b>-</b>                          | <b>555,141</b>            | <b>1,278,239</b>                   |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>2,312</b>       | <b>(1,076,313)</b>  | <b>-</b>                          | <b>(157,824)</b>          | <b>358,999</b>                     |
| <b>Other Financial Sources (Uses)</b>                            |                    |                     |                                   |                           |                                    |
| Transfers In   | -                  | 822,427             | -                                 | -                         | -                                  |
| Transfers Out  | -                  | (5,396)             | -                                 | -                         | (284,909)                          |
| Debt Proceeds  | -                  | -                   | -                                 | -                         | -                                  |
| <b>Total Other Financial Sources (Uses)</b>                      | <b>-</b>           | <b>817,031</b>      | <b>-</b>                          | <b>-</b>                  | <b>(284,909)</b>                   |
| <b>Net Change in Fund Equity</b>                                 | <b>2,312</b>       | <b>(259,282)</b>    | <b>-</b>                          | <b>(157,824)</b>          | <b>74,090</b>                      |
| Fund Balances - Beginning  | 643,758            | 861,756             | 9,833                             | 5,897                     | 2,099,173                          |
| Prior Period Adjustments   | -                  | -                   | -                                 | -                         | -                                  |
| <b>Fund Balances - Ending</b>                                    | <b>\$ 646,070</b>  | <b>\$ 602,474</b>   | <b>\$ 9,833</b>                   | <b>\$ (151,927)</b>       | <b>\$ 2,173,263</b>                |

The accompanying notes are an integral part of the financial statements.



**Combining Statement of Revenues,  
Expenditures and Changes in Fund Balance  
Other Governmental Funds  
For the Year Ended December 31, 2005**



**Special Revenue Funds**

|  | <b>Crime<br/>Victims/Witness</b> | <b>Human<br/>Services</b> | <b>Grant Control</b> | <b>Sheriff-<br/>Search &amp;<br/>Rescue<br/>Helicopter</b> | <b>Sheriff Drug<br/>Buy</b> |
|--|----------------------------------|---------------------------|----------------------|--|-----------------------------|
| <b>Detail Revenues</b>   |                                  |                           |                      |  |                             |
| Property Taxes   | \$ -                             | \$ 1,332,393              | \$ -                 | \$ -   | \$ -                        |
| Sales/Use Taxes  | -                                | -                         | -                    | -  | -                           |
| Other Taxes  | -                                | 9,176                     | -                    | -  | -                           |
| Charges For Services   | 331,265                          | 703,236                   | -                    | -  | 51,028                      |
| Intergovernmental Revenues                                       | -                                | 28,776,922                | 7,423,083            | -  | 156,183                     |
| Fines And Forfeitures  | 972                              | 79,165                    | -                    | -  | 392,650                     |
| Interest And Investment Earnings                                 | 18,463                           | 3,057                     | 2,210                | 4,091  | 43,556                      |
| Rents, Leases And Concessions                                    | -                                | -                         | -                    | -  | -                           |
| Private Contributions & Donations                                | -                                | 1,036,569                 | -                    | 1,082  | -                           |
| Miscellaneous Revenues   | -                                | 11,439                    | 1,880                | 181  | 423,687                     |
| <b>Total Detail Revenues</b>                                     | <b>350,700</b>                   | <b>31,951,957</b>         | <b>7,427,173</b>     | <b>5,354</b>   | <b>1,067,104</b>            |
| <b>Detail Expenditures</b>                                       |                                  |                           |                      |  |                             |
| <i>Current</i>   |                                  |                           |                      |  |                             |
| Judicial   | -                                | -                         | 5105                 | -  | -                           |
| General Government   | 442,291                          | -                         | 2,865,506            | -  | -                           |
| Public Safety  | -                                | 150,368                   | 4,739,438            | 127,974  | 657,785                     |
| Physical Environment   | -                                | -                         | -                    | -  | -                           |
| Transportation   | -                                | -                         | 65,973               | -  | -                           |
| Health And Human Services  | -                                | 33,533,889                | -                    | -  | -                           |
| Economic Environment   | -                                | -                         | 1,349,251            | -  | -                           |
| Culture & Recreation   | -                                | -                         | -                    | -  | -                           |
| <i>Debt Service</i>  |                                  |                           |                      |  |                             |
| Principal Payments   | -                                | 91,667                    | -                    | -  | -                           |
| Interest   | -                                | -                         | -                    | -  | -                           |
| Issuance Discount on LT Debt                                     | -                                | -                         | -                    | -  | -                           |
| <b>Total Detail Expenditures</b>                                 | <b>442,291</b>                   | <b>33,775,924</b>         | <b>9,025,273</b>     | <b>127,974</b>   | <b>657,785</b>              |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>(91,591)</b>                  | <b>(1,823,967)</b>        | <b>(1,598,100)</b>   | <b>(122,620)</b>   | <b>409,319</b>              |
| <b>Other Financial Sources (Uses)</b>                            |                                  |                           |                      |  |                             |
| Transfers In   | 37,824                           | 2,389,073                 | 1,275,476            | 130,000  | -                           |
| Transfers Out  | -                                | -                         | (211,000)            | -  | (152,836)                   |
| Debt Proceeds  | -                                | -                         | -                    | -  | -                           |
| <b>Total Other Financial Sources (Uses)</b>                      | <b>37,824</b>                    | <b>2,389,073</b>          | <b>1,064,476</b>     | <b>130,000</b>   | <b>(152,836)</b>            |
| <b>Net Change in Fund Equity</b>                                 | <b>(53,767)</b>                  | <b>565,106</b>            | <b>(533,624)</b>     | <b>7,380</b>   | <b>256,483</b>              |
| Fund Balances - Beginning  | 634,400                          | 1,994,720                 | 2,679,029            | 119,223  | 812,907                     |
| Prior Period Adjustments   | -                                | -                         | -                    | -  | -                           |
| <b>Fund Balances - Ending</b>                                    | <b>\$ 580,633</b>                | <b>\$ 2,559,826</b>       | <b>\$ 2,145,405</b>  | <b>\$ 126,603</b>  | <b>\$ 1,069,390</b>         |

The accompanying notes are an integral part of the financial statements.

**Combining Statement of Revenues,  
Expenditures and Changes in Fund Balance  
Other Governmental Funds  
For the Year Ended December 31, 2005**



**Special Revenue Funds**

|  | <b>Arson<br/>Investigation<br/>&amp; Equipment</b> | <b>Tax Refund</b> | <b>US<br/>Department<br/>Of Hud<br/>Grants</b> | <b>Housing Trust</b> | <b>Emergency<br/>Services<br/>Communication<br/>System</b> |
|--|--|-------------------|--|----------------------|--|
| <b>Detail Revenues</b>   |  |                   |  |                      |  |
| Property Taxes   | \$ -   | \$ 34             | \$ -   | \$ -                 | \$ -   |
| Sales/Use Taxes  | -  | -                 | -  | -                    | -  |
| Other Taxes  | -  | -                 | -  | -                    | 4,329,252  |
| Charges For Services   | 402  | -                 | -  | 1,332,505            | -  |
| Intergovernmental Revenues                                       | -  | -                 | 6,688,156                                      | -                    | -  |
| Fines And Forfeitures  | -  | -                 | -  | -                    | -  |
| Interest And Investment Earnings                                 | -  | -                 | -  | 116,419              | 38,251   |
| Rents, Leases And Concessions                                    | -  | -                 | -  | -                    | -  |
| Private Contributions & Donations                                | -  | -                 | -  | -                    | -  |
| Miscellaneous Revenues   | -  | -                 | 3,127  | -                    | 24,697   |
| <b>Total Detail Revenues</b>                                     | <b>402</b>   | <b>34</b>         | <b>6,691,283</b>                               | <b>1,448,924</b>     | <b>4,392,200</b>   |
| <b>Detail Expenditures</b>                                       |  |                   |  |                      |  |
| <i>Current</i>   |  |                   |  |                      |  |
| Judicial   | -  | -                 | -  | -                    | -  |
| General Government   | -  | -                 | 5,572,456                                      | -                    | -  |
| Public Safety  | -  | -                 | -  | -                    | 4,642,188  |
| Physical Environment   | -  | -                 | -  | -                    | -  |
| Transportation   | -  | -                 | -  | -                    | -  |
| Health And Human Services  | -  | -                 | -  | -                    | -  |
| Economic Environment   | -  | -                 | -  | 1,086,103            | -  |
| Culture & Recreation   | -  | -                 | -  | -                    | -  |
| <i>Debt Service</i>  |  |                   |  |                      |  |
| Principal Payments   | -  | -                 | -  | -                    | -  |
| Interest   | -  | -                 | -  | -                    | -  |
| Issuance Discount on LT Debt                                     | -  | -                 | -  | -                    | -  |
| <b>Total Detail Expenditures</b>                                 | <b>-</b>   | <b>-</b>          | <b>5,572,456</b>                               | <b>1,086,103</b>     | <b>4,642,188</b>   |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>402</b>   | <b>34</b>         | <b>1,118,827</b>                               | <b>362,821</b>       | <b>(249,988)</b>   |
| <b>Other Financial Sources (Uses)</b>                            |  |                   |  |                      |  |
| Transfers In   | -  | -                 | -  | -                    | -  |
| Transfers Out  | -  | -                 | (1,116,163)                                    | -                    | -  |
| Debt Proceeds  | -  | -                 | -  | -                    | -  |
| <b>Total Other Financial Sources (Uses)</b>                      | <b>-</b>   | <b>-</b>          | <b>(1,116,163)</b>                             | <b>-</b>             | <b>-</b>   |
| <b>Net Change in Fund Equity</b>                                 | <b>402</b>   | <b>34</b>         | <b>2,664</b>                                   | <b>362,821</b>       | <b>(249,988)</b>   |
| Fund Balances - Beginning  | 1,876  | 315,844           | 3,714,560                                      | 3,544,425            | 1,578,848  |
| Prior Period Adjustments   | -  | -                 | -  | -                    | -  |
| <b>Fund Balances - Ending</b>                                    | <b>\$ 2,278</b>                                    | <b>\$ 315,878</b> | <b>\$ 3,717,224</b>                            | <b>\$ 3,907,246</b>  | <b>\$ 1,328,860</b>  |

The accompanying notes are an integral part of the financial statements.

**Combining Statement of Revenues,  
Expenditures and Changes in Fund Balance  
Other Governmental Funds  
For the Year Ended December 31, 2005**



**Special Revenue Funds**

|  | <b>Evergreen<br/>Fairground<br/>Cumulative<br/>Reserve</b> | <b>Conservation<br/>Futures Tax</b> | <b>Auditor's<br/>Operation &amp;<br/>Maintenance</b> | <b>Public Wrks<br/>Facility<br/>Construct</b> | <b>Elections<br/>Equipment<br/>Cumulative<br/>Reserve</b> |
|--|--|-------------------------------------|--|---|---|
| <b>Detail Revenues</b>   |  |                                     |  |   |   |
| Property Taxes   | \$ -   | \$ 2,919,422                        | \$ -   | \$ -  | \$ -  |
| Sales/Use Taxes  | -  | -                                   | -  | -   | -   |
| Other Taxes  | -  | 20,311                              | -  | -   | -   |
| Charges For Services   | -  | -                                   | 432,107  | -   | 326,775   |
| Intergovernmental Revenues                                       | -  | 326,770                             | 155,263  | -   | -   |
| Fines And Forfeitures  | -  | -                                   | -  | -   | -   |
| Interest And Investment Earnings                                 | 17,117   | 320,987                             | 25,590   | 151,698                                       | 9,773   |
| Rents, Leases And Concessions                                    | 88,848   | -                                   | -  | -   | -   |
| Private Contributions & Donations                                | -  | -                                   | -  | -   | -   |
| Miscellaneous Revenues   | -  | -                                   | -  | 2,631,200                                     | -   |
| <b>Total Detail Revenues</b>                                     | <b>105,965</b>   | <b>3,587,490</b>                    | <b>612,960</b>                                       | <b>2,782,898</b>                              | <b>336,548</b>  |
| <b>Detail Expenditures</b>                                       |  |                                     |  |   |   |
| <i>Current</i>   |  |                                     |  |   |   |
| Judicial   | -  | -                                   | -  | -   | -   |
| General Government   | -  | -                                   | 391,916  | -   | 50,337  |
| Public Safety  | -  | -                                   | -  | -   | -   |
| Physical Environment   | -  | 681,438                             | -  | -   | -   |
| Transportation   | -  | -                                   | -  | 2,202,480                                     | -   |
| Health And Human Services  | -  | -                                   | -  | -   | -   |
| Economic Environment   | -  | -                                   | -  | -   | -   |
| Culture & Recreation   | 290,973  | -                                   | -  | -   | -   |
| <i>Debt Service</i>  |  |                                     |  |   |   |
| Principal Payments   | 512,059  | -                                   | -  | -   | -   |
| Interest   | 6,396  | -                                   | -  | 4,920   | -   |
| Issuance Discount on LT Debt                                     | 2,296  | -                                   | -  | 1,766   | -   |
| <b>Total Detail Expenditures</b>                                 | <b>811,724</b>   | <b>681,438</b>                      | <b>391,916</b>                                       | <b>2,209,166</b>                              | <b>50,337</b>   |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>(705,759)</b>   | <b>2,906,052</b>                    | <b>221,044</b>                                       | <b>573,732</b>                                | <b>286,211</b>  |
| <b>Other Financial Sources (Uses)</b>                            |  |                                     |  |   |   |
| Transfers In   | 230,000  | -                                   | -  | 3,500,000                                     | -   |
| Transfers Out  | (9,708)  | (1,981,283)                         | (82,675)   | -   | (100,000)   |
| Debt Proceeds  | 527,839  | -                                   | -  | 406,030                                       | -   |
| <b>Total Other Financial Sources (Uses)</b>                      | <b>748,131</b>   | <b>(1,981,283)</b>                  | <b>(82,675)</b>                                      | <b>3,906,030</b>                              | <b>(100,000)</b>  |
| <b>Net Change in Fund Equity</b>                                 | <b>42,372</b>  | <b>924,769</b>                      | <b>138,369</b>                                       | <b>4,479,762</b>                              | <b>186,211</b>  |
| Fund Balances - Beginning  | 688,022  | 10,550,952                          | 850,684  | 3,049,947                                     | 437,654   |
| Prior Period Adjustments   | -  | -                                   | -  | -   | -   |
| <b>Fund Balances - Ending</b>                                    | <b>\$ 730,394</b>  | <b>\$ 11,475,721</b>                | <b>\$ 989,053</b>                                    | <b>\$ 7,529,709</b>                           | <b>\$ 623,865</b>   |

The accompanying notes are an integral part of the financial statements.

**Combining Statement of Revenues,  
Expenditures and Changes in Fund Balance  
Other Governmental Funds  
For the Year Ended December 31, 2005**



**Special Revenue Funds**

|  | <b>Snohomish<br/>County<br/>Tomorrow<br/>Cumulative<br/>Reserve</b> | <b>Real Estate<br/>Excise Tax</b> | <b>Transportation<br/>Mitigation</b> | <b>Boating<br/>Safety</b> | <b>Antiprofitteering<br/>Revolving</b> |
|--|---|-----------------------------------|--------------------------------------|---------------------------|--|
| <b>Detail Revenues</b>   |   |                                   |                                      |                           |  |
| Property Taxes   | \$ -  | \$ -                              | \$ -                                 | \$ -                      | \$ -                                   |
| Sales/Use Taxes  | -   | -                                 | -                                    | -                         | -                                      |
| Other Taxes  | -   | 23,895,134                        | -                                    | -                         | -                                      |
| Charges For Services   | -   | -                                 | 6,947,797                            | -                         | -                                      |
| Intergovernmental Revenues                                       | 82,581  | -                                 | 3,551,980                            | 98,122                    | -                                      |
| Fines And Forfeitures  | -   | -                                 | 342,000                              | -                         | -                                      |
| Interest And Investment Earnings                                 | 1,960   | -                                 | 490,213                              | 5,712                     | 1,907                                  |
| Rents, Leases And Concessions                                    | -   | -                                 | -                                    | -                         | -                                      |
| Private Contributions & Donations                                | -   | -                                 | -                                    | -                         | -                                      |
| Miscellaneous Revenues   | 43  | -                                 | -                                    | 1,366                     | -                                      |
| <b>Total Detail Revenues</b>                                     | <b>84,584</b>   | <b>23,895,134</b>                 | <b>11,331,990</b>                    | <b>105,200</b>            | <b>1,907</b>                           |
| <b>Detail Expenditures</b>                                       |   |                                   |                                      |                           |  |
| <i>Current</i>   |   |                                   |                                      |                           |  |
| Judicial   | -   | -                                 | -                                    | -                         | -                                      |
| General Government   | -   | -                                 | -                                    | -                         | -                                      |
| Public Safety  | -   | -                                 | -                                    | 95,579                    | -                                      |
| Physical Environment   | -   | -                                 | -                                    | -                         | -                                      |
| Transportation   | -   | -                                 | 68,277                               | -                         | -                                      |
| Health And Human Services  | -   | -                                 | -                                    | -                         | -                                      |
| Economic Environment   | 100,341   | -                                 | -                                    | -                         | -                                      |
| Culture & Recreation   | -   | -                                 | -                                    | -                         | -                                      |
| <i>Debt Service</i>  |   |                                   |                                      |                           |  |
| Principal Payments   | -   | -                                 | -                                    | -                         | -                                      |
| Interest   | -   | -                                 | -                                    | -                         | -                                      |
| Issuance Discount on LT Debt                                     | -   | -                                 | -                                    | -                         | -                                      |
| <b>Total Detail Expenditures</b>                                 | <b>100,341</b>  | <b>-</b>                          | <b>68,277</b>                        | <b>95,579</b>             | <b>-</b>                               |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>(15,757)</b>   | <b>23,895,134</b>                 | <b>11,263,713</b>                    | <b>9,621</b>              | <b>1,907</b>                           |
| <b>Other Financial Sources (Uses)</b>                            |   |                                   |                                      |                           |  |
| Transfers In   | 50,235  | -                                 | -                                    | -                         | -                                      |
| Transfers Out  | -   | (22,817,213)                      | (6,536,631)                          | -                         | -                                      |
| Debt Proceeds  | -   | -                                 | -                                    | -                         | -                                      |
| <b>Total Other Financial Sources (Uses)</b>                      | <b>50,235</b>   | <b>(22,817,213)</b>               | <b>(6,536,631)</b>                   | <b>-</b>                  | <b>-</b>                               |
| <b>Net Change in Fund Equity</b>                                 | <b>34,478</b>   | <b>1,077,921</b>                  | <b>4,727,082</b>                     | <b>9,621</b>              | <b>1,907</b>                           |
| Fund Balances - Beginning  | 26,331  | 9,567,255                         | 10,683,104                           | 93,631                    | 67,912                                 |
| Prior Period Adjustments   | -   | -                                 | -                                    | -                         | -                                      |
| <b>Fund Balances - Ending</b>                                    | <b>\$ 60,809</b>  | <b>\$ 10,645,176</b>              | <b>\$ 15,410,186</b>                 | <b>\$ 103,252</b>         | <b>\$ 69,819</b>                       |

The accompanying notes are an integral part of the financial statements.

**Combining Statement of Revenues,  
Expenditures and Changes in Fund Balance  
Other Governmental Funds**  
For the Year Ended December 31, 2005



**Special Revenue Funds**

|  | <b>Parks<br/>Mitigation</b> | <b>Fair<br/>Sponsorships<br/>&amp; Donations</b> | <b>Sno Co Road<br/>Improvement<br/>Guar</b> | <b>Treasurer's<br/>Operation &amp;<br/>Maint</b> | <b>Total Special<br/>Revenue<br/>Funds</b> |
|--|-----------------------------|--|---|--|--|
| <b>Detail Revenues</b>   |                             |  |   |  |  |
| Property Taxes   | \$ -                        | \$ -   | \$ -  | \$ -   | \$ 4,560,541                               |
| Sales/Use Taxes  | -                           | -  | -   | -  | 1,575,784                                  |
| Other Taxes  | -                           | -  | -   | -  | 28,255,997                                 |
| Charges For Services   | 3,241,282                   | -  | -   | 343  | 13,816,787                                 |
| Intergovernmental Revenues                                       | -                           | -  | -   | 100,956  | 49,105,468                                 |
| Fines And Forfeitures  | -                           | -  | -   | -  | 814,787                                    |
| Interest And Investment Earnings                                 | 95,921                      | -  | 1,688                                       | 9,427  | 1,456,547                                  |
| Rents, Leases And Concessions                                    | -                           | -  | -   | -  | 88,848                                     |
| Private Contributions & Donations                                | -                           | 349,200  | -   | -  | 1,404,679                                  |
| Miscellaneous Revenues   | -                           | 8,200  | -   | -  | 3,106,717                                  |
| <b>Total Detail Revenues</b>                                     | <b>3,337,203</b>            | <b>357,400</b>                                   | <b>1,688</b>                                | <b>110,726</b>                                   | <b>104,186,155</b>                         |
| <b>Detail Expenditures</b>                                       |                             |  |   |  |  |
| <i>Current</i>   |                             |  |   |  |  |
| Judicial   | -                           | -  | -   | -  | 5,105                                      |
| General Government   | -                           | -  | -   | 51,533   | 9,379,929                                  |
| Public Safety  | -                           | -  | -   | -  | 10,986,018                                 |
| Physical Environment   | -                           | -  | -   | -  | 3,896,780                                  |
| Transportation   | -                           | -  | -   | -  | 2,336,730                                  |
| Health And Human Services  | -                           | -  | -   | -  | 33,533,889                                 |
| Economic Environment   | -                           | -  | -   | -  | 3,813,934                                  |
| Culture & Recreation   | 21,901                      | 353,368  | -   | -  | 666,242                                    |
| <i>Debt Service</i>  |                             |  |   |  |  |
| Principal Payments   | -                           | -  | -   | -  | 603,726                                    |
| Interest   | -                           | -  | -   | -  | 11,316                                     |
| Issuance Discount on LT Debt                                     | -                           | -  | -   | -  | 4,062                                      |
| <b>Total Detail Expenditures</b>                                 | <b>21,901</b>               | <b>353,368</b>                                   | <b>-</b>                                    | <b>51,533</b>                                    | <b>65,237,731</b>                          |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>3,315,302</b>            | <b>4,032</b>                                     | <b>1,688</b>                                | <b>59,193</b>                                    | <b>38,948,424</b>                          |
| <b>Other Financial Sources (Uses)</b>                            |                             |  |   |  |  |
| Transfers In   | -                           | -  | 149,686                                     | -  | 8,584,721                                  |
| Transfers Out  | (2,436,128)                 | -  | -   | -  | (35,733,942)                               |
| Debt Proceeds  | -                           | -  | -   | -  | 933,869                                    |
| <b>Total Other Financial Sources (Uses)</b>                      | <b>(2,436,128)</b>          | <b>-</b>   | <b>149,686</b>                              | <b>-</b>   | <b>(26,215,352)</b>                        |
| <b>Net Change in Fund Equity</b>                                 | <b>879,174</b>              | <b>4,032</b>                                     | <b>151,374</b>                              | <b>59,193</b>                                    | <b>12,733,072</b>                          |
| Fund Balances - Beginning  | 4,335,173                   | 33,879   | -   | 297,057  | 59,697,850                                 |
| Prior Period Adjustments   | -                           | -  | -   | -  | -  |
| <b>Fund Balances - Ending</b>                                    | <b>\$ 5,214,347</b>         | <b>\$ 37,911</b>                                 | <b>\$ 151,374</b>                           | <b>\$ 356,250</b>                                | <b>\$ 72,430,922</b>                       |

The accompanying notes are an integral part of the financial statements.

**Combining Statement of Revenues,  
Expenditures and Changes in Fund Balance  
Other Governmental Funds  
For the Year Ended December 31, 2005**



**Debt Service Funds**

|  | Road<br>Improvement<br>Dist. 13 Long<br>Term Debt | Road<br>Improvement<br>Dist. 11A<br>Assessment | Road<br>Improvement<br>Dist. 24A | Road<br>Improvement<br>Dist. 30 | Total Debt<br>Service<br>Funds |
|--|---|--|----------------------------------|---------------------------------|--------------------------------|
| <b>Detail Revenues</b>   |   |  |                                  |                                 |                                |
| Property Taxes   | \$ -  | \$ -   | \$ -                             | \$ -                            | \$ -                           |
| Sales/Use Taxes  | -   | -  | -                                | -                               | -                              |
| Other Taxes  | -   | 296  | 106,962                          | 1,876                           | 109,134                        |
| Charges For Services   | -   | -  | -                                | -                               | -                              |
| Intergovernmental Revenues                                       | -   | -  | -                                | -                               | -                              |
| Fines And Forfeitures  | -   | -  | -                                | -                               | -                              |
| Interest And Investment Earnings                                 | -   | -  | 3,848                            | 449                             | 4,297                          |
| Rents, Leases And Concessions                                    | -   | -  | -                                | -                               | -                              |
| Private Contributions & Donations                                | -   | -  | -                                | -                               | -                              |
| Miscellaneous Revenues   | -   | 2,397  | 180,159                          | 9,031                           | 191,587                        |
| <b>Total Detail Revenues</b>                                     | -   | 2,693  | 290,969                          | 11,356                          | 305,018                        |
| <b>Detail Expenditures</b>                                       |   |  |                                  |                                 |                                |
| <i>Current</i>   |   |  |                                  |                                 |                                |
| Judicial   | -   | -  | -                                | -                               | -                              |
| General Government   | -   | -  | -                                | -                               | -                              |
| Public Safety  | -   | -  | -                                | -                               | -                              |
| Physical Environment   | -   | -  | -                                | -                               | -                              |
| Transportation   | -   | -  | 746                              | -                               | 746                            |
| Health And Human Services  | -   | -  | -                                | -                               | -                              |
| Economic Environment   | -   | -  | -                                | -                               | -                              |
| Culture & Recreation   | -   | -  | -                                | -                               | -                              |
| <i>Debt Service</i>  |   |  |                                  |                                 |                                |
| Principal Payments   | -   | -  | 265,000                          | -                               | 265,000                        |
| Interest   | -   | -  | 102,505                          | -                               | 102,505                        |
| Issuance Discount on LT Debt                                     | -   | -  | -                                | -                               | -                              |
| <b>Total Detail Expenditures</b>                                 | -   | -  | 368,251                          | -                               | 368,251                        |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | -   | 2,693  | (77,282)                         | 11,356                          | (63,233)                       |
| <b>Other Financial Sources (Uses)</b>                            |   |  |                                  |                                 |                                |
| Transfers In   | -   | -  | -                                | -                               | -                              |
| Transfers Out  | -   | -  | (149,686)                        | -                               | (149,686)                      |
| Debt Proceeds  | -   | -  | -                                | -                               | -                              |
| <b>Total Other Financial Sources (Uses)</b>                      | -   | -  | (149,686)                        | -                               | (149,686)                      |
| <b>Net Change in Fund Equity</b>                                 | -   | 2,693  | (226,968)                        | 11,356                          | (212,919)                      |
| Fund Balances - Beginning  | 533   | 482  | 282,982                          | 10,172                          | 294,169                        |
| Prior Period Adjustments   | -   | -  | -                                | -                               | -                              |
| Fund Balances - Ending   | \$ 533  | \$ 3,175                                       | \$ 56,014                        | \$ 21,528                       | \$ 81,250                      |

The accompanying notes are an integral part of the financial statements.

**Combining Statement of Revenues,  
Expenditures and Changes in Fund Balance  
Other Governmental Funds  
For the Year Ended December 31, 2005**



**Capital Projects Funds**

|  | <b>Capital<br/>Projects</b> | <b>Parks<br/>Construction</b> | <b>Facility<br/>Construction</b> | <b>Data<br/>Processing<br/>Capital</b> | <b>Facilities<br/>Improvements</b> |
|--|-----------------------------|-------------------------------|----------------------------------|--|------------------------------------|
| <b>Detail Revenues</b>   |                             |                               |                                  |  |                                    |
| Property Taxes   | \$ -                        | \$ -                          | \$ -                             | \$ -                                   | \$ -                               |
| Sales/Use Taxes  | -                           | -                             | -                                | -                                      | -                                  |
| Other Taxes  | -                           | -                             | -                                | -                                      | -                                  |
| Charges For Services   | -                           | 5,100                         | -                                | -                                      | 129,384                            |
| Intergovernmental Revenues                                       | -                           | 763,044                       | -                                | -                                      | -                                  |
| Fines And Forfeitures  | -                           | -                             | -                                | -                                      | -                                  |
| Interest And Investment Earnings                                 | -                           | -                             | 202,141                          | 174,880                                | -                                  |
| Rents, Leases And Concessions                                    | -                           | -                             | -                                | -                                      | -                                  |
| Private Contributions & Donations                                | -                           | -                             | -                                | -                                      | -                                  |
| Miscellaneous Revenues   | 1,772,706                   | 45,675                        | -                                | -                                      | -                                  |
| <b>Total Detail Revenues</b>                                     | <b>1,772,706</b>            | <b>813,819</b>                | <b>202,141</b>                   | <b>174,880</b>                         | <b>129,384</b>                     |
| <b>Detail Expenditures</b>                                       |                             |                               |                                  |  |                                    |
| <i>Current</i>   |                             |                               |                                  |  |                                    |
| Judicial   | 15,475,235                  | -                             | -                                | -                                      | -                                  |
| General Government   | 17,608,780                  | -                             | 582,735                          | 4,411,600                              | 525,633                            |
| Public Safety  | 1,968,042                   | -                             | 300,618                          | -                                      | -                                  |
| Physical Environment   | -                           | -                             | -                                | -                                      | -                                  |
| Transportation   | -                           | -                             | -                                | -                                      | -                                  |
| Health And Human Services  | -                           | -                             | -                                | -                                      | -                                  |
| Economic Environment   | -                           | -                             | -                                | -                                      | -                                  |
| Culture & Recreation   | -                           | 8,899,408                     | -                                | -                                      | -                                  |
| <i>Debt Service</i>  |                             |                               |                                  |  |                                    |
| Principal Payments   | -                           | -                             | -                                | -                                      | 84,992                             |
| Interest   | 105,841                     | -                             | 12,313                           | -                                      | 34,253                             |
| Issuance Discount on LT Debt                                     | 38,002                      | -                             | 4,421                            | -                                      | -                                  |
| <b>Total Detail Expenditures</b>                                 | <b>35,195,900</b>           | <b>8,899,408</b>              | <b>900,087</b>                   | <b>4,411,600</b>                       | <b>644,878</b>                     |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>(33,423,194)</b>         | <b>(8,085,589)</b>            | <b>(697,946)</b>                 | <b>(4,236,720)</b>                     | <b>(515,494)</b>                   |
| <b>Other Financial Sources (Uses)</b>                            |                             |                               |                                  |  |                                    |
| Transfers In   | -                           | 5,705,589                     | 150,000                          | 1,942,906                              | 399,574                            |
| Transfers Out  | -                           | (2,082,087)                   | -                                | (100,000)                              | -                                  |
| Debt Proceeds  | 10,707,988                  | -                             | 1,016,144                        | -                                      | -                                  |
| <b>Total Other Financial Sources (Uses)</b>                      | <b>10,707,988</b>           | <b>3,623,502</b>              | <b>1,166,144</b>                 | <b>1,842,906</b>                       | <b>399,574</b>                     |
| <b>Net Change in Fund Equity</b>                                 | <b>(22,715,206)</b>         | <b>(4,462,087)</b>            | <b>468,198</b>                   | <b>(2,393,814)</b>                     | <b>(115,920)</b>                   |
| Fund Balances - Beginning  | 28,192,609                  | 24,537,415                    | 6,344,557                        | 8,556,976                              | 190,549                            |
| Prior Period Adjustments   | -                           | -                             | -                                | -                                      | -                                  |
| <b>Fund Balances - Ending</b>                                    | <b>\$ 5,477,403</b>         | <b>\$ 20,075,328</b>          | <b>\$ 6,812,755</b>              | <b>\$ 6,163,162</b>                    | <b>\$ 74,629</b>                   |

The accompanying notes are an integral part of the financial statements.

**Combining Statement of Revenues,  
Expenditures and Changes in Fund Balance  
Other Governmental Funds**  
For the Year Ended December 31, 2005



**Capital Projects Funds**

|  | 1995<br>Construction<br>Projects | Total Capital<br>Projects Funds | Total Other<br>Governmental<br>Funds |
|--|----------------------------------|---------------------------------|--------------------------------------|
| <b>Detail Revenues</b>   |                                  |                                 |                                      |
| Property Taxes   | \$ -                             | \$ -                            | \$ 4,560,541                         |
| Sales/Use Taxes  | -                                | -                               | 1,575,784                            |
| Other Taxes  | -                                | -                               | 28,365,131                           |
| Charges For Services   | -                                | 134,484                         | 13,951,271                           |
| Intergovernmental Revenues                                       | -                                | 763,044                         | 49,868,512                           |
| Fines And Forfeitures  | -                                | -                               | 814,787                              |
| Interest And Investment Earnings                                 | -                                | 377,021                         | 1,837,865                            |
| Rents, Leases And Concessions                                    | -                                | -                               | 88,848                               |
| Private Contributions & Donations                                | -                                | -                               | 1,404,679                            |
| Miscellaneous Revenues   | -                                | 1,818,381                       | 5,116,685                            |
| <b>Total Detail Revenues</b>                                     | -                                | 3,092,930                       | 107,584,103                          |
| <b>Detail Expenditures</b>                                       |                                  |                                 |                                      |
| <i>Current</i>   |                                  |                                 |                                      |
| Judicial   | -                                | 15,475,235                      | 15,480,340                           |
| General Government   | -                                | 23,128,748                      | 32,508,677                           |
| Public Safety  | -                                | 2,268,660                       | 13,254,678                           |
| Physical Environment   | -                                | -                               | 3,896,780                            |
| Transportation   | -                                | -                               | 2,337,476                            |
| Health And Human Services  | -                                | -                               | 33,533,889                           |
| Economic Environment   | -                                | -                               | 3,813,934                            |
| Culture & Recreation   | -                                | 8,899,408                       | 9,565,650                            |
| <i>Debt Service</i>  |                                  |                                 |                                      |
| Principal Payments   | -                                | 84,992                          | 953,718                              |
| Interest   | -                                | 152,407                         | 266,228                              |
| Issuance Discount on LT Debt                                     | -                                | 42,423                          | 46,485                               |
| <b>Total Detail Expenditures</b>                                 | -                                | 50,051,873                      | 115,657,855                          |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | -                                | (46,958,943)                    | (8,073,752)                          |
| <b>Other Financial Sources (Uses)</b>                            |                                  |                                 |                                      |
| Transfers In   | -                                | 8,198,069                       | 16,782,790                           |
| Transfers Out  | -                                | (2,182,087)                     | (38,065,715)                         |
| Debt Proceeds  | -                                | 11,724,132                      | 12,658,001                           |
| <b>Total Other Financial Sources (Uses)</b>                      | -                                | 17,740,114                      | (8,624,924)                          |
| <b>Net Change in Fund Equity</b>                                 | -                                | (29,218,829)                    | (16,698,676)                         |
| Fund Balances - Beginning  | 244                              | 67,822,350                      | 127,814,369                          |
| Prior Period Adjustments   | -                                | -                               | -                                    |
| <b>Fund Balances - Ending</b>                                    | <b>\$ 244</b>                    | <b>\$ 38,603,521</b>            | <b>\$ 111,115,693</b>                |

The accompanying notes are an integral part of the financial statements.



**Combining Statement of Net Assets  
Internal Service Funds  
As of December 31, 2005**



|   | Governmental Activities (Internal Service Funds) |                      |                            |                      |                   |                   | Total Internal Funds |
|---|--|----------------------|----------------------------|----------------------|-------------------|-------------------|----------------------|
|   | Equipment Rental & Revolving                     | Information Services | Snohomish County Insurance | Pits and Quarries    | Employee Benefit  | Facility Services |                      |
| <b>ASSETS</b>                                   |  |                      |                            |                      |                   |                   |                      |
| <b>Current Assets</b>                           |  |                      |                            |                      |                   |                   |                      |
| Cash and Cash Equivalents                       | \$ 3,757,268                                     | \$ 5,151,623         | \$ 8,543,218               | \$ 15,791,996        | \$ 3,117,847      | \$ 142,440        | \$ 36,504,392        |
| Investments                                     | 1,977,180  | -                    | -                          | 1,485,090            | -                 | -                 | 3,462,270            |
| Other Receivables, Net                          | -  | 29,884               | -                          | 5,155                | -                 | 11                | 35,050               |
| Interest Receivable                             | 18,928   | 18,092               | 28,227                     | 67,374               | 6,014             | -                 | 138,635              |
| Due From Other Funds                            | 306,399  | -                    | -                          | -                    | -                 | -                 | 306,399              |
| Due From Other Governments                      | 33,840   | 13,162               | -                          | -                    | -                 | -                 | 47,002               |
| Inventories                                     | 844,083  | 97,232               | -                          | 49,513               | -                 | -                 | 990,828              |
| Prepayments                                     | -  | -                    | 637,715                    | -                    | -                 | -                 | 637,715              |
| <b>Total Current Assets</b>                     | <b>6,937,698</b>                                 | <b>5,309,993</b>     | <b>9,209,160</b>           | <b>17,399,128</b>    | <b>3,123,861</b>  | <b>142,451</b>    | <b>42,122,291</b>    |
| <b>Non-Current Assets</b>                       |  |                      |                            |                      |                   |                   |                      |
| Deferred Charges                                | 7,555  | -                    | -                          | -                    | -                 | -                 | 7,555                |
| <b>Capital Assets</b>                           |  |                      |                            |                      |                   |                   |                      |
| Land  | 389,185  | -                    | -                          | 4,693                | -                 | -                 | 393,878              |
| Buildings and Structures, Net                   | 4,561,823  | -                    | -                          | 1,554,256            | -                 | -                 | 6,116,079            |
| Other Improvements, Net                         | 432,500  | -                    | -                          | 450,329              | -                 | -                 | 882,829              |
| Machinery and Equipment, Net                    | 25,740,956                                       | 411,794              | -                          | 73,471               | -                 | -                 | 26,226,221           |
| Construction in Progress                        | 3,793,167  | -                    | -                          | -                    | -                 | -                 | 3,793,167            |
| Intangibles, Net                                | -  | 38,897               | -                          | -                    | -                 | -                 | 38,897               |
| <b>Total Non-Current Assets</b>                 | <b>34,925,186</b>                                | <b>450,691</b>       | <b>-</b>                   | <b>2,082,749</b>     | <b>-</b>          | <b>-</b>          | <b>37,458,626</b>    |
| <b>Total Assets</b>                             | <b>41,862,884</b>                                | <b>5,760,684</b>     | <b>9,209,160</b>           | <b>19,481,877</b>    | <b>3,123,861</b>  | <b>142,451</b>    | <b>79,580,917</b>    |
| <b>LIABILITIES</b>                              |  |                      |                            |                      |                   |                   |                      |
| <b>Current Liabilities</b>                      |  |                      |                            |                      |                   |                   |                      |
| Accounts Payable                                | 303,664  | 557,424              | 175,817                    | 13,415               | 259,394           | 71,716            | 1,381,430            |
| Claims and Judgments Payable                    | -  | -                    | 3,017,736                  | -                    | -                 | -                 | 3,017,736            |
| Accrued Liabilities                             | 173,147  | 370,674              | 34,034                     | -                    | 2,869             | 5,242             | 585,966              |
| Bonds, Notes And Loans Payable                  | 93,719   | -                    | -                          | -                    | -                 | -                 | 93,719               |
| <b>Total Current Liabilities</b>                | <b>570,530</b>                                   | <b>928,098</b>       | <b>3,227,587</b>           | <b>13,415</b>        | <b>262,263</b>    | <b>76,958</b>     | <b>5,078,851</b>     |
| <b>Non-Current Liabilities</b>                  |  |                      |                            |                      |                   |                   |                      |
| Employee Benefits Payable                       | 213,159  | 446,058              | -                          | -                    | -                 | -                 | 659,217              |
| Bonds, Notes And Loans Payable                  | 1,323,644  | -                    | -                          | -                    | -                 | -                 | 1,323,644            |
| Claims And Judgments Payable                    | -  | -                    | 12,070,941                 | -                    | 2,225,958         | -                 | 14,296,899           |
| <b>Total Non-Current Liabilities</b>            | <b>1,536,803</b>                                 | <b>446,058</b>       | <b>12,070,941</b>          | <b>-</b>             | <b>2,225,958</b>  | <b>-</b>          | <b>16,279,760</b>    |
| <b>Total Liabilities</b>                        | <b>2,107,333</b>                                 | <b>1,374,156</b>     | <b>15,298,528</b>          | <b>13,415</b>        | <b>2,488,221</b>  | <b>76,958</b>     | <b>21,358,611</b>    |
| <b>NET ASSETS</b>                               |  |                      |                            |                      |                   |                   |                      |
| Invested in Capital Assets, Net of Related Debt | 33,507,826                                       | 450,692              | -                          | 2,082,749            | -                 | -                 | 36,041,267           |
| Restricted for                                  |  |                      |                            |                      |                   |                   |                      |
| Capital Purposes                                | 6,247,725  | -                    | -                          | -                    | -                 | -                 | 6,247,725            |
| <b>Total Restricted Net Assets</b>              | <b>6,247,725</b>                                 | <b>-</b>             | <b>-</b>                   | <b>-</b>             | <b>-</b>          | <b>-</b>          | <b>6,247,725</b>     |
| Unrestricted                                    | -  | 3,935,836            | (6,089,368)                | 17,385,713           | 635,640           | 65,493            | 15,933,314           |
| <b>Total Net Assets</b>                         | <b>\$ 39,755,551</b>                             | <b>\$ 4,386,528</b>  | <b>\$ (6,089,368)</b>      | <b>\$ 19,468,462</b> | <b>\$ 635,640</b> | <b>\$ 65,493</b>  | <b>\$ 58,222,306</b> |

The accompanying notes are an integral part of the financial statements.

**Combining Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Internal Service Funds  
For the Year Ended December 31, 2005**



|  | Governmental Activities (Internal Service Funds) |                      |                            |                      |                   |                   | Total Internal Funds |
|--|--|----------------------|----------------------------|----------------------|-------------------|-------------------|----------------------|
|  | Equipment Rental & Revolving                     | Information Services | Snohomish County Insurance | Pits and Quarries    | Employee Benefit  | Facility Services |                      |
| <b>Operating Revenues</b>                              |  |                      |                            |                      |                   |                   |                      |
| Charges for Services                                   | \$ 13,356,366                                    | \$ 16,962,971        | \$ 9,030,461               | \$ 355,531           | \$ 29,044,747     | \$ 739,782        | \$ 69,489,858        |
| Rents, Leases and Concessions                          | 25,067   | -                    | -                          | -                    | -                 | 831,099           | 856,166              |
| <b>Total Operating Revenues</b>                        | <b>13,381,433</b>                                | <b>16,962,971</b>    | <b>9,030,461</b>           | <b>355,531</b>       | <b>29,044,747</b> | <b>1,570,881</b>  | <b>70,346,024</b>    |
| <b>Operating Expenses</b>                              |  |                      |                            |                      |                   |                   |                      |
| Personnel Services                                     | 3,392,777  | 7,478,276            | 1,473,522                  | -                    | 72,210            | 129,571           | 12,546,356           |
| Supplies   | 5,508,988  | 1,172,558            | 75,980                     | 27,327               | 561               | 223               | 6,785,637            |
| Interfund Payments for Services                        | 1,142,799  | 1,140,284            | 54,812                     | 355,896              | 3,156             | 21,859            | 2,718,806            |
| Depreciation   | 4,296,445  | 232,511              | -                          | 95,320               | -                 | -                 | 4,624,276            |
| Contractual Services                                   | 427,967  | 4,689,828            | 7,186,886                  | 50,473               | 29,145,379        | 811,540           | 42,312,073           |
| <b>Total Operating Expenses</b>                        | <b>14,768,976</b>                                | <b>14,713,457</b>    | <b>8,791,200</b>           | <b>529,016</b>       | <b>29,221,306</b> | <b>963,193</b>    | <b>68,987,148</b>    |
| <b>Operating Income (Loss)</b>                         | <b>(1,387,543)</b>                               | <b>2,249,514</b>     | <b>239,261</b>             | <b>(173,485)</b>     | <b>(176,559)</b>  | <b>607,688</b>    | <b>1,358,876</b>     |
| <b>Non-Operating Revenues (Expenses)</b>               |  |                      |                            |                      |                   |                   |                      |
| Interest & Investment Earnings                         | 180,685  | 137,859              | 226,148                    | 496,498              | 42,841            | -                 | 1,084,031            |
| Miscellaneous Revenues                                 | 33,513   | 5,828                | 30,246                     | -                    | 679               | 1,730             | 71,996               |
| Disposition of Capital Assets                          | 333,348  | -                    | -                          | 16,095,468           | -                 | -                 | 16,428,816           |
| Interest Expense                                       | (72,739)   | -                    | -                          | -                    | -                 | -                 | (72,739)             |
| <b>Total Non-Operating Revenues (Expenses)</b>         | <b>474,807</b>                                   | <b>143,687</b>       | <b>256,394</b>             | <b>16,591,966</b>    | <b>43,520</b>     | <b>1,730</b>      | <b>17,512,104</b>    |
| <b>Income(Loss) Before Contributions and Transfers</b> | <b>(912,736)</b>                                 | <b>2,393,201</b>     | <b>495,655</b>             | <b>16,418,481</b>    | <b>(133,039)</b>  | <b>609,418</b>    | <b>18,870,980</b>    |
| Transfers In   | 555,875  | -                    | -                          | -                    | 750,738           | -                 | 1,306,613            |
| Transfers Out  | -  | (1,500,518)          | (43,346)                   | (3,500,000)          | (319,417)         | (543,925)         | (5,907,206)          |
| <b>Change in Net Assets</b>                            | <b>(356,861)</b>                                 | <b>892,683</b>       | <b>452,309</b>             | <b>12,918,481</b>    | <b>298,282</b>    | <b>65,493</b>     | <b>14,270,387</b>    |
| <b>Net Assets, Beginning</b>                           | <b>40,112,412</b>                                | <b>3,493,845</b>     | <b>(6,541,677)</b>         | <b>6,549,981</b>     | <b>337,358</b>    | <b>-</b>          | <b>43,951,919</b>    |
| <b>Net Assets, Ending</b>                              | <b>\$ 39,755,551</b>                             | <b>\$ 4,386,528</b>  | <b>\$ (6,089,368)</b>      | <b>\$ 19,468,462</b> | <b>\$ 635,640</b> | <b>\$ 65,493</b>  | <b>\$ 58,222,306</b> |

The accompanying notes are an integral part of the financial statements.

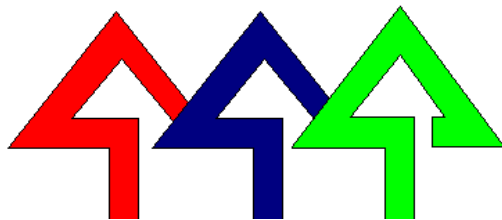
**Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2005**



|   | Governmental Activities - Internal Service |                         |                                  |                       |                     |                      |                         |
|---|--|-------------------------|----------------------------------|-----------------------|---------------------|----------------------|-------------------------|
|   | Equipment<br>Rental &<br>Revolving         | Information<br>Services | Snohomish<br>County<br>Insurance | Pits and<br>Quarries  | Employee<br>Benefit | Facility<br>Services | Total Internal<br>Funds |
| <b>Cash Flows from Operating Activities</b>   |  |                         |                                  |                       |                     |                      |                         |
| Receipts from Operations  | \$ 13,385,056                              | \$ 16,974,305           | \$ 9,030,462                     | \$ 352,863            | \$ 29,044,746       | \$ 1,570,870         | \$ 70,358,303           |
| Payments to Employees   | (2,438,464)                                | (5,715,057)             | (1,188,998)                      | -                     | (57,233)            | (105,228)            | (9,504,980)             |
| Payments of Claims  | (6,894,823)                                | (7,281,269)             | (6,674,168)                      | (104,003)             | (28,434,708)        | (759,148)            | (50,148,118)            |
| Internal Activity - Payment to Other Funds  | (1,142,799)                                | (1,140,284)             | (54,812)                         | (355,896)             | (3,156)             | (21,859)             | (2,718,805)             |
| <b>Total Cash Flows from Operating Activities</b>   | <b>\$ 2,908,971</b>                        | <b>\$ 2,837,695</b>     | <b>\$ 1,112,484</b>              | <b>\$ (107,036)</b>   | <b>\$ 549,649</b>   | <b>\$ 684,635</b>    | <b>\$ 7,986,399</b>     |
| <b>Cash Flows from Capital and Related Financing Activities</b>                               |  |                         |                                  |                       |                     |                      |                         |
| Capital Acquisition and Construction  | \$ (7,280,331)                             | \$ (97,621)             | \$ -                             | \$ -                  | \$ -                | \$ -                 | \$ (7,377,952)          |
| Capital Contributions/Transfers   | 555,875                                    | -                       | -                                | -                     | -                   | -                    | 555,875                 |
| Sale of Capital Assets  | 492,178                                    | -                       | -                                | 16,095,645            | -                   | -                    | 16,587,823              |
| Principal Paid on Loans   | (89,291)                                   | -                       | -                                | -                     | -                   | -                    | (89,291)                |
| Interest Paid on Loans  | (77,022)                                   | -                       | -                                | -                     | -                   | -                    | (77,022)                |
| <b>Total Cash Flows from Capital and Related Financing Activities</b>                         | <b>\$ (6,398,591)</b>                      | <b>\$ (97,621)</b>      | <b>\$ -</b>                      | <b>\$ 16,095,645</b>  | <b>\$ -</b>         | <b>\$ -</b>          | <b>\$ 9,599,433</b>     |
| <b>Cash Flows from Non-Capital Financing Activities</b>                                       |  |                         |                                  |                       |                     |                      |                         |
| Miscellaneous Revenue   | \$ 33,513                                  | \$ 5,828                | \$ 30,246                        | \$ -                  | \$ 679              | \$ 1,730             | \$ 71,996               |
| Transfers   | -  | (1,500,518)             | (43,346)                         | (3,500,000)           | 431,321             | (543,925)            | (5,156,468)             |
| <b>Total Cash Flows from Non-Capital Financing Activities</b>                                 | <b>\$ 33,513</b>                           | <b>\$ (1,494,690)</b>   | <b>\$ (13,100)</b>               | <b>\$ (3,500,000)</b> | <b>\$ 432,000</b>   | <b>\$ (542,195)</b>  | <b>\$ (5,084,472)</b>   |
| <b>Cash Flows from Investing Activities</b>   |  |                         |                                  |                       |                     |                      |                         |
| Interest on Investments   | \$ 171,781                                 | \$ 125,831              | \$ 209,262                       | \$ 440,713            | \$ 40,926           | \$ -                 | \$ 988,514              |
| Purchase of Investments   | (1,977,180)                                | -                       | -                                | (1,485,090)           | -                   | -                    | (3,462,270)             |
| Loan to Other Fund  | 706,546                                    | -                       | -                                | -                     | -                   | -                    | 706,546                 |
| <b>Total Cash Flows from Investing Activities</b>   | <b>\$ (1,098,853)</b>                      | <b>\$ 125,831</b>       | <b>\$ 209,262</b>                | <b>\$ (1,044,377)</b> | <b>\$ 40,926</b>    | <b>\$ -</b>          | <b>\$ (1,767,210)</b>   |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                                   | <b>\$ (4,554,959)</b>                      | <b>\$ 1,371,215</b>     | <b>\$ 1,308,646</b>              | <b>\$ 11,444,232</b>  | <b>\$ 1,022,575</b> | <b>\$ 142,440</b>    | <b>\$ 10,734,151</b>    |
| Cash and Cash Equivalents, January 1, 2005  | 8,312,227                                  | 3,780,407               | 7,234,573                        | 4,347,764             | 2,095,271           | -                    | 25,770,242              |
| <b>Cash and Cash Equivalents, December 31, 2005</b>   | <b>\$ 3,757,268</b>                        | <b>\$ 5,151,622</b>     | <b>\$ 8,543,219</b>              | <b>\$ 15,791,996</b>  | <b>\$ 3,117,846</b> | <b>\$ 142,440</b>    | <b>\$ 36,504,393</b>    |
| <b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b> |  |                         |                                  |                       |                     |                      |                         |
| Net Operating Income (loss)   | \$ (1,387,539)                             | \$ 2,249,515            | \$ 239,261                       | \$ (173,484)          | \$ (176,560)        | \$ 607,687           | \$ 1,358,881            |
| Depreciation Expense  | 4,296,445                                  | 232,511                 | -                                | 95,320                | -                   | -                    | 4,624,276               |
| Changes in Receivables, Net   | 3,619                                      | 11,334                  | -                                | (2,669)               | -                   | 11                   | 12,294                  |
| Changes in Inventories  | (83,472)                                   | (48,202)                | -                                | (19,513)              | -                   | -                    | (151,187)               |
| Changes in Accounts Payable & Other Liabilities   | 87,473                                     | 392,537                 | 915,002                          | (6,690)               | 726,209             | 76,959               | 2,191,490               |
| Changes in Prepayments and Deferrals  | (7,555)                                    | -                       | (41,779)                         | -                     | -                   | -                    | (49,335)                |
| <b>Net Cash Provided (Used) by Operating Activities</b>                                       | <b>\$ 2,908,971</b>                        | <b>\$ 2,837,695</b>     | <b>\$ 1,112,484</b>              | <b>\$ (107,036)</b>   | <b>\$ 549,649</b>   | <b>\$ 684,657</b>    | <b>\$ 7,986,420</b>     |

The accompanying notes are an integral part of the financial statements.

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**Snohomish County, Washington**  
**Statistical Section**

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**Table 1: General Government Expenditures by Function <sup>(1)</sup>  
Last Ten Fiscal Years**

| Year | General Government | Security of Persons And Property | Physical Environment | Transportation, Road And Street Construction | Economic Environment | Mental Physical Health | Culture And Recreation | Debt Service | Total       |
|------|--------------------|----------------------------------|----------------------|--|----------------------|------------------------|------------------------|--------------|-------------|
| 1996 | 66,518,957         | 51,846,917                       | 3,048,459            | 47,213,761                                   | 21,474,179           | 13,506,004             | 11,352,398             | 5,379,119    | 220,339,794 |
| 1997 | 61,678,188         | 69,411,871                       | 27,310,058           | 28,669,154                                   | 25,539,002           | 15,625,076             | 6,129,428              | 6,238,839    | 240,601,616 |
| 1998 | 69,279,749         | 78,220,802                       | 19,136,857           | 28,092,003                                   | 33,094,284           | 13,451,226             | 10,928,013             | 6,180,645    | 258,383,579 |
| 1999 | 69,983,264         | 85,225,236                       | 9,671,512            | 31,628,583                                   | 32,556,686           | 19,977,411             | 10,807,385             | 8,523,058    | 268,373,135 |
| 2000 | 74,349,416         | 88,838,120                       | 9,179,026            | 32,326,731                                   | 48,457,086           | 22,158,399             | 11,281,589             | 10,494,963   | 297,085,330 |
| 2001 | 79,002,549         | 97,951,154                       | 12,327,402           | 30,730,223                                   | 41,562,808           | 15,327,096             | 10,922,064             | 9,957,829    | 297,781,125 |
| 2002 | 65,715,645         | 124,216,429                      | 1,857,809            | 70,460,743                                   | 6,190,566            | 46,610,419             | 17,832,502             | 20,216,804   | 353,100,917 |
| 2003 | 88,395,435         | 152,915,441                      | 1,549,226            | 96,760,628                                   | 6,413,771            | 50,264,975             | 11,612,482             | 27,809,746   | 435,721,704 |
| 2004 | 94,425,343         | 167,842,017                      | 4,486,225            | 70,718,677                                   | 8,245,119            | 53,707,164             | 17,256,316             | 23,526,793   | 440,207,654 |
| 2005 | 69,928,124         | 149,888,676                      | 3,896,780            | 80,568,949                                   | 17,773,827           | 42,296,024             | 18,051,052             | 24,619,455   | 407,022,887 |

Notes:

(1) Includes general, special revenue, debt service funds, and capital projects.

**Table 2: General Revenues by Source <sup>(1)</sup>  
Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>Taxes</b> | <b>Licenses And Permits</b> | <b>Inter-Governmental</b> | <b>Charges for Services</b> | <b>Fine And Forfeits</b> | <b>Miscellaneous</b> | <b>Total</b> |
|--------------------|--------------|-----------------------------|---------------------------|-----------------------------|--------------------------|----------------------|--------------|
| 1996               | 104,660,529  | 10,920,832                  | 74,568,679                | 13,861,246                  | 3,149,236                | 20,125,916           | 227,286,438  |
| 1997               | 118,767,973  | 1,438,819                   | 82,633,866                | 33,209,904                  | 3,270,576                | 20,553,295           | 259,874,433  |
| 1998               | 124,855,166  | 1,491,110                   | 87,223,981                | 43,393,341                  | 3,301,013                | 22,584,178           | 282,848,789  |
| 1999               | 136,173,502  | 1,553,376                   | 87,587,545                | 43,911,199                  | 4,766,889                | 25,079,824           | 299,072,335  |
| 2000               | 142,710,004  | 1,773,729                   | 93,847,309                | 42,302,023                  | 5,789,478                | 26,654,002           | 313,076,545  |
| 2001               | 152,649,052  | 2,038,769                   | 88,903,196                | 41,644,032                  | 4,958,945                | 30,774,060           | 320,968,054  |
| 2002               | 158,654,265  | 1,744,725                   | 99,459,588                | 50,721,312                  | 5,327,360                | 19,202,600           | 335,109,850  |
| 2003               | 167,539,488  | 2,188,331                   | 111,945,505               | 57,601,532                  | 5,394,344                | 20,853,124           | 365,522,324  |
| 2004               | 172,675,229  | 2,243,898                   | 101,505,347               | 63,728,149                  | 5,822,589                | 12,335,364           | 358,310,576  |
| 2005               | 190,045,128  | 2,488,857                   | 91,176,419                | 64,225,276                  | 5,866,404                | 19,924,079           | 373,726,163  |

Notes:

(1) Includes general, special revenue, debt service funds, and capital projects.



**Table 3: Property Tax Levies and Collections  
Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>Total Tax Levy</b> | <b>Current Tax Collections</b> | <b>Percent Of Levy Collected</b> | <b>Delinquent Tax Collections</b> | <b>Total Tax Collections</b> | <b>Percent Of Total Tax Collections To Tax Levied</b> | <b>Outstanding Delinquent Taxes</b> | <b>Percentage of Delinquent Tax to Tax Levied</b> |
|--------------------|-----------------------|--------------------------------|----------------------------------|-----------------------------------|------------------------------|---|-------------------------------------|---|
| 1996               | 68,052,602            | 65,531,655                     | 96.30%                           | 1,987,934                         | 67,519,589                   | 99.22%  | 3,546,323                           | 5.21%   |
| 1997               | 73,742,793            | 71,327,804                     | 96.73%                           | 2,133,567                         | 73,461,371                   | 99.62%  | 3,766,263                           | 5.11%   |
| 1998               | 80,007,668            | 77,127,597                     | 96.40%                           | 2,245,432                         | 79,373,029                   | 99.21%  | 2,650,179                           | 3.31%   |
| 1999               | 87,061,076            | 84,013,938                     | 96.50%                           | 2,292,318                         | 86,306,256                   | 99.13%  | 3,139,894                           | 3.61%   |
| 2000               | 92,978,795            | 88,569,946                     | 95.26%                           | 2,359,855                         | 90,929,801                   | 97.80%  | 5,958,935                           | 6.41%   |
| 2001               | 100,145,087           | 96,401,289                     | 96.26%                           | 1,846,300                         | 98,247,589                   | 98.11%  | 5,729,523                           | 5.72%   |
| 2002               | 110,342,888           | 108,109,217                    | 97.98%                           | 1,513,338                         | 109,622,555                  | 99.35%  | 5,900,255                           | 5.35%   |
| 2003               | 107,548,107           | 104,038,372                    | 96.74%                           | 2,077,584                         | 106,115,956                  | 98.67%  | 5,685,576                           | 5.29%   |
| 2004               | 107,095,374           | 104,121,288                    | 97.22%                           | 2,421,001                         | 106,542,289                  | 99.48%  | 5,068,386                           | 4.73%   |
| 2005               | 110,250,526           | 107,350,735                    | 97.37%                           | 3,393,466                         | 110,744,201                  | 100.45%   | 4,518,110                           | 4.10%   |

**Table 4: Assessed and Estimated Actual Value of Taxable Property <sup>(1)</sup>  
Last Ten Fiscal Years**

| Fiscal Year | Real Property 1 |                        | Personal Property 2 |                        | Total          |                        | Ratio of Total Assessed to Total Estimated Actual Value <sup>(2)</sup> |
|-------------|-----------------|------------------------|---------------------|------------------------|----------------|------------------------|--|
|             | Assessed Value  | Estimated Actual Value | Assessed Value      | Estimated Actual Value | Assessed Value | Estimated Actual Value |  |
| 1996        | 29,668,423,386  | 32,855,396,884         | 2,318,432,852       | 2,318,432,852          | 31,986,856,238 | 35,173,829,736         | 90.9%  |
| 1997        | 30,973,901,778  | 34,569,086,806         | 2,417,488,128       | 2,662,431,859          | 33,391,389,906 | 37,231,518,665         | 89.7%  |
| 1998        | 32,734,498,056  | 37,029,975,176         | 2,229,493,164       | 2,315,153,857          | 34,963,991,220 | 39,345,129,033         | 88.9%  |
| 1999        | 34,791,225,831  | 40,502,009,116         | 2,243,705,515       | 2,243,705,515          | 37,034,931,346 | 42,745,714,631         | 86.6%  |
| 2000        | 36,996,486,746  | 44,413,549,515         | 2,243,513,873       | 2,243,513,873          | 39,240,000,619 | 46,657,063,388         | 84.1%  |
| 2001        | 40,305,975,472  | 49,153,628,624         | 2,195,719,122       | 2,195,719,122          | 42,501,694,594 | 51,349,347,746         | 82.8%  |
| 2002        | 42,391,095,463  | 51,759,579,320         | 2,243,239,705       | 2,406,909,555          | 44,634,335,168 | 54,166,488,875         | 82.4%  |
| 2003        | 46,298,080,936  | 56,323,699,436         | 2,165,502,260       | 2,336,032,643          | 48,463,583,196 | 58,659,732,078         | 82.6%  |
| 2004        | 50,959,400,433  | 57,974,289,457         | 2,318,155,218       | 2,541,836,862          | 53,277,555,651 | 60,516,126,319         | 88.0%  |
| 2005        | 57,687,950,070  | 63,743,591,238         | 2,302,697,836       | 2,421,343,676          | 59,990,647,906 | 66,164,934,914         | 90.7%  |

Notes:

- (1) Snohomish County Assessor's Annual Report for Fiscal Year's taxes.
- (2) Ratio based on revaluation schedule determined by the Washington State Department of Revenue.

**Table 5: All Overlapping Government Property Tax Rates <sup>(1) (2) (3)</sup>  
Last Ten Fiscal Years**

| Year | City <sup>(4)</sup> | School District <sup>(5)</sup> | County | State | Other <sup>(6)</sup> | Total <sup>(7)</sup> |
|------|---------------------|--------------------------------|--------|-------|----------------------|----------------------|
| 1996 | 3.25                | 4.80                           | 1.57   | 3.62  | 0.71                 | 13.95                |
| 1997 | 3.27                | 4.68                           | 1.62   | 3.58  | 0.72                 | 13.87                |
| 1998 | 3.30                | 4.92                           | 1.69   | 3.52  | 0.72                 | 14.15                |
| 1999 | 3.21                | 4.94                           | 1.68   | 3.50  | 0.66                 | 13.99                |
| 2000 | 3.33                | 5.21                           | 1.70   | 3.40  | 0.73                 | 14.37                |
| 2001 | 3.12                | 4.85                           | 1.64   | 3.29  | 0.93                 | 13.83                |
| 2002 | 2.57                | 4.41                           | 1.60   | 3.18  | 1.12                 | 12.88                |
| 2003 | 2.49                | 4.76                           | 1.45   | 2.95  | 1.11                 | 12.76                |
| 2004 | 2.25                | 4.15                           | 1.33   | 2.79  | 1.05                 | 11.57                |
| 2005 | 2.09                | 4.18                           | 1.22   | 2.53  | 1.03                 | 11.05                |

## Notes

- (1) Limitation on Levies. Article 7, subsection 2 of the Washington State Constitution and the Revised Code of Washington (RCW), Chapter 84.52.050, 84.52.043, 84.55.010
- (2) Real and Personal Property taxes are payable on or before February 15. Unpaid taxes become delinquent after April 30, unless tax is \$50,000 or more and one-half is paid before April 30. In this case the second half is not delinquent until after October 31.
- (3) Tax rates are in dollars levied per thousand dollars of value.
- (4) This is an average rate based on total assessed value of cities and towns. Each entity has its own millage rate.
- (5) This is an average rate based on total assessed value of school districts. Each entity has its own millage rate.
- (6) This is an average rate based on total county rate less city, school, county and state rates. Each entity within this group has its own assessed property value and millage rate.
- (7) This is an average rate based on total tax levies and total assessed property for Snohomish County.

**Table 6: Principal Taxpayers 2005 <sup>(1)</sup>**

| <b>Taxpayer</b>              | <b>Business</b> | <b>Assessed Valuation</b> | <b>Percent of Total Assessed Valuation</b> |
|------------------------------|-----------------|---------------------------|--|
| Boeing                       | Manufacturing   | \$ 1,306,405,933          | 2.70%                                      |
| GTE/Verizon                  | Utility         | 417,707,076               | 0.86%                                      |
| Kimberly Clark               | Manufacturing   | 228,130,203               | 0.47%                                      |
| Puget Sound Energy/Gas       | Utility         | 160,187,839               | 0.33%                                      |
| Alderwood Mall LLC           | Property Mgmt   | 125,963,675               | 0.26%                                      |
| Fred Meyer                   | Retail          | 108,341,440               | 0.22%                                      |
| Avalonbay Communities Inc.   | Apartment       | 105,281,793               | 0.22%                                      |
| Rreef Management Co          | Property Mgmt   | 96,793,416                | 0.20%                                      |
| Teachers Ins & Annuity Assn. | Communication   | 94,425,272                | 0.19%                                      |
| Fluke Electronics Corp       | Technology      | 83,681,041                | 0.17%                                      |
| Equity Assets Mgmt Inc.      | Business Parks  | 77,281,573                | 0.16%                                      |
| Premera Blue Cross           | Insurance       | 74,271,969                | 0.15%                                      |
| Essex Property Trust         | Property Mgmt   | 73,493,109                | 0.15%                                      |
| Carr America Realty Corp     | Business Parks  | 73,165,017                | 0.15%                                      |
| Philips Ultrasound           | Technology      | 70,848,762                | 0.15%                                      |
| <b>Grand Total</b>           |                 | <b>\$ 3,095,978,118</b>   | <b>6.39%</b>                               |

## Notes:

(1) Snohomish County Assessor's Annual Report for 2005 Taxes.

**Table 7: Special Assessment Collections and Billings  
Last Ten Fiscal Years**

| Fiscal Year | Collections |         |        |         | Billings |           |         |         |
|-------------|-------------|---------|--------|---------|----------|-----------|---------|---------|
|             | RID #11A    | RID24A  | RID30  | RID #13 | RID #11A | RID24A    | RID30   | RID #13 |
| 1996        | 3,844       | -       | 8,632  | 78,491  | 52,384   | -         | 127,976 | 254,405 |
| 1997        | 5,104       | 408,696 | 12,983 | 72,509  | 47,281   | 4,000,000 | 114,993 | 181,896 |
| 1998        | 21,673      | 101,769 | 26,370 | 42,247  | 25,608   | 3,489,535 | 88,623  | 139,649 |
| 1999        | 2,173       | 193,249 | 23,884 | 25,451  | 21,949   | 3,296,286 | 64,739  | 114,198 |
| 2000        | 3,658       | 271,851 | 10,148 | 34,647  | 18,291   | 3,024,435 | 54,591  | 79,551  |
| 2001        | 3,238       | 297,308 | 3,590  | 19,241  | 15,053   | 2,727,127 | 51,001  | 60,310  |
| 2002        | 5,339       | 204,650 | 5,186  | 28,614  | 9,026    | 2,819,785 | 49,405  | 34,224  |
| 2003        | 3,238       | 432,233 | 4,388  | 17,576  | 5,677    | 2,058,716 | 43,706  | 15,771  |
| 2004        | 4,078       | 332,104 | 7,317  | 14,119  | 2,632    | 1,710,000 | 35,987  | -       |
| 2005        | 2,397       | 180,159 | 9,031  | -       | -        | 1,517,961 | 26,459  | -       |

**Table 8: Limitation of Indebtedness  
For the Year Ended December 31, 2005**

|  |                          |
|--|--------------------------|
| 2006 Collection Year Assessed Valuation                                      | <u>\$ 68,597,770,547</u> |
| <br>   |                          |
| <b>Limited Tax General Obligation Debt Capacity (Non-voted)</b>              |                          |
| Limited Tax General Obligation Debt Capacity<br>(1.5% of Assessed Valuation) | \$ 1,028,966,558         |
| Less: Outstanding LTGO Bonds and Other Obligations <sup>(1)</sup>            | (359,466,242)            |
| Plus: Balance in Debt Service Fund   | <u>19,158,784</u>        |
| Remaining Capacity (Non-voted)   | \$ 688,659,100           |
| <br>   |                          |
| <b>Tax General Obligation Debt Capacity (Voted and Non-voted)</b>            |                          |
| Total General Obligation Debt Capacity<br>(2.5% of Assessed Valuation)       | \$ 1,714,944,264         |
| Less: Outstanding LTGO Bonds and Other Obligations <sup>(1)</sup>            | (359,466,242)            |
| Plus: Balance in Debt Service Fund   | <u>19,158,784</u>        |
| Remaining Capacity (Voted and Non-voted)                                     | \$ 1,374,636,806         |

Notes:

(1) Excludes Refunded Bonds; includes State Public Works Trust Fund Loans and other obligations.

**Table 9: Ratio of Net General Obligation Debt to Assessed Value and  
 Net General Obligation Debt per Capita  
 Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>Population</b> | <b>Assessed Value</b> | <b>Gross G.O. Debt <sup>(1)</sup></b> | <b>Net Debt Service Funds <sup>(2)</sup></b> | <b>Debt Payable From Enterprise Revenues <sup>(3)</sup></b> | <b>Net G.O. Debt</b> | <b>Ratio of Net G.O. Debt to Assessed Value</b> | <b>Net G.O. Debt per Capita</b> |
|--------------------|-------------------|-----------------------|---------------------------------------|--|---|----------------------|---|---------------------------------|
| 1996               | 538,100           | 33,391,389,906        | 73,637,457                            | 40,288,666                                   | 25,495,153  | 7,853,638            | 0.02%   | 14.60                           |
| 1997               | 551,200           | 34,963,991,220        | 110,282,004                           | 67,120,257                                   | 20,780,000  | 22,381,747           | 0.06%   | 40.61                           |
| 1998               | 568,100           | 37,034,931,346        | 123,136,670                           | 63,422,495                                   | 38,035,000  | 21,679,175           | 0.06%   | 38.16                           |
| 1999               | 583,300           | 40,029,932,421        | 145,469,934                           | 81,817,422                                   | 36,140,000  | 27,512,512           | 0.07%   | 47.17                           |
| 2000               | 593,500           | 42,501,694,594        | 140,771,121                           | 77,496,835                                   | 34,130,000  | 29,144,286           | 0.07%   | 49.11                           |
| 2001               | 618,600           | 45,527,932,751        | 290,604,555                           | 209,620,782                                  | 32,035,000  | 48,948,773           | 0.11%   | 79.13                           |
| 2002               | 628,000           | 49,262,949,997        | 301,888,964                           | 204,642,255                                  | 28,355,000  | 68,891,709           | 0.14%   | 109.70                          |
| 2003               | 637,500           | 54,029,571,725        | 382,403,980                           | 254,338,550                                  | 43,117,000  | 84,948,430           | 0.16%   | 133.25                          |
| 2004               | 644,800           | 60,801,066,003        | 366,434,194                           | 244,822,446                                  | 38,267,000  | 83,344,748           | 0.14%   | 129.26                          |
| 2005               | 655,800           | 68,597,770,547        | 359,466,242                           | 244,959,124                                  | 51,522,316  | 62,984,802           | 0.09%   | 96.04                           |

## Notes:

- (1) Amount does not include special assessment.
- (2) Amount available for repayment of general obligation bonds.
- (3) These amounts include the general obligation bonds that are being repaid from solid waste revenues.

**Table 10: Ratio of Annual Debt Service Expenditures for  
General Bonded Debt to Total Expenditures  
Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>Principal</b> | <b>Interest</b> | <b>Total Debt Service</b> | <b>Total General Expenditures</b> | <b>Percentage of Debt Service to Total General Expenditures</b> |
|--------------------|------------------|-----------------|---------------------------|-----------------------------------|---|
| 1996               | 2,060,950        | 1,304,511       | 3,365,461                 | 224,396,225                       | 1.50%   |
| 1997               | 2,594,600        | 2,955,393       | 5,549,993                 | 249,196,299                       | 2.23%   |
| 1998               | 2,897,850        | 2,361,481       | 5,259,331                 | 266,589,768                       | 1.97%   |
| 1999               | 4,022,312        | 3,909,504       | 7,931,816                 | 276,415,012                       | 2.87%   |
| 2000               | 4,583,228        | 4,123,262       | 8,706,490                 | 305,334,166                       | 2.85%   |
| 2001               | 4,986,896        | 4,328,581       | 9,315,477                 | 308,885,013                       | 3.02%   |
| 2002               | 6,312,980        | 13,903,824      | 20,216,804                | 353,100,917                       | 5.73%   |
| 2003               | 13,966,024       | 12,646,011      | 26,612,035                | 435,721,704                       | 6.11%   |
| 2004               | 9,516,104        | 12,861,815      | 22,377,919                | 440,207,654                       | 5.08%   |
| 2005               | 10,122,112       | 12,685,164      | 22,807,276                | 407,022,887                       | 5.60%   |



**Table 11: Computation of Direct and Overlapping Bonded Debt  
 General Obligation Bonds  
 December 31, 2005**

|  |    |             |               |
|--|----|-------------|---------------|
| Net General Obligation Bonded Debt Outstanding |    | \$          | 359,466,242   |
| Overlapping G.O. Debt                          |    |             |               |
| School Districts                               | \$ | 855,093,497 |               |
| Hospital                                       |    | 39,803,587  |               |
| Port District                                  |    | 20,170,000  |               |
| Cities   |    | 128,967,013 |               |
| Fire Districts                                 |    | 24,060,553  |               |
| Water/Sewer Districts                          |    | 16,672,539  |               |
| Flood Districts                                |    | 834,073     |               |
| Park and Recreation Districts                  |    | 2,058,045   |               |
| Library District                               |    | 15,944,551  |               |
| Public Facilities District                     |    | 11,930,000  |               |
| Total Overlapping Debt                         |    | \$          | 1,115,533,858 |
| Total Direct and Indirect Overlapping Debt     |    | \$          | 1,475,000,100 |

**Table 12: Demographic Statistics  
Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>Population <sup>(1) (5)</sup></b> | <b>Per Capita Income <sup>(2)</sup></b> | <b>School Enrollment <sup>(3)</sup></b> | <b>Unemployment Rate <sup>(4)</sup></b> |
|--------------------|--------------------------------------|---|---|---|
| 1996               | 538,100                              | 24,146                                  | 101,687                                 | 4.4                                     |
| 1997               | 551,200                              | 26,098                                  | 105,847                                 | 3.5                                     |
| 1998               | 568,100                              | 27,066                                  | 108,067                                 | 3.3                                     |
| 1999               | 583,300                              | 27,815                                  | 109,201                                 | 3.7                                     |
| 2000               | 606,024                              | 28,394                                  | 110,713                                 | 4.6                                     |
| 2001               | 618,600                              | 29,460                                  | 111,952                                 | 4.5                                     |
| 2002               | 628,000                              | 31,495                                  | 112,508                                 | 8.0                                     |
| 2003               | 637,500                              | 31,650                                  | 110,834                                 | 8.2                                     |
| 2004               | 644,800                              | 32,591                                  | 112,138                                 | 5.6                                     |
| 2005               | 655,800                              | Unavailable                             | Unavailable                             | 4.8                                     |

## Notes:

- (1) State of Washington Office of Financial Management, Forecasting.
- (2) US Department of Commerce, Bureau of Economic Analysis
- (3) State of Washington Department of Education.
- (4) State of Washington Employment Security Department Snohomish County only.
- (5) US Census Bureau

**Table 13: Property Value, Construction, and Bank Deposits  
Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>Assessed Value Real Property</b> | <b>Personal Property</b> | <b>Total County Construction - New Residential Unit Permits</b> | <b>Residential And Commercial Permits <sup>(1)</sup></b> | <b>Building Permit Valuations (in thousands)</b> | <b>Bank Deposits <sup>(2)</sup> (in millions)</b> |
|--------------------|-------------------------------------|--------------------------|---|--|--|---|
| 1996               | 30,973,901,778                      | 2,417,488,128            | 5,971   | 4,854  | 816,679  | 3,797   |
| 1997               | 32,018,607,698                      | 2,229,306,440            | 6,897   | 5,382  | 826,721  | 3,750   |
| 1998               | 34,063,196,705                      | 2,243,592,937            | 9,046   | 5,709  | 1,079,301  | 3,905   |
| 1999               | 36,996,486,746                      | 2,243,513,873            | 7,452   | 5,289  | 945,504  | 4,303   |
| 2000               | 39,450,688,489                      | 2,195,719,122            | 6,808   | 4,633  | 941,844  | 4,572   |
| 2001               | 42,391,095,463                      | 2,243,239,705            | 5,633   | 4,231  | 771,452  | 5,053   |
| 2002               | 46,298,080,936                      | 2,165,502,260            | 5,214   | 4,357  | 804,363  | 5,426   |
| 2003               | 50,959,400,433                      | 2,318,155,218            | 5,065   | 4,135  | 872,582  | 6,084   |
| 2004               | 57,687,950,070                      | 2,302,697,836            | 5,606   | 4,730  | 1,030,441  | 6,432   |
| 2005               | 65,361,592,461                      | 2,408,691,827            | 6,981   | 6,171  | 1,445,267  | 7,238   |

Notes:

- (1) Includes number of residential, commercial, industrial, public and private buildings.
- (2) Bank deposits for each year: Federal Deposit Insurance Corporation

**Table 14: Miscellaneous Statistics  
December 31, 2005**

| <b>Miscellaneous Statistics</b>            |                     |
|--|---------------------|
| Date of Incorporation                      | 1861                |
| County Seat                                | Everett, Washington |
| Form of Government                         | Home Rule Charter   |
| Present Charter was adopted                | November, 1996      |
| Number of Municipalities                   | 20                  |
| Land Area                                  | 2,089 sq. miles     |
| Population                                 | 655,800             |
| Population Density                         | 313.9 per sq. mile  |
| Number of Votes Cast Last General Election | 175,937             |
| Number of Registered Voters                | 354,116             |
| Percentage of Registered Voters Voting     | 50%                 |
| County Park Acreage:                       | (Acres)             |
| Community Parks                            | 654                 |
| Neighborhood Parks                         | 11                  |
| Open Space/Preserve                        | 2,831               |
| Regional Park                              | 4,619               |
| Special Use                                | 612                 |
| Trail                                      | 965                 |
| Total County Park Property Acreage         | 9,691               |
| <b>Elected Positions:</b>                  |                     |
| Executive                                  |                     |
| 5 Council Positions                        |                     |
| Assessor                                   |                     |
| Auditor                                    |                     |
| Clerk                                      |                     |
| Sheriff                                    |                     |
| Treasurer                                  |                     |
| Prosecuting Attorney                       |                     |
| <b>Bond Rating</b>                         |                     |
| Aaa (Moody's)                              |                     |
| AAA (Standard & Poor's)                    |                     |



**Snohomish County, Washington**  
**Compliance Section**

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Schedule of Expenditures of Federal Awards



| Grantor/Pass-Through Grantor/Program Title                       | CFDA<br>Number | Other Identification<br>Number | Total               |
|--|----------------|--------------------------------|---------------------|
| <b>U. S. DEPARTMENT OF AGRICULTURE</b>                           |                |                                |                     |
| Direct:  |                |                                |                     |
| National School Breakfast Program 04-05                          | 10.553         | 31-002-9790                    | \$ 21,453           |
| National School Breakfast Program 05-06                          | 10.553         | 31-002-9790                    | 10,316              |
| <b>Total CFDA 10.553</b>   |                |                                | <u>31,769</u>       |
| Direct:  |                |                                |                     |
| National Lunch Program 04-05                                     | 10.555         | 31-002-9790                    | \$ 40,526           |
| National Lunch Program 05-06                                     | 10.555         | 31-002-9790                    | 19,780              |
| <b>Total CFDA 10.555</b>   |                |                                | <u>60,306</u>       |
| Through Dept. of Social and Health Services                      |                |                                |                     |
| Children's Basic Food Nutrition Education Program                | 10.561         | S05-33605-B19                  | \$ 866              |
| Children's Basic Food Nutrition Education Program - Pass Through | 10.561         | S05-33605-B19                  | 20,340              |
| Children's Basic Food Nutrition Education Program - Pass Through | 10.561         | S06-33102-B15                  | 598                 |
| <b>Total CFDA 10.561</b>   |                |                                | <u>21,804</u>       |
| Direct:  |                |                                |                     |
| Control And Management Of J Knotweed In Stilly                   | 10.664         | WAFH-04-002                    | \$ 25,780           |
| <b>Total CFDA 10.664</b>   |                |                                | <u>25,780</u>       |
| Direct   |                |                                |                     |
| Lewis Creek Culvert Construction                                 | 10.665         | NFS 05-DG-11060500-004         | \$ 28,000           |
| <b>Total CFDA 10.665</b>   |                |                                | <u>28,000</u>       |
| Direct:  |                |                                |                     |
| Fish Passage Culverts Design                                     | 10.666         | NFS03-DG-11060500-023          | \$ 10,429           |
| <b>Total CFDA 10.666</b>   |                |                                | <u>10,429</u>       |
| Direct:  |                |                                |                     |
| Robe Valley EWP Project  | 10.904         | 68-0546-4-019                  | \$ 670,334          |
| <b>Total CFDA 10.904</b>   |                |                                | <u>670,334</u>      |
| Direct:  |                |                                |                     |
| Federal Farm and Ranch Protection Program                        | 10.913         | 73-0546-3-005                  | \$ 271,425          |
| <b>Total CFDA 10.913</b>   |                |                                | <u>271,425</u>      |
| <b>TOTAL U. S. DEPARTMENT OF AGRICULTURE</b>                     |                |                                | <b>\$ 1,119,847</b> |
| <b>NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION</b>           |                |                                |                     |
| Direct:  |                |                                |                     |
| NW Straits: MRC Year 6 Admin and Action Project                  | 11.419         | G0600109                       | \$ 23,615           |
| <b>Total CFDA 11.419</b>   |                |                                | <u>23,615</u>       |
| <b>TOTAL NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION</b>     |                |                                | <b>\$ 23,615</b>    |
| <b>U. S. DEPARTMENT OF COMMERCE</b>                              |                |                                |                     |
| Indirect:  |                |                                |                     |
| Snohomish County Lead Entity Operational Grant                   | 11.438         | 05-2018                        | \$ 15,625           |
| Stillaguamish Lead Entity  | 11.438         | 05-2016                        | 15,500              |
| <b>Total CFDA 11.438</b>   |                |                                | <u>31,125</u>       |

Schedule of Expenditures of Federal Awards



| Grantor/Pass-Through Grantor/Program Title                      | CFDA<br>Number | Other Identification<br>Number | Total            |
|---|----------------|--------------------------------|------------------|
| Direct:   |                |                                |                  |
| Church Creek Watershed  | 11.463         | NA17FZ2761                     | \$ 1,413         |
| <b>Total CFDA 11.463</b>  |                |                                | <u>1,413</u>     |
| <b>TOTAL U. S. DEPARTMENT OF COMMERCE</b>                       |                |                                | <b>\$ 32,538</b> |
| <b>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>        |                |                                |                  |
| Indirect Through The City Of Everett:                           |                |                                |                  |
| Everett Community Development Block Grant - 2004                | 14.218         | None                           | \$ 4,006         |
| Direct:   |                |                                |                  |
| Community Development Block Grant Entitlement                   | 14.218         | B-00-UC-53-0003                | \$ 109,663       |
| Community Development Block Grant Entitlement                   | 14.218         | B-01-UC-53-0003                | 130,385          |
| Community Development Block Grant Entitlement                   | 14.218         | B-02-UC-53-0003                | 564,194          |
| Community Development Block Grant Entitlement                   | 14.218         | B-03-UC-53-0003                | 221,521          |
| Community Development Block Grant Entitlement                   | 14.218         | B-04-UC-53-0003                | 2,353,023        |
| Community Development Block Grant Entitlement                   | 14.218         | B-05-UC-53-0003                | 826,555          |
| <b>Total CFDA 14.218</b>  |                |                                | <u>4,209,347</u> |
| Direct:   |                |                                |                  |
| HUD - ESGP  | 14.231         | S-03-UC-53-0004                | \$ 6,656         |
| HUD - ESGP  | 14.231         | S-04-UC-53-0004                | 136,158          |
| HUD - ESGP  | 14.231         | S-05-UC-53-0004                | 6,461            |
| <b>Total CFDA 14.231</b>  |                |                                | <u>149,275</u>   |
| Direct:   |                |                                |                  |
| Supportive Housing Program                                      | 14.235         | WA01B10-4001                   | \$ 85,223        |
| Supportive Housing Program                                      | 14.235         | WA01B10-4002                   | 1,433            |
| Supportive Housing Program                                      | 14.235         | WA01B10-4004                   | 632              |
| Supportive Housing Program                                      | 14.235         | WA01B20-4005                   | 11,645           |
| Supportive Housing Program                                      | 14.235         | WA01B20-4005                   | 147,060          |
| Supportive Housing Program                                      | 14.235         | WA01B30-4008                   | 79,582           |
| Supportive Housing Program                                      | 14.235         | WA01B30-4001                   | 7,155            |
| Supportive Housing Program                                      | 14.235         | WA01B30-4005                   | 156,042          |
| Supportive Housing Program - Catholic Community Services        | 14.235         | WA01B30-4011                   | 191              |
| Supportive Housing Program - Catholic Community Services        | 14.235         | WA01B40-4003                   | 709              |
| Supportive Housing Program - Center for Battered Women          | 14.235         | WA01B30-4006                   | 80               |
| Supportive Housing Program - Center for Battered Women          | 14.235         | WA01B40-4006                   | 1,043            |
| Supportive Housing Program - HMIS                               | 14.235         | WA01B30-4012                   | 74,085           |
| Supportive Housing Program - HMIS                               | 14.235         | WA01B40-4013                   | 10,708           |
| Supportive Housing Program - VOA                                | 14.235         | WA01B30-4009                   | 736              |
| Supportive Housing Program - VOA                                | 14.235         | WA01B40-4002                   | 823              |
| Pass-Through Supportive Housing Grant-Catholic Com Svcs         | 14.235         | WA01B30-4011                   | 18,266           |
| Pass-Through Supportive Housing Grant-Catholic Com Svcs         | 14.235         | WA01B40-4003                   | 14,502           |
| Pass-Through Supportive Housing Grant-Center For Battered Women | 14.235         | WA01B30-4006                   | 70,238           |
| Pass-Through Supportive Housing Grant-Center For Battered Women | 14.235         | WA01B40-4006                   | 51,079           |
| Pass-Through Supportive Housing Grant-VOA                       | 14.235         | WA01B30-4009                   | 34,001           |
| Pass-Through Supportive Housing Grant-VOA                       | 14.235         | WA01B40-4002                   | 31,347           |
| <b>Total CFDA 14.235</b>  |                |                                | <u>796,580</u>   |
| Direct:   |                |                                |                  |



Schedule of Expenditures of Federal Awards



| <u>Grantor/Pass-Through Grantor/Program Title</u>              | <u>CFDA<br/>Number</u> | <u>Other Identification<br/>Number</u> | <u>Total</u>        |
|--|------------------------|--|---------------------|
| Home Program   | 14.239                 | M-01-DC-53-0201                        | \$ 22,560           |
| Home Program   | 14.239                 | M-02-DC-53-0201                        | 53,168              |
| Home Program   | 14.239                 | M-03-DC-53-0201                        | 494,025             |
| Home Program   | 14.239                 | M-04-DC-53-0201                        | 1,078,036           |
| Home Program   | 14.239                 | M-05-DC-53-0201                        | 197,440             |
| <b>Total CFDA 14.239</b>                                       |                        |  | <u>1,845,229</u>    |
| <b>TOTAL U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b> |                        |  | <b>\$ 7,000,431</b> |
| <b>DEPARTMENT OF THE INTERIOR</b>                              |                        |  |                     |
| Indirect   |                        |  |                     |
| Spencer Island Estuary Restoration                             | 15.608                 | 2004-0145-000                          | \$ 41,265           |
| <b>Total CFDA 15.608</b>                                       |                        |  | <u>41,265</u>       |
| Direct   |                        |  |                     |
| Lake Cassidy Wetlands Interpretive Kiosk                       | 15.921                 | P9803040019                            | \$ 7,154            |
| <b>Total CFDA 15.921</b>                                       |                        |  | <u>7,154</u>        |
| <b>TOTAL DEPARTMENT OF THE INTERIOR</b>                        |                        |  | <b>\$ 48,419</b>    |
| <b>U. S. DEPARTMENT OF JUSTICE</b>                             |                        |  |                     |
| Indirect   |                        |  |                     |
| Juvenile Accountability Incentive Block Grant                  | 16.523                 | 0563-77141                             | \$ 25,784           |
| Juvenile Accountability Incentive Block Grant                  | 16.523                 | 0463-59260                             | 91,961              |
| <b>Total CFDA 16.523</b>                                       |                        |  | <u>117,745</u>      |
| Indirect Through State DSHS:                                   |                        |  |                     |
| DARTS Secure CRC Bridges                                       | 16.540                 | I-300-00204                            | \$ 91,700           |
| DARTS Secure CRC Bridges                                       | 16.540                 | I-300-00505                            | 77,915              |
| Juvenile Justice Program Development Unit                      | 16.540                 | I-100-02304                            | 5,000               |
| Juvenile Justice Program Development Unit                      | 16.540                 | I-100-02005                            | 5,000               |
| <b>Total CFDA 16.540</b>                                       |                        |  | <u>179,615</u>      |
| Indirect   |                        |  |                     |
| Byrne Grant 2003-04  | 16.579                 | F05-66201115                           | \$ 122,881          |
| Byrne Grant 2004-05  | 16.579                 | F04-67404015                           | 154,098             |
| <b>Total CFDA 16.579</b>                                       |                        |  | <u>276,979</u>      |
| Direct   |                        |  |                     |
| Juvenile Drug Court Implementation                             | 16.585                 | 2003-DC-BX-0029                        | \$ 167,457          |
| <b>Total CFDA 16.585</b>                                       |                        |  | <u>167,457</u>      |
| Direct   |                        |  |                     |
| LOCAL LAW ENFORCEMENT BLOCK GRANT                              | 16.592                 | 2004-LB-BX-1025                        | \$ 33,731           |
| LOCAL LAW ENFORCEMENT BLOCK GRANT                              | 16.592                 | 2003-LB-BX-1943                        | 85,370              |
| <b>Total CFDA 16.592</b>                                       |                        |  | <u>119,101</u>      |
| Indirect   |                        |  |                     |
| COPS Technology  | 16.710                 | 2004-CKWX-0280                         | \$ 13,853           |
| WASPC Contract   | 16.710                 | 04-WSMI-017                            | 58,907              |
| <b>Total CFDA 16.710</b>                                       |                        |  | <u>72,760</u>       |

Schedule of Expenditures of Federal Awards

| Grantor/Pass-Through Grantor/Program Title            | CFDA<br>Number | Other Identification<br>Number | Total                |
|---|----------------|--------------------------------|----------------------|
| <b>TOTAL U. S. DEPARTMENT OF JUSTICE</b>              |                |                                | <b>\$ 933,657</b>    |
| <b>U. S. DEPARTMENT OF LABOR</b>                      |                |                                |                      |
| Through DSHS  |                |                                |                      |
| Pass-Through Title V Senior Community Service Emp Prg | 17.235         | 0469-53047                     | \$ 25,861            |
| <b>Total CFDA 17.235</b>                              |                |                                | <b>25,861</b>        |
| Direct:   |                |                                |                      |
| Project REACH   | 17.261         | AF-12397-02-60                 | \$ 139,354           |
| <b>Total CFDA 17.261</b>                              |                |                                | <b>139,354</b>       |
| <b>TOTAL U. S. DEPARTMENT OF LABOR</b>                |                |                                | <b>\$ 165,215</b>    |
| <b>U. S. DEPARTMENT OF TRANSPORTATION</b>             |                |                                |                      |
| Direct:   |                |                                |                      |
| Federal Aviation Administration                       | 20.106         | 3-53-0028-38                   | \$ 116               |
| Federal Aviation Administration                       | 20.106         | 3-53-0028-39                   | 96,709               |
| Federal Aviation Administration                       | 20.106         | 3-53-0028-40                   | 1,884,602            |
| <b>Total CFDA 20.106</b>                              |                |                                | <b>1,981,427</b>     |
| Indirect:   |                |                                |                      |
| Granite Falls Bridge 102 Rehab                        | 20.205         | BHM-X310(006)                  | \$ 111,974           |
| Little Pilchuck Creek Bridge No. 426                  | 20.205         | BROS-2031 (059) LA-1591        | 37,606               |
| Little Pilchuck Creek Bridge No. 268                  | 20.205         | BROS-2031 (071) LA-1974        | 1,232,836            |
| Swanson Road Bridge #80                               | 20.205         | BROS-2031 (073) LA-2031        | 198,945              |
| Woods Creek Bridge No. 445                            | 20.205         | BROS-2031(087) LA3924          | 93,984               |
| Sauk River Bridge No. 414                             | 20.205         | BROS-2031(088) LA4307          | 497,852              |
| Skykomish River Slough Bridge #150                    | 20.205         | BROS-2031(091)                 | 132,730              |
| Little Pilchuck Creek Bridge #601                     | 20.205         | BROS-2031(092) LA5216          | 82,183               |
| Woods Creek Bridge No. 6                              | 20.205         | BRS-D312 (002) LA-1594         | 44,643               |
| Machias Bridge #44                                    | 20.205         | BRS-F310 (001) LA-1966         | 3,095,323            |
| Marine Drive - Waterworks Signal                      | 20.205         | STPH-2686(001) LA4388          | 142,816              |
| Lowell/Snohomish River Trail                          | 20.205         | CM-STPE 2616(002)              | 58,067               |
| 292nd St. Rail Road Crossing                          | 20.205         | RRP 2031(065)                  | 128,664              |
| Granite Falls-Alternate Route                         | 20.205         | NCPD-STPR X310(007)            | 1,669,493            |
| 51st Ave NE/122nd Place NE                            | 20.205         | STPUL-2693(002)                | 137,089              |
| Marine Drive Improvements                             | 20.205         | POMVIP-2686(002)               | 49,098               |
| 212th/Knutson RR Xing Improvements                    | 20.205         | STPX-2031(093)                 | 158,338              |
| Marten Creek Bridge #562 Replacement                  | 20.205         | BRS-X310(008)                  | 37,361               |
| May Creek Bridge #572 Replacement                     | 20.205         | BROS-2031(098)                 | 66,005               |
| OK Mill Road/South Machias Road I/S                   | 20.205         | P-STPH-TA96(1770)              | 27,000               |
| Rieter Road Rail Road Crossing                        | 20.205         | STPX 2031(097)                 | 1,206                |
| SNOCAP Study  | 20.205         | STPUL-2031(094) LA5293         | 16,957               |
| <b>Total CFDA 20.205</b>                              |                |                                | <b>8,020,170</b>     |
| Indirect:   |                |                                |                      |
| WSTSC Traffic Enforcement                             | 20.604         | --                             | \$ 11,305            |
| <b>Total CFDA 20.604</b>                              |                |                                | <b>11,305</b>        |
| <b>TOTAL U. S. DEPARTMENT OF TRANSPORTATION</b>       |                |                                | <b>\$ 10,012,902</b> |
| <b>ENVIRONMENTAL PROTECTION AGENCY</b>                |                |                                |                      |

Schedule of Expenditures of Federal Awards



| Grantor/Pass-Through Grantor/Program Title           | CFDA<br>Number | Other Identification<br>Number | Total             |
|--|----------------|--------------------------------|-------------------|
| Indirect:  |                |                                |                   |
| Beach Environmental Assessment (BEACH)               | 66.472         | C0500315                       | \$ 3,913          |
| <b>Total CFDA 66.472</b>                             |                |                                | <u>3,913</u>      |
| <b>TOTAL ENVIRONMENTAL PROTECTION AGENCY</b>         |                |                                | <b>\$ 3,913</b>   |
| <b>U. S. DEPARTMENT OF ENERGY</b>                    |                |                                |                   |
| Indirect through DCTED                               |                |                                |                   |
| DOE Weatherization Assistance Program                | 81.042         | F03-434-422                    | \$ 100,970        |
| DOE Weatherization Assistance Program                | 81.042         | F02-434-422                    | 127,294           |
| <b>Total CFDA 81.042</b>                             |                |                                | <u>228,264</u>    |
| Indirect through DCTED                               |                |                                |                   |
| 2003 BPA Weatherization Program                      | 81.999         | F01-446-422                    | \$ 64,786         |
| <b>Total CFDA 81.999</b>                             |                |                                | <u>64,786</u>     |
| <b>TOTAL U. S. DEPARTMENT OF ENERGY</b>              |                |                                | <b>\$ 293,050</b> |
| <b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>           |                |                                |                   |
| Indirect:  |                |                                |                   |
| Chatham Acres  | 83.548         | E04-068                        | \$ 41,639         |
| <b>Total CFDA 83.548</b>                             |                |                                | <u>41,639</u>     |
| <b>TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY</b>     |                |                                | <b>\$ 41,639</b>  |
| <b>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b> |                |                                |                   |
| Indirect Through State DSHS:                         |                |                                |                   |
| Older Americans Act-Elder Abuse                      | 93.041         | 0569-64775                     | \$ 5,718          |
| <b>Total CFDA 93.041</b>                             |                |                                | <u>5,718</u>      |
| Indirect:  |                |                                |                   |
| Pass-Through Older Americans Act - Title IIID        | 93.043         | 0569-64775                     | \$ 30,722         |
| <b>Total CFDA 93.043</b>                             |                |                                | <u>30,722</u>     |
| Indirect:  |                |                                |                   |
| Older Americans Act-Title IIIB SAMS                  | 93.044         | 0569-64775                     | \$ 1,750          |
| Older Americans Act-Title IIIB                       | 93.044         | 0569-64775                     | 196,260           |
| Pass-Through Older Americans Act - Title IIIB        | 93.044         | 0569-64775                     | 419,532           |
| <b>Total CFDA 93.044</b>                             |                |                                | <u>617,542</u>    |
| Indirect:  |                |                                |                   |
| Older Americans Act-Title 3C-1                       | 93.045         | 0569-64775                     | \$ 34,473         |
| Older Americans Act-Title 3C-2                       | 93.045         | 0569-64775                     | 25,605            |
| Pass Through Older Americans Act-Title 3C-1          | 93.045         | 0569-64775                     | 312,257           |
| Pass Through Older Americans Act-Title 3C-2          | 93.045         | 0569-64775                     | 231,915           |
| <b>Total CFDA 93.045</b>                             |                |                                | <u>604,250</u>    |
| Indirect:  |                |                                |                   |
| Older Americans Act-Title 3E                         | 93.052         | 0569-64775                     | \$ 25,232         |
| Pass Through Older Americans Act-Title 3E            | 93.052         | 0569-64775                     | 166,951           |
| <b>Total CFDA 93.052</b>                             |                |                                | <u>192,183</u>    |

Schedule of Expenditures of Federal Awards



| Grantor/Pass-Through Grantor/Program Title                        | CFDA<br>Number | Other Identification<br>Number | Total            |
|---|----------------|--------------------------------|------------------|
| Pass-Through Nutrition Services Incentive Program                 | 93.053         | 0469-53047                     | \$ 77,125        |
| Pass-Through Nutrition Services Incentive Program                 | 93.053         | 31530713                       | 47,561           |
| <b>Total CFDA 93.053</b>  |                |                                | <b>124,686</b>   |
| Indirect:   |                |                                |                  |
| Comm Alcohol & Other Drug Svcs & Prevention Svcs WASBIRT Grant    | 93.230         | 8298-0                         | \$ 18,283        |
| Comm Alcohol & Other Drug Svcs & Prevention Svcs WASBIRT Grant    | 93.230         | 8895-0                         | 16,619           |
| Pass-Through Comm Alcohol & Other Drug Svcs & Prevention Svcs     | 93.230         | 8298-0                         | 167,404          |
| Pass-Through Comm Alcohol & Other Drug Svcs & Prevention Svcs     | 93.230         | 8895-0                         | 193,856          |
| <b>Total CFDA 93.230</b>  |                |                                | <b>396,162</b>   |
| Indirect:   |                |                                |                  |
| Comm Alcohol & Other Drug Svcs & Preventn Svcs-Access to Recovery | 93.275         | 8298-0                         | \$ 40,663        |
| Comm Alcohol & Other Drug Svcs & Preventn Svcs-Access to Recovery | 93.275         | 8895-0                         | 99,758           |
| Pass-Through Comm Alcohol & Other Drug Svcs & Prevention Svcs     | 93.275         | 8298-0                         | 76,155           |
| Pass-Through Comm Alcohol & Other Drug Svcs & Prevention Svcs     | 93.275         | 8895-0                         | 362,663          |
| <b>Total CFDA 93.275</b>  |                |                                | <b>579,239</b>   |
| Indirect:   |                |                                |                  |
| Family Support Federal Share                                      | 93.563         | 75-1501-0-1-609                | \$ 1,723,092     |
| Title IV-D (Clerk)  | 93.563         | 2110-80559                     | 456,985          |
| Title IV-D (Commissioners)  | 93.563         | 2110-80559                     | 114,956          |
| <b>Total CFDA 93.563</b>  |                |                                | <b>2,295,033</b> |
| Indirect Through DCTED:   |                |                                |                  |
| 2005 LIHEAP Weatherization Assistance Program                     | 93.568         | F05-431-422                    | \$ 323,266       |
| 2004-05 Low Income Home Energy Assistance Program                 | 93.568         | F-05-34005-081                 | 1,660,708        |
| 2006 Low Income Home Energy Assistance Program                    | 93.568         | 06-32106-081                   | 575,786          |
| <b>Total CFDA 93.568</b>  |                |                                | <b>2,559,760</b> |
| Indirect:   |                |                                |                  |
| Community Services Block Grant                                    | 93.569         | F04-32104-026                  | \$ 47,455        |
| Community Services Block Grant                                    | 93.569         | F05-32105-026                  | 52,224           |
| Pass-Through Community Services Block Grant                       | 93.569         | F04-32104-026                  | 67,252           |
| Pass-Through Community Services Block Grant                       | 93.569         | F05-32105-026                  | 287,998          |
| <b>Total CFDA 93.569</b>  |                |                                | <b>454,929</b>   |
| Indirect:   |                |                                |                  |
| Adult Day Health  | 93.778         | 0569-79867                     | \$ 428           |
| Caregiver Training - Federal Fund                                 | 93.778         | 0315-34189                     | 17,462           |
| Caregiver Training - Federal Fund                                 | 93.778         | 0569-80022                     | 12,466           |
| Comm. Alcohol & Other Drug Svcs. & Prevention Svcs                | 93.778         | 8895-0                         | 58,625           |
| DDD Caregiver Training  | 93.778         | 0369-24766                     | 431              |
| DDD Caregiver Training  | 93.778         | 0569-80022                     | 210              |
| Regional Long Term Care Ombudsman Program 2004-05                 | 93.778         | No Number Assigned             | 15,925           |
| Regional Long Term Care Ombudsman Program 2005-06                 | 93.778         | No Number Assigned             | 52,734           |
| Title XIX matched by SCSA   | 93.778         | 0469-53047                     | 57,275           |
| Title XIX matched by SCSA   | 93.778         | 0569-79867                     | 30,559           |
| Title XIX-(Federal Fund)  | 93.778         | 0469-53047                     | 815,688          |
| Title XIX-(Federal Fund)  | 93.778         | 0569-79867                     | 864,863          |
| Title XIX-Medicaid Transportation                                 | 93.778         | 9713-11662                     | 71,920           |
| Pass-Through Agency Worker Health Insurance - Federal Funds       | 93.778         | 0569-84136                     | 880,108          |

Schedule of Expenditures of Federal Awards



| <b>Grantor/Pass-Through Grantor/Program Title</b>               | <b>CFDA<br/>Number</b> | <b>Other Identification<br/>Number</b> | <b>Total</b>         |
|---|------------------------|--|----------------------|
| Pass-Through Basic Health Plan - Federal Funds                  | 93.778                 | 0415-53033                             | 904,465              |
| Pass-Through Caregiver Training - Federal Funds                 | 93.778                 | 0315-34189                             | 188,826              |
| Pass-Through Caregiver Training - Federal Funds                 | 93.778                 | 0569-80022                             | 140,574              |
| Pass-Through DDD Agency Worker Health Insurance                 | 93.778                 | 0569-84136                             | 46,231               |
| Pass-Through DDD Basic Health Plan                              | 93.778                 | 0369-24763                             | 50,451               |
| Pass-Through DDD Caregiver Training                             | 93.778                 | 0369-24766                             | 8,628                |
| Pass-Through DDD Caregiver Training                             | 93.778                 | 0569-80022                             | 4,204                |
| Pass-Through DDD Personal Care                                  | 93.778                 | 0369-24763                             | 93,655               |
| Pass-Through Title XIX Matched By SCSA                          | 93.778                 | 0469-53047                             | 33,139               |
| Pass-Through Title XIX Matched By SCSA                          | 93.778                 | 0569-79867                             | 31,401               |
| Pass-Through Title XIX-(Federal Fund)                           | 93.778                 | 0469-53047                             | 595,531              |
| <b>Total CFDA 93.778</b>  |                        |  | <u>4,975,799</u>     |
| Indirect:   |                        |  |                      |
| Pass-Through CMH Admin./Res. Mgmt./Invol.Tx./E&T Admin. (FBG)   | 93.958                 | NSRSN-SNOHOMISH 04-05                  | \$ 13,306            |
| <b>Total CFDA 93.958</b>  |                        |  | <u>13,306</u>        |
| Indirect:   |                        |  |                      |
| Comm. Alcohol & Other Drug Svcs. & Prevention Svcs - SAPT       | 93.959                 | 8298-0                                 | \$ 76,928            |
| Comm. Alcohol & Other Drug Svcs. & Prevention Svcs - SAPT       | 93.959                 | 8895-0                                 | 69,724               |
| Pass-Through Comm. Alcohol & Other Drug Svcs. & Prevention Svcs | 93.959                 | 8298-0                                 | 199,631              |
| Pass-Through Comm. Alcohol & Other Drug Svcs. & Prevention Svcs | 93.959                 | 8895-0                                 | 561,106              |
| <b>Total CFDA 93.959</b>  |                        |  | <u>907,389</u>       |
| <b>TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>      |                        |  | <b>\$ 13,756,718</b> |
| <b>DEPARTMENT OF HOMELAND SECURITY</b>                          |                        |  |                      |
| Indirect:   |                        |  |                      |
| State Domestic Preparedness Equipment Program                   |                        |  | \$ 93,653            |
| <b>Total CFDA 97.004</b>  | 97.004                 |  | <u>93,653</u>        |
| Indirect:   |                        |  |                      |
| Urban Area Strategic Initiative Grant Program                   |                        |  | \$ 81,913            |
| <b>Total CFDA 97.008</b>  | 97.008                 | UASI-04                                | <u>81,913</u>        |
| Indirect:   |                        |  |                      |
| Snohomish County Natural Hazards Mitigation Plan                | 97.017                 | E05-061                                | \$ 38,195            |
| <b>Total CFDA 97.017</b>  |                        |  | <u>38,195</u>        |
| Indirect:   |                        |  |                      |
| Stillaguamish River Historic Home Elevation 2004                | 97.039                 | E06-145                                | \$ 19,486            |
| <b>Total CFDA 97.039</b>  |                        |  | <u>19,486</u>        |
| Indirect:   |                        |  |                      |
| Law Enforcement Terrorism Protection Plan                       | 97.074                 |  | \$ 9,845             |
| <b>Total CFDA 97.074</b>  |                        |  | <u>9,845</u>         |
| <b>TOTAL DEPARTMENT OF HOMELAND SECURITY</b>                    |                        |  | <b>\$ 243,092</b>    |
| <b>U. S. EXECUTIVE OFFICE OF THE PRESIDENT</b>                  |                        |  |                      |
| Indirect:   |                        |  |                      |
| Washington State Patrol Interdiction/ONDCP                      | 7.999                  | C050866GSC                             | \$ 6,903             |

Schedule of Expenditures of Federal Awards



| <b>Grantor/Pass-Through Grantor/Program Title</b>            | <b>CFDA<br/>Number</b> | <b>Other Identification<br/>Number</b> | <b>Total</b>         |
|--|------------------------|--|----------------------|
| NW HIDTA Community Coalition Support Initiative              | 7.999                  | 9931                                   | 328                  |
| NW HIDTA Community Coalition Support Initiative              | 7.999                  | 10072                                  | 1,129                |
| Pass-Through NW HIDTA Community Coalition Support Initiative | 7.999                  | 9931                                   | 11,000               |
| Pass-Through NW HIDTA Drug Court Initiative                  | 7.999                  | 9926                                   | 45,063               |
| Pass-Through NW HIDTA Drug Court Initiative                  | 7.999                  | 10065                                  | 37,455               |
| Pass-Through NW HIDTA Community Coalition Support Initiative | 7.999                  | 10072                                  | 14,333               |
| <b>Total CFDA None</b>                                       |                        |  | <b>116,211</b>       |
| Direct:  |                        |  |                      |
| HIDTA 2004   | 7.999                  | I4PNWP504Z                             | \$ 161,177           |
| HIDTA 2005   | 7.999                  | I5PNWP504                              | 442,367              |
| <b>Total CFDA 7.999</b>                                      |                        |  | <b>603,544</b>       |
| <b>TOTAL U. S. EXECUTIVE OFFICE OF THE PRESIDENT</b>         |                        |  | <b>\$ 719,755</b>    |
| <b>TOTAL EXPENDITURE OF FEDERAL ASSISTANCE</b>               |                        |  | <b>\$ 34,394,791</b> |

**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.

Schedule of State and Local Financial Assistance

| <b>Grantor/Program Title</b>  | <b>State Contract Number</b> | <b>Total</b>        |
|---|------------------------------|---------------------|
| <b>Washington State Department of Agriculture</b>                   |                              |                     |
| Spartina Control and Eradication                                    | IA 07-05-05                  | \$ 50,078           |
| Control and Management of J Knotweed in Stilly                      | IA-07-16-05                  | 6,898               |
| Noxious Weeds Interagency Agreement                                 | IA-04-04-05                  | 4,847               |
| <b>Total Washington State Department of Agriculture</b>             |                              | <b>\$ 61,823</b>    |
| <b>Office of the Administrator of the Court</b>                     |                              |                     |
| Volunteer Guardian Ad Litem   | IAA06026                     | \$ 55,227           |
| AOC Training  | IAA06134                     | 1,100               |
| Volunteer Guardian Ad Litem   | ICA-2004-492                 | 45,001              |
| JCS Printers  | ICA-2005-801                 | 5,105               |
| <b>Total Office of the Administrator of the Court</b>               |                              | <b>\$ 106,433</b>   |
| <b>County Road Administration Board</b>                             |                              |                     |
| Machias Bridge #44  | 3197-06                      | \$ 197,422          |
| Jordan Road Bridge #42  | 3150-01                      | 16,160              |
| OK ROAD Mill Bridge 423   | 3100-02                      | 232,362             |
| <b>Total County Road Administration Board</b>                       |                              | <b>\$ 445,944</b>   |
| <b>Department of Community Trade and Economic Development</b>       |                              |                     |
| Buildable Lands Program   | S04-6200-134                 | \$ 11,666           |
| Community Services Block Grant                                      | F05-32105-026                | 2,970               |
| Drug Prosecution Grant  | S04-67304004                 | 19,178              |
| Drug Prosecution Grant  | S06-66200014                 | 20,040              |
| Early Childhood Education & Assistance Program                      | S04 33500 E30                | 272,094             |
| Early Childhood Education & Assistance Program                      | S06-33101-E30                | 268,921             |
| Emergency Shelter Assistance Program                                | S04422031                    | 10,045              |
| Emergency Shelter Assistance Program 2005-07                        | S064610531                   | 10,299              |
| Energy Matchmaker - Cash  | O03-439-432                  | 266,769             |
| Energy Matchmaker - Match   | S03-498-422                  | 102,165             |
| Energy Matchmaker Program   | O03-439-422                  | 82,193              |
| STOP Grant  | F04-30304-092                | 22,918              |
| STOP Grant  | F05-31103-063                | 7,277               |
| Transitional Housing, Operating & Rent                              | S044160020                   | 2,902               |
| Transitional Housing, Operating & Rent 2005-07                      | 06-16104-20                  | 2,273               |
| Washington State Methamphetamine Initiative Program                 | S06-6610052                  | 31,990              |
| Pass-Through Early Childhood Education & Assistance Program         | S04 33500 E30                | 1,711,236           |
| Pass-Through Early Childhood Education & Assistance Program         | S06-33101-E30                | 992,619             |
| Pass-Through Emergency Shelter Assistance Program                   | S04422031                    | 137,407             |
| Pass-Through Emergency Shelter Assistance Program 2005-07           | S064610531                   | 198,117             |
| Pass-Through Transitional Housing, Operating & Rent                 | S044160020                   | 87,087              |
| Pass-Through Transitional Housing, Operating & Rent 2005-07         | 06-16104-20                  | 89,015              |
| <b>Total Department of Community Trade and Economic Development</b> |                              | <b>\$ 4,349,181</b> |
| <b>Washington State Department of Ecology</b>                       |                              |                     |
| Animal Waste Management Campaign                                    | G0400139                     | \$ 76,384           |
| Aquatic Weeds Management Fund - Lake Serene Milfoil                 | G0500152                     | 22,010              |
| Coordinated Prevention Grant  | G0400174-2004                | 244,341             |
| Dike Road Dike Avulsion Risk Assessment                             | G0400350                     | 23,591              |
| Groundwater Mgt. Plan Implementation                                | G0200031                     | 16,860              |

Schedule of State and Local Financial Assistance

| <b>Grantor/Program Title</b>                                    | <b>State Contract Number</b> | <b>Total</b>      |
|---|------------------------------|-------------------|
| Integrating Stormwater Water Quality Management                 | G0400361                     | 32,124            |
| Litter Emphasis Patrol  | C0500268                     | 3,262             |
| Marine Resources Committee Administration                       | G0500060                     | 6,058             |
| NW Straits Picnic Pt & MRC Support                              | G0400222                     | 19,934            |
| Sauk River Corridor Assessment                                  | G0600122                     | 42,889            |
| Shoreline Master Program  | G0400121                     | 232,058           |
| Snohomish Purple Loosestrife Project                            | G0500139                     | 3,457             |
| Snohomish River Pollutant                                       | G0400041                     | 82,176            |
| <b>Total Department of Ecology</b>                              |                              | <b>\$ 805,144</b> |
| <b>Department of Social and Health Services</b>                 |                              |                   |
| Caregiver Training - State Fund                                 | 0315-34189                   | \$ 57             |
| Caregiver Training - State Fund                                 | 0569-80022                   | 32                |
| CMH Admin./ Resource Mgmt./ Invol. Tx./E&T Admin.               | NSRSN-Snohomish 04-05        | 1,168,157         |
| Comm. Alcohol & Other Drug Svcs. & Prevention Svcs              | 8298-0                       | 333,234           |
| Community Services Work Order 2005-07                           | 8895-0                       | 249,047           |
| Community Team for Children                                     | Work Order #21003            | 50,000            |
| Consolidated Contract   | 0363-41750                   | 739,308           |
| Consolidated Contract   | 0563-85128                   | 666,321           |
| Detention Services  | 0363-41387                   | 14,706            |
| Detention Services  | 0563-85172                   | 8,901             |
| Developmental Disabilities                                      | 0363-36427                   | 167,048           |
| Developmental Disabilities                                      | 0563-80667                   | 178,469           |
| Diagnostic Juvenile Court Services                              | 0363-41387                   | 55,725            |
| Diagnostic Juvenile Court Services                              | 0563-85172                   | 34,400            |
| Expanded Family Support Grant 2005-07                           | 0563-84333                   | 1,562             |
| Family Support State Share                                      | 75-1501-0-1-609              | 836,462           |
| HB 3900 Community Corrections Program                           | 0363-41387                   | 238,082           |
| HB 3900 Community Corrections Program                           | 0563-85172                   | 64,923            |
| Kinship Caregiver Support                                       | 0469-53047                   | 7,597             |
| Kinship Caregiver Support                                       | 0569-79867                   | 5,093             |
| Respite   | 0469-53047                   | 45,219            |
| Respite   | 0569-79867                   | 47,491            |
| Secure Crisis Residential Center Service                        | 0463-50839                   | 735,452           |
| Senior Citizens Services Act                                    | 0469-53047                   | 118,120           |
| Senior Citizens Services Act                                    | 0569-79867                   | 58,629            |
| State Family Caregiver  | 0469-53047                   | 2,502             |
| State Family Caregiver  | 0569-79867                   | 1,797             |
| Title XIX/Chore-(State Fund)                                    | 0469-53047                   | 778,641           |
| Title XIX/Chore-(State Fund)                                    | 0569-79867                   | 819,650           |
| VOCA Grant  | 0263-14232 Amendment No. 3   | 65,604            |
| Pass-Through Basic Health Plan Coverage - State Fund            | 0415-53033                   | 6,301             |
| Pass-Through Basic Health Plan Coverage - State Fund            | 0569-84136                   | 5,982             |
| Pass-Through Caregiver Training - State Fund                    | 0315-34189                   | 1,149             |
| Pass-Through Caregiver Training - State Fund                    | 0569-80022                   | 643               |
| Pass-Through CMH Admin./ Resource Mgmt./ Invol. Tx./E&T Admin.  | NSRSN-Snohomish 04-05        | 63,561            |
| Pass-Through Comm. Alcohol & Other Drug Svcs. & Prevention Svcs | 8298-0                       | 1,356,377         |
| Pass-Through Community Services Work Order 2005-07              | 8895-0                       | 1,401,311         |
| Pass-Through Developmental Disabilities                         | 0363-36427                   | 2,311,195         |
| Pass-Through Developmental Disabilities                         | 0563-80667                   | 2,317,747         |
| Pass-Through Prescription Drugs                                 | 0469-53047                   | 12,412            |
| Pass-Through Prescription Drugs                                 | 0569-79867                   | 5,200             |
| Pass-Through Respite  | 0469-53047                   | 63,951            |
| Pass-Through Respite  | 0569-79867                   | 53,740            |



Schedule of State and Local Financial Assistance

| <b>Grantor/Program Title</b>                               | <b>State Contract Number</b> | <b>Total</b>         |
|--|------------------------------|----------------------|
| Pass-Through Senior Citizens Services Act                  | 0469-53047                   | 282,530              |
| Pass-Through Senior Citizens Services Act                  | 0569-79867                   | 107,101              |
| Pass-Through Senior Farmers Market Nutrition Program       | 0569-79867                   | 9,259                |
| Pass-Through State Family Caregiver                        | 0469-53047                   | 24,109               |
| Pass-Through State Family Caregiver                        | 0569-79867                   | 16,297               |
| <b>Total Department of Social and Health Services</b>      |                              | <b>\$ 15,531,094</b> |
| <b>Washington State Department of Transportation</b>       |                              |                      |
| 112th St SW-525 to Airport Road                            | 9P-031(014)-1                | \$ 1,153,043         |
| 132nd St. SE - Seattle Hill Rd to SR9                      | 9P031-(011)-1 9835209P       | 323,297              |
| 20th St. SE - 99th Ave to South Lake Stevens Road          | 9-P-031(013)-1               | 142,212              |
| 20th St. SE-91st to 99th                                   | 9P-031(015)-1                | 78,527               |
| Commuter Trip Reduction                                    | GCA3665                      | 2,176                |
| Commuter Trip Reduction                                    | GCA4578                      | 89,149               |
| Meridian St/Lundeen Parkway                                | 9P-031(005)-3                | 403,544              |
| Washington Airport Aid Program                             | SNO-01-05                    | 20,323               |
| <b>Total Washington State Department of Transportation</b> |                              | <b>\$ 2,212,271</b>  |
| <b>Juvenile Rehabilitation Administration</b>              |                              |                      |
| ART Quality Assurance Specialist                           | 0363-33706                   | \$ 54,605            |
| ART Quality Assurance Specialist                           | 0563-83212                   | 46,009               |
| <b>Total Juvenile Rehabilitation Administration</b>        |                              | <b>\$ 100,614</b>    |
| <b>Washington State Department of Corrections</b>          |                              |                      |
| Twin Rivers Contract                                       | COCO5388 Amendment No. 3     | \$ 66,709            |
| Twin Rivers Contract                                       | COCO5388 Amendment No. 4     | 69,721               |
| <b>Total Washington State Department of Corrections</b>    |                              | <b>\$ 136,430</b>    |
| <b>Washington State Department of Fish &amp; Wildlife</b>  |                              |                      |
| Stillaguamish Lead Entity                                  | 03-1011                      | \$ 32,285            |
| Stillaguamish Lead Entity                                  | 05-2016                      | 15,500               |
| Snohomish Co. Lead Entity Operational Grant                | 03-1013                      | 32,824               |
| Snohomish Co. Lead Entity Operational Grant                | 05-2018                      | 15,625               |
| <b>Total State Department of Fish &amp; Wildlife</b>       |                              | <b>\$ 96,234</b>     |
| <b>Washington State Department of Health</b>               |                              |                      |
| EMS Participation Grant                                    | 31C02                        | \$ 1,290             |
| <b>Total Washington State Department of Health</b>         |                              | <b>\$ 1,290</b>      |
| <b>Interagency Committee for Outdoor Recreation</b>        |                              |                      |
| North Meander Slough Reconnection                          | 01-1307R                     | \$ 445,066           |
| Skykomish River Braided Restoration                        | 02-1609N                     | 77,802               |
| West Monroe Sports Facility                                | 04-1336A                     | 3,166                |
| Snohomish River Confluence Reach                           | 02-1623R                     | 104,815              |
| Maltby Community Park Lighting                             | 03-1364D                     | 75,000               |
| Centennial Trail Phase II                                  | 96-1219D                     | 45,791               |
| Lake Goodwin Park  | 00-1362D                     | 566,099              |
| Lake Stevens Community Ballfield                           | 01-1143D                     | 8,046                |
| Centennial Trail - Arlington North                         | 04-1340D                     | 16,523               |

Schedule of State and Local Financial Assistance



| Grantor/Program Title  | State Contract Number | Total                |
|--|-----------------------|----------------------|
| <b>Total Interagency Committee for Outdoor Recreation</b>                  |                       | <b>\$ 1,342,308</b>  |
| <b>Washington Traffic Safety Commission</b>                                |                       |                      |
| Snohomish County Drinking Driver Countermeasure                            | No Number Assigned    | \$ 75,322            |
| Snohomish County Drinking Driver Countermeasure                            | No Number Assigned    | 56,636               |
| <b>Total Washington Traffic Safety Commission</b>                          |                       | <b>\$ 131,958</b>    |
| <b>Distribution Accountant Wash Treasurer's Office</b>                     |                       |                      |
| Death Investigations   | RCW 6850104           | \$ 74,608            |
| Infant and Child Autopsy Cost  | RCW 6850104           | 8,342                |
| <b>Total Distribution Accountant Wash Treasurer's Office</b>               |                       | <b>\$ 82,950</b>     |
| <b>Washington State Military Department</b>                                |                       |                      |
| Chatham Acres  | E04-068               | \$ 15,200            |
| <b>Total Washington State Military Department</b>                          |                       | <b>\$ 15,200</b>     |
| <b>Local Sources</b>   |                       |                      |
| Lakewood School District - Community Mobilization Special Projects 2004-05 | N/A                   | \$ 6,000             |
| Lakewood School District - Community Mobilization-Youth Rap 2004-05        | N/A                   | 4,314                |
| Lakewood School District - Community Mobilization-Youth Rap 2005-06        | N/A                   | 1,103                |
| Opportunity Council O.C./WCEF/Energy Project                               | SNOPUD-SCHS           | 934,898              |
| Puget Sound Energy - LIP Energy Assistance 2004-05                         | N/A                   | 45,544               |
| Puget Sound Energy - LIP Energy Assistance 2005-06                         | N/A                   | 36,256               |
| Pass-Through King County Developmental Disabilities                        | N/A                   | 50,789               |
| <b>Total Local Sources</b>   |                       | <b>1,078,904</b>     |
| <b>Total State and Other Assistance</b>                                    |                       | <b>\$ 26,497,778</b> |

**NOTES TO THE SCHEDULE OF STATE AND LOCAL FINANCIAL ASSISTANCE**

**NOTE 1 - BASIS OF ACCOUNTING**

The Schedule of State and Local 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 state portion of the program costs. Actual program costs, including the county's portion, may be more than shown.