

**THURSTON COUNTY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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Fiscal Year Ended December 31, 2006

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**KIM WYMAN**  
**AUDITOR**

**TO THE COMMISSIONERS AND CITIZENS OF THURSTON COUNTY**

**June 22, 2007**

I am pleased to present the 2006 Comprehensive Annual Financial Report (CAFR) of the Thurston County government for your review. The CAFR is prepared in accordance with generally accepted accounting principles and provides detailed financial information on the revenues, expenditures, assets, and liabilities of Thurston County government for the fiscal year ending December 31, 2006. The major objectives of the CAFR are to describe the county's financial condition and the financial results of its operations. As such, it is designed to provide financial status information to our county commission, legislative bodies, creditors, investors, bond counsels, students of public finance, political researchers, and the public we serve.

This is the fifth year Thurston County is preparing their annual report in compliance with the Governmental Accounting Standards Board Statement 34, with the inclusion of entity wide statements and expanded capitalization of county assets. A full discussion of these statements is included in the Management Discussion and Analysis Section. I am very proud of the efforts of our county financial staff to be able to present this year's annual report as a Comprehensive Annual Financial Report, and to seek a certificate of achievement for excellence in financial reporting. Our 2006 financial information is prepared in a format that gives our readers and state auditor an objective and easily readable analysis of our county's financial performance for the year, including outside agency funds. The CAFR is available upon request in hard copy, or via the Internet at the following address: <http://www.co.thurston.wa.us/auditor>.

**REPORT SECTIONS**

The CAFR is presented in four sections: introductory, financial, supplementary, and statistical. The introductory section includes a transmittal letter, the county's organization chart, and a list of principal elected officials. The transmittal letter will present an overview of the report, the county's economic conditions and outlook, and identifies current issues that affect the government's financial circumstances. The financial section contains the financial statements, the management discussion and analysis (MD&A), notes, the entity wide/major fund financial statements, and required supplemental information. The supplementary section contains information on non-major funds and agencies. The statistical section presents a history of selected financial and demographic information over the past ten years.

This report is management's representation of the finances of the county. Consequently, responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of Thurston County.

## **THE COUNTY**

Thurston County, Washington is located at the southern end of Puget Sound in the beautiful Pacific Northwest. Majestic Mount Rainier and the rugged Cascade Mountains are nearby to the east, while Washington's Pacific Ocean coast is just an hour's drive to the west. Thurston County is 60 miles south of Seattle, Washington and is 100 miles north of Portland, Oregon. Thurston County is home to more than 200,000 residents. Nearly 100,000 residents live in the more urban north county areas in and around the cities of Lacey, Olympia, and Tumwater. The rest live in and around the smaller towns of Bucoda, Tenino, Rainier, and Yelm and in the more rural areas of Thurston County. Thurston County is the eighth most populated county among Washington State's 39 counties and is among the fastest growing counties in the Pacific Northwest.

Thurston County was created on January 12, 1852, by the Oregon Territorial Legislature and operates under the laws of the State of Washington applicable to county governments. The county is managed by a three member board of commissioners and provides a full range of municipal services, including: public safety (sheriff, judicial, and emergency services), construction and maintenance of roads and bridges, water and waste management, public health and social services, cultural and recreational facilities and activities, planning and zoning services, job training, and general administrative services. The financial statements present Thurston County as the primary government as required by generally accepted accounting principles.

Thurston County is a statute county, which means the organization of the county is prescribed by state statute. Locally elected officials include the county assessor, auditor, clerk, prosecuting attorney, sheriff, treasurer, coroner, eight superior court judges, three district court judges and the three-member board of county commissioners. These elected officials govern the county and establish policies on the basis of the local community's needs and preferences. The board of county commissioners acts as the county's legislative body and appoints a county administrator who acts as the chief administrative officer of the county and oversees twelve major departments. By virtue of the county's authority over their operations, this annual financial report includes financial data for all the funds individually and on an entity wide basis of the county, including activities considered to meet the entity definition criteria established in Governmental Accounting Standards Board Statement Numbers 14, 34 and 39.

## **ECONOMIC CONDITIONS**

Economic conditions play a significant role in the financial stability of Thurston County. The economy is dependent on many factors, including (a) population and demographic trends; (b) employment and housing factors; (c) per capita income and inflation; and (d) retail sales. From 1990 to 2000, the Thurston County economy continued to increase steadily, but not at the same rate as the prior two decades. The economy took a downturn in 2001 and 2002, fueled first by the cutbacks in Boeing and then by the aftermath of the tragic events of September 11, 2001. This was somewhat mitigated by the opening of two large retail stores and two large warehouse distribution centers. In 2003 the economy in Thurston County began a slow recovery, peaking in 2006. An emphasis was placed on business recruitment and retention and the creation of quality jobs in technology-based businesses, light manufacturing, educational services, and real estate services. The statistics and information that follows highlight the changes in the county's economic conditions for 2004 through 2006.

## **Population and Demographic Trends**

The population of Thurston County has grown from 186,400 in 1995 to 231,100 in 2006. This is an increase of 44,700 residents and an average growth rate of 2.2 percent per year. Over 70 percent of the population increase has been due to the continued in-migration of people into the county. Thurston County continues to be a desirable place to live, and has been one of the fastest growing of our state's 39 counties over the past decade. In 2006 the county's population increased slightly from 224,100 to 231,100. This is a growth rate from the previous year of 3.1 percent and reflects the recent strong economic recovery and new housing strength for the region.

Seniors continue to be one of the fastest growing segments of Thurston County's population. For the past two decades, Thurston County has been fifth in the state for in-migration of people 55 or older. From 1980 to 2000, the population age 65 and older increased from 12,230 to 23,629, basically doubling in number. Today our senior citizens population is 26,802 and constitutes 11.6 percent of our total population. Projections show that by the year 2010, the population of people aged 65 or over will have increased to 13 percent of our total population and by the year 2020 to 19 percent. This is a trend that will place increased pressures on our public health care services and retirement facilities.

During the twenty year period 1980 to 2000, population growth in Thurston County has been fairly evenly distributed between the incorporated and unincorporated areas of the county. In recent years however, the growth has been concentrated in the unincorporated areas. In 2006, approximately 57 percent of our population lives in unincorporated areas and 43 percent in incorporated jurisdictions. This is a slight increase from 56 percent and 44 percent respectively in 2005.

The growth within our municipal cities has not been constant however. During the decade from 1995 to 2005, the average growth rate for Thurston County cities was 1.9 percent. The city of Yelm was by far the fastest growing area, with an annual rate of 7 percent. Average annual growth in other cities, including Tumwater, Olympia, and Lacey, ranged from .7 to 2.5 percent. Excluding Yelm, the average rate of growth was at or very near the statewide average of 1.1 percent. In 2006, the overall population growth rate in Thurston County cities was 1.7 percent, with the city of Rainier showing the largest increase at 5 percent.

## **Employment and Housing**

Between 1990 and 2000, the number of jobs available in the county has increased by 32 percent. By far, the largest percentage of increase over this 10-year span occurred in the service industry, showing an increase of over 50 percent. In 2004 (the latest statistical year) the number of full-time and part-time jobs in Thurston County was 120,592. For the period 2003 to 2004, the administrative sector showed by far the greatest growth rate, increasing by 1,163 employees or 30 percent. The wholesale sector showed the next greatest rate of growth in covered employment, increasing from 2,147 jobs to 2,605 jobs or 23 percent. The increase in employment in the government sector in Thurston County was exclusively in state government. Within the government sector, state government employment increased by 268 jobs, while local government employment actually reduced in size by 190 jobs.

While administration and warehousing were the fastest growing job sectors in Thurston County in 2004, manufacturing and information system companies continued to be job losers. Even though real estate employment decreased slightly, new housing starts and related real estate excise taxes continued to grow rapidly.

## Thurston County, Washington 2006

Over the past decade, new housing starts in Thurston County have fluctuated significantly. There was a constant downward trend from 1990 to 2000. There were 2,789 residential housing permits in 1990, 2,026 in 1995, and 1,532 in 2000. That trend has reversed itself in the last few years and new housing starts increased from 2,417 in 2004 to 2,713 in 2005. Fifty-six percent of these permits were located within Thurston County cities, 11 percent in the urban growth boundaries, and 33 percent in the unincorporated areas of the county.

The average sales price for a home in 1990 was \$91,568. In 2000, the average sales price was \$160,606. In 2004 it was \$209,165, and in 2005 the average sales price rose sharply to \$252,452. This is an increase of 21 percent over the previous year. Housing affordability continues to be relatively good compared to the statewide average. In the first quarter of 2006, the index was 111.6 (an index of 100.0 is considered a good balance between monthly income and housing costs). However the affordability index dropped considerably from 141.9 in the corresponding time period in the previous year. The higher the index is, the more affordable the housing. For first time homebuyers, the index was 65.9 vs. 83.7 in 2005. A drop in both measures reflects less accessibility to affordable housing.

### **Household and Per Capita Income**

In 2004 (the last year of complete data), the estimated median household income for Thurston County was \$52,079, an increase of 1.3 percent from an updated estimate of \$51,389 in 2003. Projections for 2005 show a slight rise of 2 percent to \$53,127. Compared with adjacent counties, Thurston County continues to experience a higher median household income than adjacent Lewis, Mason, and Grays Harbor counties, but remains slightly lower than Pierce County. Thurston County is projected to be approximately \$1,300 higher than the overall median household income average for Washington State in 2005.

Real personal income for Thurston County, which is measured by dividing total personal income by population and adjusted for inflation, has increased from \$25,937 to \$31,841 during the ten year period from 1993 to 2003. This is a real per capita increase of \$5,904, using 2004 dollars. During the same time period, Washington State's real personal income increased from \$27,401 to \$33,737, an increase of \$6,336. In 2004 (the latest statistical year), Thurston County's per capita income increased slightly by \$339 to \$32,180. This is the first year of increase after two consecutive year of decrease, and compares with an overall statewide increase from 2003 to 2004 of \$1,304.

### **Taxable Retail Sales**

Another indication of economic conditions, especially as it applies to local government, is "taxable retail sales". This indicator measures purchasing and consumption activity in the county. In the last reported year, from 2004 to 2005, the rate of growth in taxable retail sales took a substantial swing upward due to the building and service industries. During this one year period, the county experienced an amazing 16 percent increase in taxable retail sales. This compares to a growth in taxable retail sales of 7 percent from 2003 to 2004. The "taxable retail sales" for the county has increased by an average of 6 percent annually from 1990 to 2000, and by an average of 7 percent over the five year period, 2000 to 2005. During the corresponding ten and five year time periods, the unincorporated sector of the county increased by approximately 4 percent and 1 percent, while the city of Yelm increased by 11 percent and 10 percent respectively.

Most of the 2003 to 2004 sales growth took place in the three largest urban cities. The three major cities, Olympia, Lacey, and Tumwater accounted for 55 percent of the annual growth. The fastest growing area is the small city of Bucoda, with an annual growth rate in excess of 70 percent.

## **Future Economic Outlook**

Thurston Regional Planning Council predicts that the population will increase from 231,100 in 2006 to 255,000 in the year 2010 and by 2030 will be at 373,000, an average increase of 2.5 percent over this twenty-four year period. The economy and employment growth is also expected to continue to grow, but not at the same rate as recent years. Thurston Regional Planning Council projects an increase in employment for Thurston County from 116,000 persons in 2005 to 182,000 by the year 2030. This is an increase of 57 percent over the twenty-five year period or 2.2 percent per year. The number of local government jobs is expected to increase at rate of approximately 3 percent per year, with state government continuing at a slightly slower growth rate of 2 percent. The service industry is expected to be the most dominant employment base, with an expected 62,000 jobs in 2030 compared with 37,000 in 2005.

Thurston County's economic vitality has traditionally come from being the state capital. Growth in state government has slowed over the past decade, with only 2,400 jobs added to the local economy during this ten-year period. With the passage of Governor Gregoire's budget, state hiring will jump substantially. Her budget for the 2007-09 Biennium will add approximately 3,500 new government jobs, a third of which would be in Thurston County.

State government, with its substantial employment base, has significant ripple effects in the consumer business trade and services sectors. However, Thurston County continues to have more people who commute outside of the county each day than commute into our county. With a slow down in state government growth, Thurston County has been very active in solidifying its role as a regional retail and service center. The new shopping center on Marvin Road in Lacey has added thousands of jobs, and the Gateway Project at Hawks Prairie is expected to open in 2009. Tumwater has just completed a major annexation that will be compatible with their several new office buildings in Town Square. Plans for additional big box retail stores are in the works for Lacey, Olympia, Tumwater, and Yelm. The trend is expected to continue over the next 25 years. One of the keys to Thurston County's economy will be the success of efforts to have Thurston County residents purchase goods and services locally. Another is continued diversification in the work force, with a growth in business-to-business and home-based services.

Health care services, in particular, present the county with significant growth opportunities and challenges. Thurston County health care services are among the most comprehensive in southwest Washington, and Providence St. Peter Hospital has just completed a major expansion project.

Local governments in Thurston County, including the county, are also experiencing the challenges of rising public safety and health care costs. Passage of recent initiatives and potential for new voter-approved initiatives has placed tight limits on revenue increases from traditional sources such as property taxes. The reduction of state grant funds from motor vehicle excise taxes have caused many local cities and the county to experience slow growth or tight budgetary positions. This has been partially offset by a very robust real estate market and higher than expected real estate excise taxes.

The long-term outlook will depend on a combination of the strength in local economic recovery and the availability of dedicated revenue sources to support new and ongoing program growth opportunities. The 2005 and 2006 legislative sessions imposed new pension obligations that will need to be met in the forthcoming budgets, and the economy is slowing. The recent passage of the sales tax streamlining legislation and the likelihood of increased funding for public and mental health programs will help in supporting these important county programs. Thurston County governments' ability to retain an adequate reserve base will be a significant factor in offsetting future reductions in state and federal support.



## **MAJOR ACCOMPLISHMENTS AND SERVICE EFFORTS**

In 2006, the Board of County Commissioners summarized the results of a citizen's survey to determine top priorities in county government. The citizens of Thurston County named public safety as their top priority, with public health being number two. The Board of County Commissioners is working with elected officials and department managers to incorporate these priorities into the 2007 and future budgets, focusing on priorities for correctional programs and alternatives to incarceration.

The Sheriff's Office received \$92,000 in grant funds to purchase tactical, safety, and S.A.R. equipment for the Law Enforcement Terrorism Protection Program, and \$19,000 from the Nisqually Indian Tribe to purchase furniture and computer equipment for the Thurston County Identity Theft and Fraud Task Force.

Authorization was granted from the Board of County Commissioners to begin schematic design and permitting for the new Accountability and Restitution Center (ARC). The new ARC will be located on properties adjacent to the county's juvenile rehabilitation facility and will add an additional 320 beds. The Thurston County Sheriff's Office also received increased staffing within the Corrections Division, adding three correction deputies, one correction sergeant, and one correction technician to help reduce overtime. With the election of a new sheriff, the office reorganized to eliminate one captain position and two sergeants, converting these resources into four patrol division deputies.

Thurston County's Board of County Commissioners created and funded the eighth judicial position for the Superior Court. Anne Hirsch was elected to that position. With the addition of the eighth judge, the court is now able to move forward with a reorganization plan that will improve the efficiency of court activities related to criminal cases and family and children services. Funding enhancements in 2006 allowed for an expansion of court-appointed special advocate services, and drug court programs continued to effectively reduce recidivism in drug-related crimes. Also in 2006, Thurston County's Superior Court embarked on a ground-breaking pilot program that integrates risk and need assessments for defendants in local and state criminal justice systems. If successful, the pilot program will become the standard bearer for the state of Washington.

Year 2006 was the second year of the operation of mental health court to coincide with the very successful drug court, and both are helping to reduce recidivism. With funding provided by Thurston County Commissioners, security screening for District Court and other building residents commenced in August of 2006. This is an interim security measure until a centralized screening facility is constructed.

Juvenile Court continues to be involved in the Superior Court unification process, which attempts to identify procedures and problem solving methods to appropriately handle juvenile and family court issues. The coordination of court functions to assure consistent judicial treatment of families and children involved in multiple proceedings is a top priority. Consistent with community safety, Juvenile Court is continuing efforts to improve case management techniques while carefully considering detention alternatives and least restrictive consequences for youthful offenders. Dependency proceedings have been enhanced by the continued emphasis on the Family Treatment Court and the recruitment and training of additional CASA volunteers.

Family Court Services provide assistance, coordination, direction and services related to family law issues for litigants not represented by an attorney. In 2006, the Family Court Services expanded their facilitator program to provide for ex parte service where all paperwork is reviewed by a facilitator before presentation to the court. This process has also had a huge time saving impact on the judicial officer presiding over ex parte proceedings. The LFO (Legal Financial Obligations) Fund was created to account for the collection of court ordered financial obligations and associated expenses. Two new collection officers were added to increase revenue to county drug funds, public defense funds, and crime victim restitution funds.

## Thurston County, Washington 2006

The Office of Assigned Counsel's main program achievement in 2006 was a new alliance with the State Office of Public Defense. The Office of Assigned Counsel entered into a contract with the Public Defense Office for an 18 month pilot program beginning January 1, 2006 to enhance the delivery of public defense services to misdemeanants in the Thurston County District Court. The Office of Assigned Counsel hired three attorneys and one paralegal in anticipation of stronger collaboration with the state as they strive to guarantee constitutional protections for those who qualify for services, and obtain increased funding for indigent defense.

The Prosecuting Attorney's Office processed 3,274 felony cases. Of the 3,274 felony cases, 1,179 were related to domestic violence. The Prosecuting Attorney's Office also processed 4,519 misdemeanor cases for the citizens of Thurston County in 2006. A significant accomplishment was expanding victim advocacy services to victims of general felony crimes and working closely with Superior Court to expand drug court and mental health court hearings. The Family Support Division received 823 new cases and closed 600 cases where owed child support funds were returned to the State of Washington. Although federal funds from the Department of Justice are being cut back, funds were restored in 2006 for the Weed & Seed Program in Rochester School District.

The County Assessor is continuing to work with local media, senior centers, and service groups to provide easy-to-understand information about property assessments and the role of the assessor. This includes providing community presentations, web access and print publications to educate the public about property tax assessments and administration. In 2006, the County Assessor made some technology improvements of imaged materials in the Senior/Disabled Program and Board of Equalization records to reduce storage capacity and costs. Other efficiency moves included an Enhanced A+ Parcel Look-Up System.

The year 2006 was one of the busiest years in history for documents recorded in the County Auditor's Office. The licensing/recording division processed 123,600 license and title renewals, 93,500 new recorded documents, and 1,700 marriage licenses. Total revenues were \$4.3 million. A new Eagle Recorder software system was installed to help efficiently process documents and improve customer service. The new system provides on-line pre-recording of information for marriage licenses and auto indexing.

The County Auditor's elections division changed the type of voting system that was used for the past thirty five years in Thurston County. The Help America Vote Act eliminated punch card voting and required a compliant replacement system be in place by the beginning of 2006. The new voting system for Thurston County uses optical scan ballots. An aggressive voter outreach program was implemented to inform all voters on how to use it, and the elections division began using AutoMARK voting machines for the first time to enable disabled voters to vote independently.

The most significant accomplishment in 2006 for the Auditor's Office financial services division was the preparation of Thurston County's first "Comprehensive" Annual Financial Report (CAFR) under GASB 34, and using the new Windows-based MUNIS financial system. The annual report was prepared a month earlier than previous reports to qualify for recognition for excellence in financial reporting.

Several customer service enhancements were made in the Clerk's Office to improve access to records and eliminate the necessity to travel to the courthouse. These included internet access for attorneys, news media and title companies to image documents and view hearing calendars; an upgraded web site with links to other agencies and search capabilities to other counties; and an internet access that will allow the public to request a specific document, pay the cost for that document and have the information e-mailed directly to them.

## Thurston County, Washington 2006

The Coroner's Office provides a professional review and investigation for every death occurring in Thurston County; makes notifications to next-of-kin; inventories and returns personal property to its rightful heirs. The depth and complexity of death investigations have dramatically increased the time and expertise required for each case. Through a Homeland Security Grant obtained via local and state committees on terrorism, the Coroner's Office developed the first-of-its-kind-in-the-nation system for the recovery, handling, storage and disposition of multiple fatalities in a mass disaster. The system may be transported anywhere in the country.

Washington State University (WSU) Thurston County Extension partners with many organizations, including county government to advance knowledge and economic well-being by fostering inquiry, learning, and the application of research. Nearly 800 trained volunteers generated 44,000 volunteer hours in the community. This is equivalent to over 21 full time employees. Program & service areas include: 4-H Youth Development, Master Gardeners & Master Composters, Food Safety and Nutrition, Water Resources, and Community Outreach.

Recognizing the emerging county need to reduce solid waste, the Master Composter Program now has 39 trained Master Composters giving workshops and advice to the public. An additional 32 volunteers were trained in composting, soils, insects, and water-wise gardening. In 2006 4-H served 732 youth who were enrolled in traditional, year-long 4-H "club" programs and 346 in special one-time events. Volunteers and staff offered the first 4-H Creativity Festivity Day Camp, for youth, ages 6-12, and 40 youth campers participated.

The WSU Extension Office launched the "Winner's Circle Healthy Food Labeling Project" in collaboration with Thurston County Public Health and Social Services through the federally funded "Steps to a Healthier Washington in Thurston County." This project provides labeling of healthy food choices at cafeterias for selected public school students and employers locally. The office also developed and chaired a national satellite broadcast as part of the WSU Extension Engaged satellite program to offer recommendations for minimizing disease risks from petting zoos and public animal exhibits.

Thurston County's Public Health and Social Services Department continued its leadership in many local and statewide initiatives. The mental health division won a state award to implement "evidence based practices" for children enrolled in community Medicaid programs in Thurston and Mason counties. The chemical dependency division successfully implemented an intensive case management pilot for 600 adults and youth who are high utilizers of multiple systems, with the goal of improving chemical dependency treatment and reducing duplication and associated costs. The personal health division successfully implemented a new chronic disease management collaboration with local physicians targeted at reducing incidents of and complications from diabetes. Utilizing state and federal grant funds, the emergency preparedness division undertook an extensive readiness test for large disease outbreaks by vaccinating over 300 county employees for flu vaccines in less than four hours. The developmental disabilities division successfully placed over 215 adults with developmental disabilities into jobs in Thurston and Mason counties, an increase of 16 percent from 2005. The environmental health division was awarded a new Salmon Recovery Fund and Puget Sound Initiative grant to provide financial assistance of owners of failing or antiquated septic systems.

## Thurston County, Washington 2006

The Central Services Department provides preventive maintenance support to the other offices and departments in the county. The maintenance and operations division received 3481 total work orders, including the re-fastening of 38,990 square feet of ceiling tiles in the Juvenile Detention facility. Several major projects were accomplished in 2006. A new voice mail system was implemented in May, and a network security assessment was completed in July resulting in a report which will help shape future work plans for network improvements. A fiber optic connection was implemented to the Family and Juvenile Center which provided much needed bandwidth. A Request for Proposal (RFP) was prepared and a vendor chosen for a county-wide imaging system. Other significant projects included the installation of an upgraded recording system for the Auditor's Office, wireless network study, email archiving, and implementation of a new time keeping system for the Sheriff's Office.

The Thurston County Parks Department opened two new facilities in the previous year. Griffin Athletic Fields were opened for public use for soccer and baseball in June of 2005, and the Regional Athletic Complex (RAC) located in Lacey was opened for soccer use in September 2005. Over 25,000 users visited Griffin Athletics Field in 2006 and over 250,000 users visited the RAC facility throughout the year. In May 2006 the RAC held its first state soccer tournament. Phase II of the RAC is expected to be completed in 2007 with the support of Public Facilities District funding.

Park attendance in county parks exceeded 691,000 and attendance continues to grow in Park's specialized recreation programs by about 10% per year. Programs include the Summer Camp; Adventures Camp; Special Olympics, the Summer Weekday program; the Christmas Cruise in partnership with the Olympia Yacht Club; and the Bingo program in partnership with South Sound Senior Services.

The Thurston County Roads and Transportation Services had a very significant transportation improvement program, successfully completing the following projects:

- Constructed the Lackamas Bridge over Lackamas Creek.
- Constructed the "Welcome to Grand Mound" sign.
- Constructed the new intersection at Old-99 and 183rd Ave.
- Installed Traffic Calming in a section of the Tanglewilde subdivision.
- Upgraded Fennel Road from a gravel road to a chip sealed hard surface.
- Retrofitted the Hobson Road culvert.
- Re-constructed the Gate/Moon Road intersection.
- Cleaned up the Boulevard Road bull pen site.

Progress continues on the "bridging the gap" project on the Chehalis Western Trail, breaking ground on the new bridge over I-5 in July 2006. Roads also received \$4.1 million in Federal transportation funds to link the northern and southern segments of the Chehalis Western Trail near South Sound Center.

Water and Waste Management (W&WM) is one of the largest and most active departments in Thurston County. The water resources division conducted stormwater pond inspections in 92 home owner associations, completed 62 technical assistance responses to homeowners regarding recommended drainage actions, completed inspection of 35 stormwater facilities, performed contract maintenance on 10 major facilities under a pilot program, completed a "Long Lake Nutrient Reduction Study", developed a conditional permit for the use of Grass Carp as an option to control native nuisance plants at Lake Lawrence; and completed aquatic plant harvests for 85 surface acres. The engineering division completed design of the Lakemont/49th Stormwater Improvement Project., design and construction of Mallard Pond Stormwater Improvement Project, Part 1, Athens Beach Drainage Improvement Project, the Carolyn Beach Stormwater Management Plan, and Grand Mound Corrosion Control project. The division also entered into a contract for water and sewer uses and permitting for the new Great Wolf Resort.

## Thurston County, Washington 2006

The Department of Communications (CAPCOM) is an intergovernmental agency created by member local governments within Thurston County. The mission is to provide emergency communication countywide, including Enhanced 9-1-1 service. A combination of county, state, and federal grant funds were used to improve fire service radio frequencies in Lacey, Griffin, McLane, West Olympia, and Southeast Thurston County Fire Districts. CAPCOM installed the first narrowband frequency for law enforcement use for training and special events; expanded outside revenue support with the addition of an Intercity Transit lease for use of existing radio infrastructure; and expanded vendor capability to support broadband and network connectivity for mobile computer terminals (MCTs).

Development Services continued to experience near-record building permit activity in 2006. To accommodate continued workload increases, the department began several technology projects that focused on improving customer services. A Voice Permit System was implemented. The system provides customers with permit information, project status, and basic zoning information and inspection results 24/7. Development Services partnered with the Roads Geo Data Division to develop a mapping module to be implemented with the AMANDA permit tracking system. The department also completed a cost recovery effort in April, 2006 and revised their fee model to reflect the result of the multi year study. The fee model will eliminate general fund subsidies to the permit departments by 2009.

One of the highlights for the Fair Department in 2006 was a major renovation of Heritage Hall. The project included major structural work, bringing electrical systems up to code, and replacing many exterior logs. The Fair also continued a promotion to benefit food banks throughout the county. The promotion is called "One Buck Wednesday and generated over 3 1/2 tons of food and \$1,200 for the Food Bank. Fair attendance was at an all time high.

The Human Resources (HR) Department added a new training coordinator, a new labor relations manager and a new human resource analyst. With a full complement of staffing, HR conducted a county-wide training needs assessment, a comparative review of many county job classifications, and a major revision in personnel rules. The Board of Equalization continued to work with the Assessor's Office to reduce the number of outstanding assessment appeals. The HR personnel section started the final phase in upgrades to the EDEN payroll system, designed to be completed in mid 2007.

Pacific Mountain Workforce Consortium is responsible for administering the Workforce Investment Act with its partner, the Workforce Development Council, in the five-county area including: Grays Harbor, Lewis, Mason, Pacific and Thurston. The department operates and sub-contracts out formula-funded programs that serve low-income adults, dislocated workers, low-income youth, ex-offenders, disabled job seekers and Work First participants. Pacific Mountain received an innovation grant for \$10,000 to design an innovation zone at Satsop. As an innovation zone, Satsop was selected as 1 of the 12 recipients for \$5 million dollars in job development funds to assist in renovating the Turbine Building for the relocation of Brown-Minneapolis Tank Company. Pacific Mountain also received \$5,000 for grants to homeless veterans and \$20,000 for high demand scholarships. Pacific Mountain is partnering with the New Market Skill Center for placement of workers in their new health sciences program.

## INTERNAL CONTROLS

In developing and evaluating the county's accounting systems, the County Auditor's Office has continued giving special consideration to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable assurance to citizens regarding: (1) accountability for assets, and safeguards against their loss through unauthorized use or disposition; and (2) the reliability of financial records as the basis for preparation of financial statements. The concept of "reasonable assurance" recognizes that: (a) the costs of control should not exceed the derived benefits; and (b) management is required to make estimates and use its judgment in evaluating all of the costs and benefits.

Thurston County management recognizes the importance of adequate internal controls and has an internal audit committee. The internal audit committee is comprised of the County Auditor, County Treasurer, and the Chief Administrative Officer. The county Internal Auditor reports to the committee, and works with county departments and offices to improve the effectiveness and efficiency of administrative and financial internal controls. We believe that the county's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording and presentation of financial transactions.

## **BUDGETARY CONTROLS**

The 2006 Thurston County revised budget is \$259 million in all funds and \$67 million in General Funds (including transfers to other financing sources and excluding fund balances). This is a decrease of approximately \$8 million in total funds from the 2005 budget and \$5 million more in General Funds. If the county would have received their General Fund budgeted revenues and spent their budgeted expenditures, reserves would have decreased by approximately \$3 million. A combination of \$400 thousand in slightly higher than expected revenues and a \$2 million expenditure savings, resulted in a decrease of only \$600 thousand in available General Fund reserves. This brings the county General Fund ending fund balance to \$8.4 million, and will be useful in meeting future budget challenges. Budgets are prepared and maintained by establishing detailed line items. Office and department heads have the authority to move budget authorizations between objects within their funds, but the chief administrative officer is the only position authorized to transfer budget authority between offices and departments within a fund.

On-line access reports are available for all elected officials and department managers, comparing current budget appropriation levels to actual revenues and expenditures by detailed line item. At year-end, the county utilizes a "13th month" accounting period to post all financial transactions attributable to the appropriate fiscal year. The county budget team reviews the budget status of offices and departments at the mid-point of the fiscal year. If there is a need for budget modifications, requests are submitted to the county auditor's office, chief administrative officer, and/or Board of County Commission (BoCC). Only the board can approve budget increases.

## **FINANCIAL INFORMATION**

The financial information section provides detailed data on revenues, expenditures, assets and liabilities. Various schedules in the supplementary section show comparisons and trends between budgets and actuals. Entity-wide information is summarized into two main categories entitled: Governmental Activities and Business-Type Activities in the statement of net assets. Thurston County's infrastructure, such as roads, bridges, and parks, has been capitalized and also included in the entity wide statements.

## **CASH MANAGEMENT**

In order to obtain maximum return on secure investments, the county treasurer invests cash in certificates of deposit with qualified Washington State public depositories, U.S. Treasury and agency securities, bankers' acceptances, commercial paper and investments in the Washington State Treasurer's Local Government Investment Pool. Over 80% of the cash investments held by the Thurston County Treasurer are in US agency and instrumentality securities. All investments at year-end 2006 were insured, registered, and/or held by the county treasurer or the treasurer's agent. All of these investments are classified in the lowest-risk category, as defined by the Governmental Accounting Standards Board (GASB).

## **RISK MANAGEMENT**

Thurston County is self-insured for the first \$250,000 of any single general liability loss and acquires excess liability insurance through the Washington Counties Risk Pool. Thurston County's insurance, loss expenditures, and accounting activities are centrally tracked within the county's Insurance Risk Internal Service Fund. The county presently also purchases insurance for workers' compensation liabilities and potential property losses.

## **INDEPENDENT AUDIT**

Washington State laws require an annual audit by the Washington State Auditor's Office (SAO) of the financial records and transactions of the county. The State Auditor's Office consistently performs this audit annually and I am pleased to report that Thurston County has continued to receive an unqualified opinion.

## **ACKNOWLEDGMENTS**

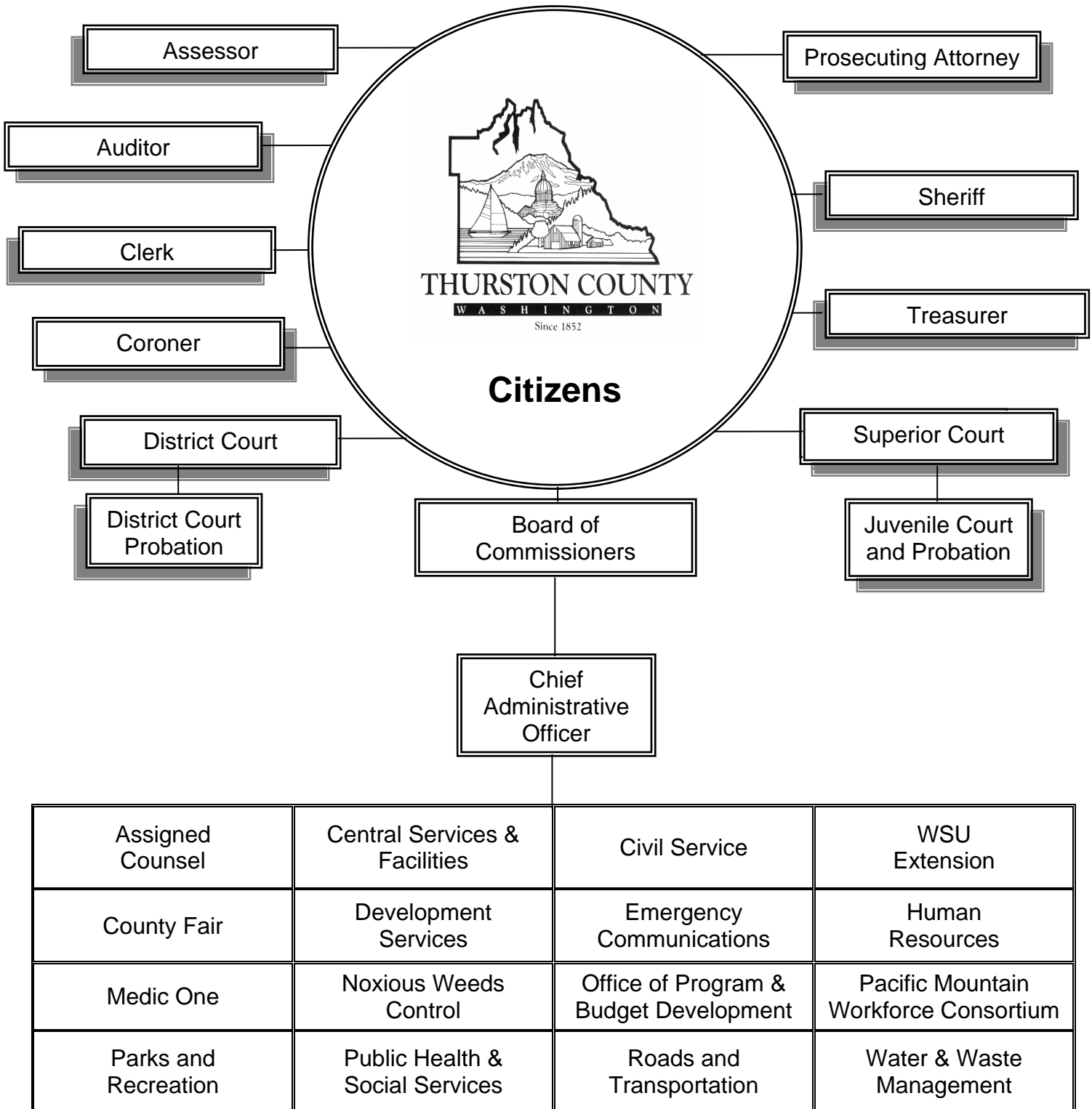
The professional and dedicated staff of the financial services division of the county Auditor's Office and the county Treasurer's Office jointly prepared this report. In addition, the report could not be accomplished without the valuable assistance of accounting personnel of other county departments. I appreciate their efforts, and appreciate also the sound and progressive approach of the board of county commissioners, in their conduct of the financial affairs of the county.

Respectfully Submitted,

A handwritten signature in dark ink, appearing to read "Kim Wyman", is written over a light blue circular stamp.

**Kim Wyman**  
Thurston County Auditor

# THURSTON COUNTY ORGANIZATION CHART





## Elected Officials

December 31, 2006

### Thurston County Board of Commissioners

Honorable Cathy Wolfe, **District One**  
Honorable Diane Oberquell, **District Two**  
Honorable Robert N. Macleod, **District Three**

Honorable Patricia Costello, **Assessor**

Honorable Kim Wyman, **Auditor**

Honorable Betty J. Gould, **Clerk**

Honorable Judy Arnold, **Coroner**

Honorable Edward G. Holm, **Prosecuting Attorney**

Honorable Gary Edwards, **Sheriff**

Honorable Robin Hunt, **Treasurer**

### District Court Judges

Honorable Susan A. Dubuisson  
Honorable Clifford L. Stilz, Jr.  
Honorable M. Brett Buckley

### Superior Court Judges

Honorable Paula Casey  
Honorable Richard A. Strophy  
Honorable Wm. Thomas McPhee  
Honorable Richard D. Hicks  
Honorable Christine A. Pomeroy  
Honorable Gary R. Tabor  
Honorable Chris Wickham  
Honorable Anne Hirsch



**Washington State Auditor  
Brian Sonntag**

**INDEPENDENT AUDITOR'S REPORT**

June 21, 2007

Board of Commissioners  
Thurston County  
Olympia, Washington

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Thurston County, Washington, as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Thurston County, Washington, as of December 31, 2006, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General, Real Estate Excise Tax, Roads and Transportation, Medic One, and, Public Health and Social Services funds, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 17 through 38 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.



## Thurston County, Washington 2006

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 107 through 198 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", with a stylized flourish at the end.

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

## MANAGEMENT DISCUSSION AND ANALYSIS

Thurston County's discussion and analysis offers the readers of the annual financial report a narrative overview of the county's financial activities for the fiscal year ending December 31, 2006. We encourage readers of our financial report to use this information in conjunction with our letter of transmittal, financial statements and notes to the financial statements to analyze our financial activities and health.

### FINANCIAL HIGHLIGHTS

#### Entity-Wide Statements

- Thurston County's overall financial position improved in 2006. Governmental and business net assets in 2006 were greater than governmental and business net assets in 2005. This report will further explain some of the details behind these increases.
- Governmental net assets increased by \$16.6 million to \$481.8 million at December 31, 2006. This represents a 3.6% increase over net assets of the prior year. This increase is a result of revenues exceeding expenses by \$16.7 million which is then offset by a prior period adjustment of \$126,553. The change in governmental net assets in 2006 is \$3.2 million or 24% greater than the change in 2005 after excluding prior period adjustments. Two major items causing this change were the \$2.7 million dollar legal settlement with the Juvenile Detention Center contractors and the \$2 million interest earnings associated with the bond refunding. These increases were slightly offset by the increases in Health and Human Services and Public Safety expenses.
- Business net assets slightly increased by \$294,237 to \$35 million at December 31, 2006. This represents less than a 1% increase over net assets of the prior year. The change in business net assets in 2006 is 80% less than the change in 2005 after excluding prior period adjustments. This decrease is a net result of increases in expenses outpacing increases in revenues by 7%. The change in net assets of \$294,237 can be primarily attributed to the solid waste division's \$552,904 increase in net assets in 2006. The solid waste division gain was offset by losses in the other utilities.
- The County's governmental change in net assets of \$16.7 million in the Statement of Net Assets exceeds the County's governmental change in fund balance of \$7.8 million in the Statement of Revenues, Expenditures and Changes In Fund Balances. The governmental fund balance actually increased by \$22.9 million if debt and capital transactions are excluded (they are already excluded from the Statement of Activities). This increase is then reduced within the statement of activities by depreciation and losses on assets of \$8.1 million and \$399 thousand for debt proceeds, expenses and adjustments. These reductions are offset by a net gain of \$2.3 million for interfund elimination and revenue deferral recognition. This provides the change in governmental net assets of \$16.7 million noted above and is described in further detail in the Government-Wide Financial Analysis – Statement of Activities.
- The County's governmental net assets of \$481.8 million exceed the County's governmental fund balance by \$380.3 million. The additional net assets are a result of recognizing \$385.2 million of net capital assets and another \$41 million for internal service balances and receivables that are not reported in governmental funds. These increases are then offset by long term debt obligations and compensated absences of \$45.8 million providing the \$380.3 million difference noted above and is described in further detail in the Government-Wide Financial Analysis – Statement of Net Assets.

## **Major Funds Statements**

- Governmental cash balance increased by \$7.8 million in 2006. The cash balance increased by \$10.5 million in the excise tax, roads, medic one and other governmental funds and was then offset by a \$2.7 million decrease in the public health and general fund. Cash balance increases were primarily due to revenues (primarily intergovernmental, taxes, interest and settlements) exceeding expenditures. Cash balance decreases were primarily due to increases in expenditures (primarily public safety) exceeding increases in revenues.
- Governmental revenues in 2006 exceeded revenues in 2005 by \$16 million. \$5.9 million was due to an increase in intergovernmental revenues. \$6 million was due to an increase in miscellaneous revenues of which \$2 million was the result of a gain on a long term refunding bond issue that was fully refunded in 2006 and another \$2.7 million was a result of restitution paid on the Juvenile Detention Center. Tax revenues increased by \$2.4 million, charges for services increased by \$1.3 million and remaining difference was due to increases in revenues for fines and forfeitures and licenses and permits. General Fund revenues increased by \$3.5 million which includes an increase of \$1.7 million for tax revenues.
- Governmental expenditures in 2006 exceeded 2005 expenditures by \$10.5 million. Health and Human Services expenditures increased by \$5 million with \$4.6 million of the increase coming from the Public Health and Social Services Fund. Public safety expenditures increased by \$4.1 million with 99% of the increase coming from the General Fund. The remaining increase in other governmental activities was largely offset by a \$3.2 million decrease in capital outlays.
- The County Treasurer is responsible for managing, receipting, investing and disbursing \$422.8 million in cash as valued on December 31, 2006. Of this total, \$272.9 million was managed for outside agencies and organizations; and \$29.1 and \$23.2 million were for enterprise and internal service operations respectively. The remaining \$97.6 million was for the following governmental activities: general fund – \$6.4 million, general government – \$26.3 million, public safety – \$13.6 million, culture and recreation - \$551 thousand, transportation - \$16.5 million, economic environment - \$6.8 million, utilities and environment - \$4.1 million and health and human services - \$23.4 million.
- The solid waste utility is the dominant business activity because it comprises 88% of the County's business type operating revenues. The water and sewer utilities, except for storm water, incur annual operating losses since significant capital upgrades are funded through assessments instead of service charges. The grand mound utility is the only utility that incurs annual operating losses after excluding depreciation costs. The County expects future utility hook-ups and new customer service revenues to eventually eliminate the operating losses in the grand mound utility.

## **COUNTY GOVERNMENT OVERVIEW**

Governmental activities provided by Thurston County include:

**General Government Services:** Commissioners, Human Resources, Auditor, Assessor, and the Treasurer.

**Culture and Recreation:** Fair, Parks and Recreation, and Cooperative Extension

**Economic Environment:** Planning and Development Services, Office of Program and Budget Development, Pacific Mountain Job Training Consortium and Veterans Services.

**Health & Human Services:** Public Health, Social Services, and Medical Aid (Medic One).

**Utilities and Environment:** Noxious Weeds, Lakes Management Districts for Long, Lawrence and South Pattison lakes.

**Public Safety:** Sheriff, Corrections, Juvenile Services, Emergency Services and Communications, Civil Services, Clerk, District Court, Superior Court, Assigned Council, Prosecuting Attorney, and the Coroner's Office.

**Transportation:** Road Construction and Maintenance and Road Improvement Districts.

**Business type activities:** Water and Wastewater Utilities (for unincorporated parts of the county including Tamoshan, Grand Mound, Boston Harbor, and Olympic View), Solid Waste, and Storm Drainage.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The Comprehensive Annual Financial Report (CAFR) is presented in four sections: introductory, financial, supplementary, and statistical. The introductory section includes a transmittal letter, the county's organization chart, and a list of principal elected officials as of December 31, 2006. The transmittal letter will present an overview of the report, the county's economic conditions and outlook, and identifies current issues and accomplishments that affect the government's financial circumstances. The financial section contains the management discussion and analysis (MD&A), government-wide financial statements, fund financial statements, governmental major fund budgetary statements and notes. The supplementary section contains required supplemental information and other information on non-major funds and agencies. The statistical section presents a history of selected financial and demographic information over the past ten years.

### Government-wide Financial Statements

The first two statements are government-wide financial statements that give the reader a broad overview of Thurston County finances. These statements include both long-term and short-term assets and liabilities for all Thurston County funds combined and they tend to resemble the type of financial report that you would see for a private-sector business. Both of these statements segregate governmental activities from business type activities. Governmental activities are principally supported by taxes and intergovernmental revenues. Business-type activities are functions of government that are intended to recover all or a significant portion of their costs through user fees and charges.

The statement of net assets includes all of Thurston County's assets and liabilities using similar accounting methods as those used in private industry. Over time, increases or decreases in net assets may serve as one way to measure the county's financial health. To assess the overall health of the county you also need to take into consideration some non-financial factors such as the condition of the county's infrastructure (roads, bridges, drainage systems, etc.), property tax base and general economic conditions within the county.

The statement of activities presents the specific services of our government and how they affect the change in net assets. This statement separates program revenues like charges for services, grants and contributions from general revenue such as taxes and other revenue not tied to a specific program. It shows to what extent the services rely on taxes for funding. This statement is prepared using the full accrual basis of accounting, which recognizes revenue and expenses when they are incurred as opposed to when the cash is received or transferred. Items such as outstanding property taxes receivable and vacation leave that is earned but unused is reported as a revenue and expense respectively regardless of when the cash is received or distributed.

Thurston County has no separately identified component units included in the government-wide financial statements.

### **Fund Financial Statements:**

Fund financial statements present more detailed information about the county's most significant funds. Funds are a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. Thurston County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Thurston County's operations are segregated into three types of funds in this financial report: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for most of the general government services that are primarily supported by tax dollars. These funds provide the reader with a short-term (within 1 year) overview of the fund financial health. The information presented in these fund statements excludes long-term assets and obligations. The statements report resources available to spend in the near future on a fund's programs and services.

Proprietary funds are used to account for business type activities where all or part of the cost is financed by fees and charges paid directly by those who benefit from the activities. These funds provide both long-term and short-term financial information.

Fiduciary funds are used to account for resources that are held by the County Treasurer as a trustee or agent for parties outside of the county government. The resources of fiduciary funds cannot be used to support Thurston County's internal programs.

The county maintains budgetary control for all governmental and proprietary funds. The 2006 general fund budget was adopted at the department level. All other funds have budgetary controls adopted at the fund level. Personnel dollars are projected using full time equivalents (FTE). Capital projects are approved on a project, group of projects or item basis.

### **Governmental Funds**

The Governmental Fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances present separate columns of financial data for the general fund, real estate excise tax, roads, medic one and public health and social services funds. All of these funds are considered to be major funds based on the criteria established by GASB Statement #34. In order to be a major fund, the assets, liabilities, revenue or expenditures must comprise: 1) at least 10% of the total dollar amount of the same category within either all governmental or all enterprise funds, as appropriate, and; 2) at least 5% of the total dollar amount of all governmental and enterprise funds combined into the same category. However, the general fund is always a major fund. The governmental fund financial statements immediately follow the government-wide financial statements.

It is useful to compare 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 short-term financing decisions. This comparison is reported in a reconciliation statement that reconciles the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances to the governmental activities column in the government-wide statements.

Thurston County has attempted to control expenditure growth by adopting a base budget strategy. The board of county commissioners allow for normal increases in personnel costs and other fixed costs like indirect costs, insurance, records, communications, space use and data processing. Offices and departments are then asked to hold their remaining discretionary expenditures to a base level. A budgetary comparison is provided for the general fund, which is discussed in detail later in this analysis.

## **Proprietary Funds**

There are two types of proprietary funds, enterprise and internal service. Enterprise funds are used to account for functions presented as business-type activities in the government-wide financial statements. Thurston County uses enterprise funds to account for services provided by the solid waste, storm water, clean water, wastewater, utilities planning and development and septic assistance community loan programs. Internal service funds accumulate and allocate costs for services provided to county programs and to other intergovernmental jurisdictions. The County's internal service funds include: risk management, benefits administration, utilities administration, engineering services, central services (facilities, maintenance and information technology support), equipment rental and replacement and emergency communication services. Revenues and expenses of the internal service funds are duplicated in other funds, but are eliminated in the government-wide statements with any remaining balances included in the governmental activities column.

The proprietary funds presented in this report follow the governmental fund statements. They provide the same type of information as the government-wide statements, only in more detail, since both apply the accrual basis of accounting. In comparing the Proprietary Fund Statement of Net Assets to the business-type column on the Government-Wide Statement of Net Assets, you will notice that total net assets agree, except for inter-fund transaction eliminations, and therefore these funds require no additional reconciliation within this financial report.

The proprietary fund financial statements provide separate data for the Solid Waste and Grand Mound utility programs. All other non-major proprietary and internal service funds are aggregated into separate single presentations in the proprietary fund statements.

## **Fiduciary Funds**

Fiduciary Funds account for resources held for the benefit of parties other than the Thurston County government. Fiduciary funds are not included in the government-wide financial statements since resources of those funds are not available to support the county's programs. The accounting method used to account for fiduciary funds is similar to that used for proprietary funds.

Thurston County has three types of fiduciary funds: 1) investment trust funds (which report the county's investment pool), 2) private purpose trust funds (which report trust arrangements where the principal and interest benefit those outside of the primary government), and 3) agency funds (which are clearing accounts for assets held by Thurston County in its role as custodian until the funds are distributed to private parties, organizations, or government agencies to which they belong). The fiduciary fund statements can be found following the proprietary fund financial statements.

## **Notes to Financial Statements**

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements in this report.



## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Statement of Net Assets

The following table reflects the condensed Government-Wide Statement of Net Assets. Thurston County's net assets as of December 31, 2006 are \$516,817,763. This reflects a net increase of \$16.9 million from fiscal year 2005. Over the last two years the County's net assets have increased by an average of three percent per year, serving as a useful indicator that the financial condition of the County continues to improve.

The most significant change occurs in assets. Assets, other than capital assets, increased by \$12.7 million, while capital assets increased by \$4.1 million. Of the \$12.7 million increase in assets, \$9.6 million is attributable to cash and pooled investments (including restricted).

Two single items make up almost half of this \$9.6 million increase in cash and pooled investments. The settlement proceeds from the remediation of the juvenile court/detention center for \$2.7 million; and, \$2 million in remaining interest earnings transferred back into a general capital construction fund after the general obligation debt was satisfied.

### Thurston County Net Assets

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Assets	\$ 150,634,182	\$ 137,240,819	\$ 37,080,480	\$ 37,728,220	\$ 187,714,662	\$ 174,969,039
Capital Assets	392,036,681	387,935,586	33,557,655	33,538,899	425,594,336	421,474,485
Total Assets	542,670,863	525,176,405	70,638,135	71,267,119	613,308,998	596,443,524
Current Liabilities	13,300,272	9,290,631	2,008,690	1,695,605	15,308,962	10,986,236
Long term Liabilities	47,559,232	50,700,210	33,623,041	34,859,347	81,182,273	85,559,557
Total Liabilities	60,859,504	59,990,841	35,631,731	36,554,952	96,491,235	96,545,793
Net Assets:						
Invested in Capital Assets, net of related debt	351,868,678	351,892,755	20,358,678	19,788,003	372,227,356	371,680,758
Restricted	111,379,265	93,610,956	5,643,212	4,860,017	117,022,477	98,470,973
Unrestricted	18,563,416	19,681,853	9,004,514	10,064,147	27,567,930	29,746,000
Total Net Assets	\$ 481,811,359	\$ 465,185,564	\$ 35,006,404	\$ 34,712,167	# \$ 516,817,763	\$ 499,897,731

Overall our total governmental assets increased by \$17.5 million and our corresponding governmental liabilities only increased by \$868,663. The largest increase rests in cash and pooled investments (\$9.4 million) followed by an increase in due from other governments (\$1.5 million) related to grant receivables. The biggest increases in governmental activities capital assets are \$1.7 million in non-depreciable governmental assets and \$2.4 million in depreciable assets. The Investment in Joint Ventures decreased by \$111,627. The majority of the increase in non-depreciable assets are construction in progress associated with the Jail HVAC system and the Heritage Hall remodel. Depreciable asset increases are related to the purchase of machinery and equipment including major software applications.

## Thurston County, Washington 2006

Thurston County's total assets stand at \$613 million as of December 31, 2006. Of this amount \$426 million is accounted for by capital assets, including infrastructure and construction in progress.

Of the remaining assets, approximately \$149.9 million or 79.9% are in cash and pooled investments, \$28.3 million in current receivables and prepayments, and \$9.5 million on other Long-term Assets.

As of December 31, 2006 the county had outstanding liabilities of \$96.5 million. Of that amount only \$15.3 million was due within the next fiscal year. The majority of the long-term liabilities are outstanding General Obligation Bonds accounting for 49% of total liabilities and 21.5% are related to the Accumulated Landfill Closure Costs. The notes to the financial statements have additional details on these liabilities.

Of the total net assets, 72% or \$372 million is investments in capital assets net of related debt used to acquire those assets. The county's capital assets are used to provide services to the citizens of the county, so these assets are not available for future spending. Although the amount is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources since capital assets cannot be easily liquidated to cover these liabilities.

Of the remaining \$144.6 million in net assets (excluding capital assets), approximately 81% are subject to external restrictions on how they may be used. External restrictions include those provided in state law or by contractual agreements with parties outside the primary government like federal agencies. The restricted net asset for business-type activities is \$5.6 million.

The majority of the restricted net assets for business-type activities are attributable to the solid waste reserve for closure fund. The solid waste division reserve for closure fund has \$18.3 million in restricted assets that is designated to cover the accumulated landfill closure costs liability of \$20.7 million. When you compare the post closure care liability to what we are reserving in restricted investments there is a deficit of \$2.4 million at the end of this reporting period. It is anticipated that future inflationary cost adjustments as well as the current deficit will be financed from earnings on the restricted reserves.

In governmental activities 91% (\$102 million) of the total restricted net assets are accounted for in transportation, health & human services, internal service, general government and public safety. The funding for restricted assets originated from restricted sources. The \$17.8 million dollar increase in restricted assets is mainly attributed to increases in general government, transportation, public safety and internal services. The increase in general government restricted assets is primarily attributable to 6.4 million surplus that was added to the fund balance in the Real Estate Excise Tax (REET) fund in 2006. The REET fund realized \$6 million in real estate excise tax revenues while incurring only about \$2 million in expenditures in 2006. The REET fund also received over \$2.3 million in miscellaneous revenues (\$1.8 million of the \$2.7 for remediation of juvenile detention facility and \$500 thousand in interest revenue). The cash balance in December of 2006 is over \$15.9 million as opposed to last year's balance of \$9.5 million. Transportation restricted asset increase is primarily due to a \$2 million dollar increase in grant revenues. The increase in public safety can be partially attributed to an increase in revenues from the Criminal Justice Special Sales Tax. The General Fund received approximately \$901,000 thousand of the \$2.7 million related to remediation with contractors of the Juvenile detention facility. Internal service increases are primarily a result of the surplus realized in 2006 from the Equipment Rental and Revolving funds that account for the County's vehicle and equipment fleet.

The remaining balance of \$27.6 million is "Unrestricted Net Assets" that can be used to meet the county's ongoing financial obligations. Of that total 67% is in governmental activities and the remaining 33% is in business-type activities.

As noted in the Financial Highlights to the Entity-Wide Statements, the County's governmental net assets of \$481.8 million in the Statement of Net Assets exceed the County's governmental fund balance in the Governmental Balance Sheet by \$380.3 million. The adjustments in the Statement of Net Assets for debt, capital and interfunds are summarized and illustrated in the following table.

### Reconciliation Of Governmental Fund Balance To Net Assets

Balances & Adjustments	Amount
Governmental Fund Balance	\$ 101,471,328
Capitalized Net Capital Assets	385,155,845
Internal Service Net Assets & Receivables	41,007,600
Long Term Debt & Compensated Absences	<u>(45,823,414)</u>
Governmental Net Assets	<u>\$ 481,811,359</u>

### Statement of Activities

The following chart presents key elements in the Statement of Activities. The County's net assets increased by \$16.9 million in 2006. Total county revenues are at \$188.7 million in 2006, an increase of approximately \$19 million from 2005. Governmental activities provided \$168.3 million in revenues (89%), while business-type activities provided \$20.3 million (11%). The 2006 ratio of total revenues between governmental and business-type is consistent with 2005.

See Next Page

## Thurston County's Statement of Activities

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 20,747,902	\$ 18,640,578	\$ 18,139,718	\$ 15,612,269	\$ 38,887,620	\$ 34,252,847
Operating Grants & Contrib.	39,764,951	35,888,390	284,458	272,826	40,049,409	36,161,216
Capital Grants & Contrib.	5,815,999	4,327,526	977,843	326,469	6,793,842	4,653,995
General Revenues:						
Taxes	91,775,978	88,684,559	-	-	91,775,978	88,684,559
Interest and Invest. Earnings	7,598,430	4,283,846	1,455,460	1,343,590	9,053,890	5,627,436
Other General Revenues	2,615,862	(824,096)	(512,705)	1,107,762	2,103,157	283,666
Total Revenues	168,319,122	151,000,803	20,344,774	18,662,916	188,663,896	169,663,719
<b>Program Expenses: (Net)</b>						
General Government	9,906,700	9,110,756	-	-	9,906,700	9,110,756
Culture and Recreation	3,032,683	2,764,226	-	-	3,032,683	2,764,226
Economic Environment	14,204,195	12,209,087	-	-	14,204,195	12,209,087
Health and Human Services	43,346,401	38,095,014	-	-	43,346,401	38,095,014
Utilities and Environment	1,593,881	1,328,754	-	-	1,593,881	1,328,754
Public Safety	55,514,228	51,031,012	-	-	55,514,228	51,031,012
Transportation	22,354,754	21,187,304	-	-	22,354,754	21,187,304
Interest	1,826,956	1,895,531	-	-	1,826,956	1,895,531
Solid Waste	-	-	16,150,450	13,822,220	16,150,450	13,822,220
Grand Mound	-	-	1,311,225	1,243,500	1,311,225	1,243,500
Other Business-Type Exp.	-	-	2,375,838	2,014,244	2,375,838	2,014,244
Total Expenses	151,779,798	137,621,684	19,837,513	17,079,964	171,617,311	154,701,648
<b>Excess (Deficiency) of Revenues over (under) Expenses before Transfers</b>	16,539,324	13,379,119	507,261	1,582,952	17,046,585	14,962,071
Transfers	213,024	107,086	(213,024)	(107,086)	-	-
Change in Net Assets	16,752,348	13,486,205	294,237	1,475,866	17,046,585	14,962,071
<b>Ending Net Assets January 1</b>	465,185,564	453,806,143	34,712,167	33,388,092	499,897,731	487,194,235
<b>Prior Period Adjustment</b>	(126,553)	(2,106,784)	-	(151,791)	(126,553)	(2,258,575)
<b>Restated Net Assets January 1</b>	465,059,011	451,699,359	34,712,167	33,236,301	499,771,178	484,935,660
<b>Ending Net Assets</b>	\$ 481,811,359	\$ 465,185,564	\$ 35,006,404	\$ 34,712,167	\$ 516,817,763	\$ 499,897,731

The largest two sources of revenue within the governmental activities section are taxes accounting for \$91.8 million or 55%, and operating grants and contributions of \$40 million making up 24% of total governmental activities revenues. The remaining 21% of the revenues are related to charges for services, interest earnings, investment earnings and other general revenues. Our largest increase in governmental revenues occurred in Operating Grants and Contributions (\$3.9 million), Other General Revenues (\$3.4 million), interest and investment earnings (\$3.4 million) and Taxes (\$3.1 million). Our largest increase in operating grants and contributions was a \$1.4 million dollar increase in Community Development Block grants (Home program). Other General Revenues include a settlement for faulty construction with the contractors that built the Juvenile Detention Center for over \$2.7 million. Interest and investment earnings increase includes \$2 million dollars related to Refunding General Obligation Debt. Resources were used to satisfy future refunded debt requirements which resulted in a multimillion dollar earned interest balance after the debt was fully refunded.

## Thurston County, Washington 2006

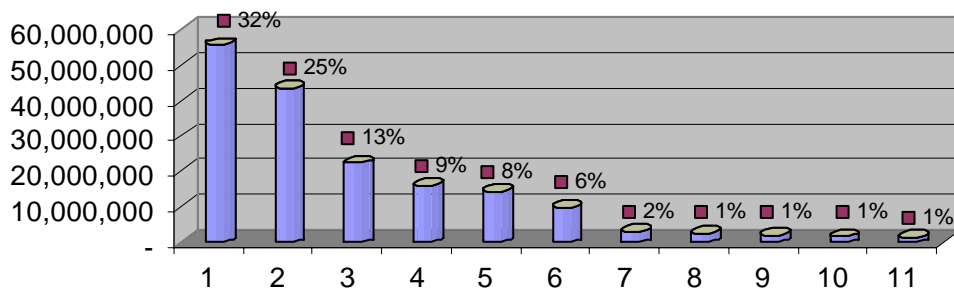
Business-type activities main source of revenue is Charges for Services accounting for 89% of total business-type revenues. Revenues for the solid waste utility increased \$1.3 million in 2006. A rate increase of 2.25% along with an increased tonnage of collected solid waste accounted for most of the increase. The remaining revenues comprise 6.2% of Operating and Capital Grants and Contributions and 4.8% of Interest and Other Miscellaneous and General Revenues. The decrease in other general revenues is primarily due to a re-classification of storm water revenues from taxes to charges for services.

Total county expenses for the year totaled \$171.6 million, an increase of approximately \$16.9 million over 2005 totals. The distribution of expenses in 2006 between Governmental and Business-Type Activities closely resembles the distribution from the prior year, with \$151.8 million (88%) in Governmental Activities and \$19.8 million (12%) in Business-Type Activities. Public safety, health and human services, transportation, and economic environment programs account for 89% of the governmental activities and 79% of total expenses. Health and human services expenses increased by \$5.2 million mostly attributable to inpatient/outpatient services, Crisis Services and the new Evaluation and Treatment facility's first full year of operations. The public safety expense increase of \$4.5 million was primarily due to additional personnel and overtime whereas the transportation expense increase of \$1.2 million was primarily due to an increase in the volume of capital projects. The economic environment expense increase of \$2 million was primarily related to Home Rehabilitation grants and additional personnel and benefits costs for Development Services Department.

Of the \$19.8 million in Business-Type expenses, 88% are associated with Solid Waste and Grand Mound utilities. Solid Waste increases in expenses represent \$2.3 million of the total \$2.7 million in increases from 2005. The amount of municipal solid waste collected at the waste and recovery center increased by 12,403 tons in 2006. This waste increase causes an increase in utility revenues and expenses. The utility contracts with Lemay to provide long-haul services and the processing and disposal fee is based on processed and disposed tons.

The following graph illustrates the distribution of expenses by program for both governmental and business type activities.

### Program Expenses - Government Wide



#### Legend:

- |                         |                   |                         |                      |
|-------------------------|-------------------|-------------------------|----------------------|
| 1. Public Safety        | 4. Solid Waste    | 7. Culture & Recreation | 10. Utilities & Env. |
| 2. Health & Human Serv. | 5. Economic Env   | 8. Other Business Type  | 11. Grand Mound      |
| 3. Transportation       | 6. Gen Government | 9. Interest             |                      |

As noted in the Financial Highlights to the Entity-Wide Statements, the County's governmental change in net assets of \$16.7 million in the Statement of Net Assets exceed the County's governmental change in fund balance of \$7.8 million in the Statement of Revenues, Expenditures and Changes In Fund Balances. The adjustments in the Statement of Activities for debt, capital and interfunds are summarized and illustrated in the following table.

### Reconciliation Of Governmental Change In Fund Balance To Change In Net Assets

Balances & Adjustments		Amount
Net Changes in Governmental Fund Balances	\$	7,838,679
Capital Outlay		12,766,428
Debt & Lease Principal Payments		<u>2,338,226</u>
Net Change In Fund Balance Excluding Capital & Debt		22,943,333
Depreciation & Losses On Capital Assets		(8,111,277)
Interfund Elimination & Revenue Deferral Recognition		2,319,456
Long Term Financing Proceeds, Debt Expense & Adjustments		<u>(399,164)</u>
Net Changes in Assets	\$	<u><u>16,752,348</u></u>

### FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS

As noted earlier, Thurston County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Following is an analysis of the county's major governmental and proprietary funds.

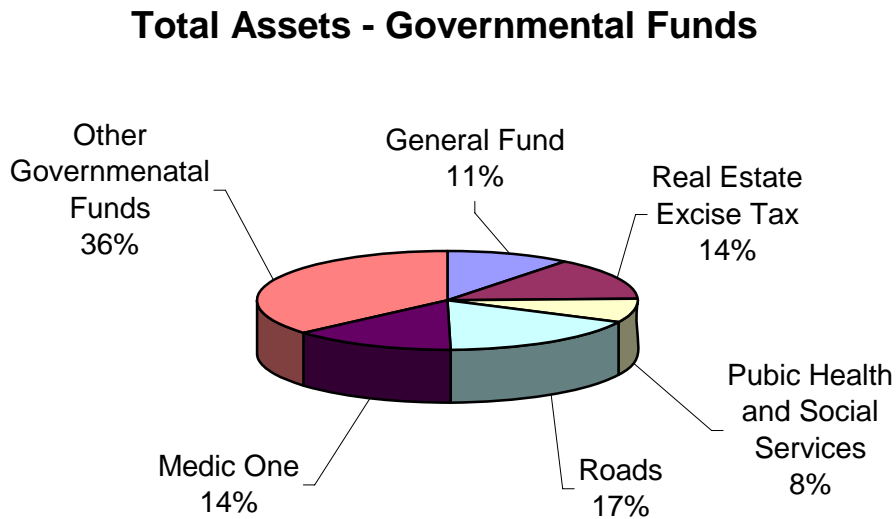
#### Governmental Funds Balance Sheet Analysis

The general fund, real estate excise tax, public health and social services, roads fund and medic one are the county's major governmental funds. Together these major funds account for 64% of total governmental fund assets and 61% of the total governmental fund balance.

Thurston County's governmental funds provide information on the short-term inflows, outflows and balances of expendable resources as stated in the Major Governmental Funds Balance Sheet. Unreserved fund balance is often a useful measurement of a fund's net resources available for spending at the end of the fiscal year. Of the total \$101.5 million in fund balance almost all of it is unreserved. Although classified as an unreserved fund balance, the county creates specific special revenue funds to account for restricted money; hence the restricted resources in these funds are already in essence reserved.

The General Fund is the chief operating fund of Thurston County. At year-end the unreserved fund balance remaining in the general fund was \$8.4 million, amounting to 8.3% of the total governmental funds fund balance. Likewise the general fund total assets of \$12.1 million are 10.6% of the total governmental funds assets. Although general fund revenues exceeded expenditures by \$484,012, other financing sources and uses and a prior period adjustment reduced this excess to a \$608,828 decrease in general fund balance from 2005 totals. The prior period adjustment was related to fines and forfeiture receivables that were originally recorded entirely within the General Fund and should have been distributed over the funds receiving the proceeds.

The following chart shows the distribution of total assets for all major governmental funds:



The Real Estate Excise Tax (REET) fund had a \$6.4 million dollar increase in cash and investments related to an increase in revenues and a reduction in expenditures. This special revenue fund accounts for revenue collected from real estate transactions. Each real estate transaction is charged ½ a percent of the value of the property. These moneys are restricted for various capital expenditures as defined by the Revised Code of Washington (state law). The fund balance increased by \$6.4 million ending 2006 with a balance of \$16 million. REET's only expenditures in 2006 were transfers in the amount of \$1.9 million to cover debt payments associated with prior year projects. This fund represents 15.8% of the total governmental fund balance.

Roads total assets increased by \$3 million in 2006, the increase is split between increases in cash and pooled investments (\$1.4 million) and Due from other governments (\$1.1 million). Grant funding for road projects increased by over \$2 million in 2006. Some of the larger grant funded road projects included Duterrow intersection and the old Hwy 99 bridge project. Roads fund balance correspondingly has an increase in 2006 of \$1.7 million.

Public Health and Social Services total assets decreased by \$2 million with a corresponding increase on the liability side of \$1 million. During 2006 Public Health received over \$1 million in new grants, but their fund balance decreased by \$3 million in 2006. Public Health and Social Services fund balance amounts to 5.9% of the total governmental fund balance as opposed to last year at 9.5%.

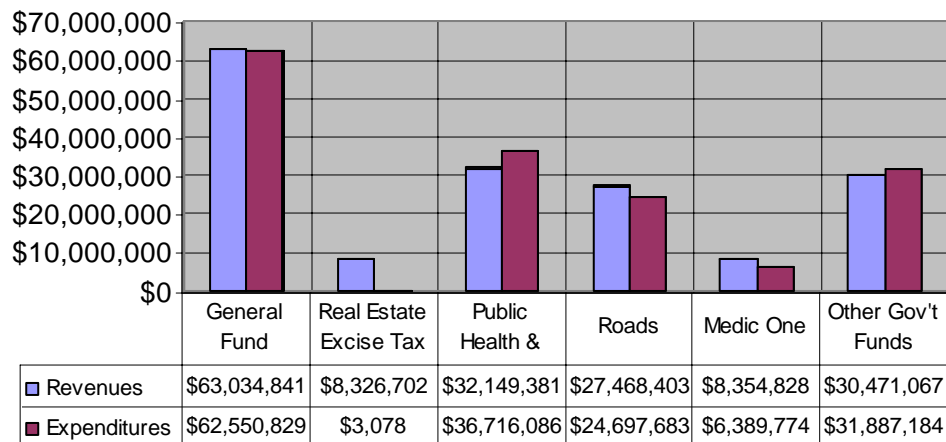
Medic one total assets account for approximately 14% of the total assets in the governmental funds. Their largest increase was in cash and pooled investments totaling \$2.3 million. Liabilities and fund balance account for 12% and 14% of total governmental funds respectively.

## Governmental Funds Revenue/Expenditure Analysis

The following chart shows the revenue and expenditure amounts for the five major governmental funds and for all other governmental funds.

The revenues and expenditures listed below do not include other financing sources (uses) or transfers. The general fund, public health and social services fund, and the roads fund account for 72% of the total revenues and 76% of the total expenditures. The real estate excise tax fund and medic one fund fall into the category of major funds by the merits of their total assets.

### Governmental Fund Revenues and Expenditures



Total governmental funds overall had a \$7.7 million increase in fund balance. Total revenues increased by \$16 million (\$2.4 million taxes, \$5.9 million Intergovernmental, and \$6 million miscellaneous) over 2005 amounts and expenditures only increased by \$10.5 million.

As shown above, general fund revenues exceeded expenditures by \$484,012. Including other financing sources, the net change in fund balance for the general fund in 2006 was a decrease of \$218,420. This change in general fund balance is largely attributable to growth in expenditures outpacing growth in revenues. Within the General Fund, Public Safety and General Government expenditures increased by \$5.5 million whereas total revenues, including other financing sources and uses, increased by only \$3.8 million. The \$1.2 million difference above explains the shift from a 2005 surplus of \$1 million to this year's \$218,420 deficit to fund balance. General Fund balance was further decreased by a prior period adjustment amounting to \$390,408.

Real estate excise tax (REET) fund revenues only major increase was \$2 million in miscellaneous revenues related to a portion of the remediation with the contractors that built the juvenile detention center (\$1.8 million). The expenditures within this fund decreased by \$1.2 million and net transfers in and out resulted in a net decrease of \$381,577 in other financing sources and uses. Revenues within this fund are directly tied to the active real-estate market. New construction and the corresponding active real-estate market that we have seen over the last few years appear to be leveling off. Transfers out within this fund are mainly used to finance general obligation bond debt service, so the level of transfers out remains fairly constant until debt obligations are satisfied.



The roads fund as presented in these statements includes the county road fund and the roads construction in progress fund. There was a \$2.2 million or 9% increase in revenues for roads and a \$2.4 million or 11% increase in expenditures between 2005 and 2006. The increase in transportation expenditures and capital outlays account for the majority of the increase over 2005 levels. Actual expenditures were 23% under budgeted expenditures for 2006. This reduction was spread between transportation, capital outlays and public safety expenditures budgeted in these funds. The Roads fund completed \$7.7 million in capital outlays the largest being the Duterrow road intersection (\$1.5 million), General overlay projects (\$1.4 million), Old Highway 99 bridge (\$1 million), Old 99 and 93<sup>rd</sup> street (\$680 thousand) and Delphi-Mud Bay (\$603 thousand). Actual public safety expenditures in the roads fund decreased \$276 thousand over 2005 totals. This is a result of a decrease in Homeland Security grant expenditures as compared to the previous year. The transportation expenditures increased by \$853 thousand over 2005. While the increase in maintenance activity with roads infra-structure projects was a factor, Washington also had a number of storms throughout the year that required employees of roads to work overtime.

Public health and social services fund includes the health and social services programs administered by the county. The 15% increase in expenditures was more than the 12% increase in revenues over 2005 levels. The major increases in revenues were attributable to intergovernmental sources increasing by \$2.6 million and charges for services increasing by \$788 thousand. The increase in grants were over \$1 million with the largest increase coming from Safe and Drug free education programs, immunizations, and prevention and treatment of substance abuse. The increase in charges for services are related to the new Evaluation and Treatment facility collecting service fees in its first full calendar year of operation. The decrease in transfers out offset the decrease in transfers in.

Medic one fund accounts for the programs that coordinate basic and advanced life support services with police and fire services. Most of the programs are funded through voter-approved property taxes. In 2006, revenues increased by 4% and expenditures increased by 7% in the medic one fund. The increase in expenditures was a result of adding a new paramedic unit within the City of Lacey. This unit has 4 full time employees and costs roughly \$300 thousand to operate on a yearly basis. Results of operations still resulted in an increase of \$2 million to fund balance. The medic one fund balance is \$14.5 million at the end of 2006, included in this fund balance is \$6.5 million of reserves for major medic one projects.

## **Enterprise Funds Net Assets Analysis**

The solid waste and grand mound utilities are the only major enterprise funds, but they account for 79% of the total assets and 92% of the total liabilities (unchanged from 2005). The solid waste fund contains the financial activities for the ongoing operations of the Solid Waste and Recovery Center built in 1999. This fund also accounts for the post closure of the landfill located in the Hawks Prairie area within the City of Lacey. The following table reflects the Enterprise Fund Statement of Net Assets for the year ending December 31, 2006.

As of December 31, 2006 the county's enterprise funds reported combined net assets of \$34.3 million, of which 65% are being contributed by the major funds. Of the \$34.3 million in net assets, 59% or \$20.4 million are accounted for in capital assets net of related debt. Total current assets decreased by \$17 million due to the reclassification of \$18.3 million in restricted assets to long term assets. The overall increase in enterprise assets over 2005 amounts to \$515 thousand. The \$886 thousand dollar increase in cash and pooled investments were offset by the overall decrease in restricted cash of \$670 thousand. The majority of the increase in assets is attributable to increases in Due From Other Governments and Funds \$717 thousand and accrued interest and customer accounts receivable increases make up the rest.

The enterprise net assets that are not restricted for a specific purpose are \$8.3 million. There was a slight reduction of \$770 thousand in the unrestricted net assets between 2005 and 2006.

## Thurston County Enterprise Net Assets

Assets	Solid Waste	Grand Mound	Other Enterprise Funds	Total Enterprise Funds
Cash & Pooled Investments	\$ 6,701,561	\$ 366,191	\$ 1,978,984	\$ 9,046,736
Other Current Assets	3,152,579	335,014	291,910	3,779,503
Restricted Assets:				
Cash and Pooled Investments	-	299,252	1,410,154	1,709,406
Total Current Assets	9,854,140	1,000,457	3,681,048	14,535,645
Long-Term Assets:				
Receivables and Deff Chrgs.	38,300	3,594,621	1,427,902	5,060,823
Capital Assets	32,020,496	14,486,001	14,780,903	61,287,400
Less Accumulated Depreciation	(20,531,459)	(2,057,847)	(5,140,439)	(27,729,745)
Restrict Assets: Cash and Pooled Investments	18,313,680	-	-	18,313,680
Total Long Term Assets	29,841,017	16,022,775	11,068,366	56,932,158
Total Assets	39,695,157	17,023,232	14,749,414	71,467,803
<b>Liabilities</b>				
Current Liabilities:				
Accounts Payable/ Due To's	2,425,154	68,552	450,011	2,943,717
Lim.Tax G.O.Bond-Current	-	511,983	110,000	621,983
Total Current Liabilities	2,425,154	580,535	560,011	3,565,700
Long-Term Liabilities:				
Limited G.O. Bonds Payable	-	10,480,000	409,302	10,889,302
Compensated Absences Payable	-	-	-	-
Intergov. Loans & Contracts Payable	-	105,363	1,881,818	1,987,181
Advances From Other Funds	-	30,000	8,300	38,300
Accumulated Landfill Closure Costs	20,708,258	-	-	20,708,258
Total Long Term Liabilities	20,708,258	10,615,363	2,299,420	33,623,041
Total Liabilities	23,133,412	11,195,898	2,859,431	37,188,741
<b>Net Assets</b>				
Invested in Capital Assets, net rel. debt	11,489,037	1,321,935	7,547,706	20,358,678
Restricted For:				
Postclosure, Net Of Related Liability	5,072,708	-	-	5,072,708
Debt Service	-	-	570,504	570,504
Unrestricted (Deficit)	-	4,505,399	3,771,773	8,277,172
Total Net Assets	\$ 16,561,745	\$ 5,827,334	\$ 11,889,983	\$ 34,279,062

**Enterprise Funds Revenue/Expense Analysis**

Total operating revenues for (Charges for Services and Miscellaneous) enterprise funds equated to \$18.4 million, covering all but 4% of the operating expenses. Total operating revenues increased by \$2.7 million compared to 2005 totals. In the 2006 financial statements we present revenue in our storm water fund under charges for services as opposed to Other Revenues and Expenses in previous years. Charges are billed out on the property tax statements, yet the fees are determined by type of lot and impervious area hence these revenues should be classified as a charge for service. The revenues are used to support projects to assist with storm water runoff. Operating revenues and expenses are presented in the body of the financial statements and **not** segregated out on the chart below.

**Thurston County Washington  
Enterprise Funds Revenues and Expenses**

	<b>Solid Waste</b>	<b>Grand Mound</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>
<b>Revenues:</b>				
Charges for Services	\$ 16,152,574	\$ 258,526	\$ 1,889,584	\$ 18,300,684
Miscellaneous	24,172	6,239	32,459	62,870
Interest Revenue	1,047,596	250,169	157,695	1,455,460
Other Nonoperating Revenue	-	25	117,901	117,926
Total Revenues	17,224,342	514,959	2,197,639	19,936,940
<b>Expenses:</b>				
Salaries and Benefits	1,674,523	266,840	1,097,660	3,039,023
Other Supplies and Expenses	256,569	21,035	121,300	398,904
Contractual Services	1,805,707	55,842	188,084	2,049,633
Longhaul Contract	10,950,263	-	-	10,950,263
Interfund Services and Charges	720,652	23,193	227,584	971,429
Depreciation/Amortization	747,875	367,117	600,996	1,715,988
Misc. Nonoperating Expenses	262,825	558,443	53,332	874,600
Total Expenses	16,418,414	1,292,470	2,288,956	19,999,840
Income (Loss) before contrib. and trans.	805,928	(777,511)	(91,317)	(62,900)
Capital Contributions	-	859,847	-	859,847
Transfers In (Out)	(253,024)	-	40,000	(213,024)
Change in Net Assets	552,904	82,336	(51,317)	583,923
Net Assets as of January 1	16,008,841	5,744,998	11,941,300	33,695,139
Net Assets as of December 31	\$ 16,561,745	\$ 5,827,334	\$ 11,889,983	\$ 34,279,062

Revenues from the Solid Waste fund contributed 86% of the total enterprise fund revenues in 2006. The table above provides a condensed look at revenues, expenses, and net change in net assets for the enterprise funds. The \$1.4 million decrease in non-operating revenues is attributable to storm water assessments (other enterprise funds) that now are presented as charges for services. The solid waste utility earned 72% of the total interest earnings for all enterprise funds. This is mainly due to the large amount of required cash reserves for post closure costs.

Grand Mound Utility had a positive change in net assets in 2006 in the amount of \$82,336. Interest revenues comprised 48% of total revenues for the grand mound utility in 2006 which are primarily used for the repayment of outstanding general obligation bonded debt. Capital contributions related to new connections to the utility increased by \$533 thousand or 163%. Connections through 2006 included 240 connections to the water system and 403 to the sewer system. Maple Lane correctional facility comprised 229 of the sewer connections. The \$299 thousand dollars in restricted investments presented above in the Net Asset Statement is related to proceeds from the GO Bonds issued in 1999 for the construction of the utility. Operating expenses, excluding depreciation expense, exceeded operating revenues by \$102 thousand in 2006 as opposed to \$59 thousand in 2005.

Development within the grand mound area is starting to increase. In April of 2007 the County signed an agreement with the Chehalis Tribal for \$1.6 million for water-line construction and service for the Great Wolf Lodge water park, convention center and hotel. The agreement states that the utility will provide up to 85,000 gallons of water per day to this new facility. The lodge is expected to open in 2008.

### **General Fund Budgetary Highlights**

Thurston County adopts an annual budget in December of the preceding year. Adjustments are made to the budget throughout the year with a major review process taking place in June. The following table shows the changes between the original and the final budget as of December 31, 2006. If final budgeted revenues exceed the original budget it is a positive variance, but if final budgeted expenditures exceed the original budget it is a negative variance.

**See Next Page**

## Thurston County General Fund Changes in Budget

	Original Budget	Final Budget	Variance Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ 44,514,925	\$ 44,877,873	\$ 362,948
Licenses & Permits	37,600	37,600	-
Intergovernmental	6,274,176	7,332,293	1,058,117
Charges for Services	6,732,495	6,761,095	28,600
Fines & Forfeitures	1,448,700	1,448,700	-
Miscellaneous	1,673,657	1,923,657	250,000
<b>Total General Revenues</b>	<u>60,681,553</u>	<u>62,381,218</u>	<u>1,699,665</u>
Other Financing Sources:			
Other Finance Sources - Capital Asset Sales	400	400	-
Transfers In	1,455,174	1,510,174	55,000
Total Other Financing Sources	<u>1,455,574</u>	<u>1,510,574</u>	<u>55,000</u>
<b>Total Revenues</b>	<u>\$ 62,137,127</u>	<u>\$ 63,891,792</u>	<u>\$ 1,754,665</u>
<b>Expenditures by Department *</b>			
Total Assessor's Office	\$ 3,131,129	\$ 3,131,129	\$ -
Total Auditor's Office	4,266,833	4,656,361	(389,528)
Total Assigned Counsel	2,579,342	2,527,428	51,914
Total Civil Service	97,055	110,115	(13,060)
Total Clerk's Office	2,745,082	2,786,715	(41,633)
Total Commissioner's Office	1,079,474	1,079,474	-
Total Coroner's Office	597,214	665,722	(68,508)
Total Corrections	10,983,033	12,241,480	(1,258,447)
Total District Court	2,574,581	2,579,581	(5,000)
Total Human Resources	1,222,358	1,222,358	-
Total Juvenile Probation	5,720,257	5,732,257	(12,000)
Total Non-Departmental	4,260,585	4,083,510	177,075
Total Prosecuting Attorney	6,706,362	7,161,203	(454,841)
Total State Examiner	112,335	114,335	(2,000)
Total Sheriff	13,197,813	13,514,224	(316,411)
Total Superior Court	3,575,252	3,825,625	(250,373)
Total Treasurer's Office	970,485	999,938	(29,453)
Total WSU Extension	392,989	484,093	(91,104)
<b>Total General Fund Expenditures</b>	<u>64,212,179</u>	<u>66,915,548</u>	<u>(2,703,369)</u>
Net Changes in Fund Balances	(2,075,052)	(3,023,756)	(948,704)
Fund Balances as of January 1	<u>6,677,122</u>	<u>7,406,038</u>	<u>728,916</u>
Fund Balances as of December 31	<u>\$ 4,602,070</u>	<u>\$ 4,382,282</u>	<u>\$ (219,788)</u>

\*Expenditures Include Transfers Out

Overall differences from the original general fund budget to the final adopted budget for 2006 were minimal with a 2.8% increase in total revenues and a 4.2% increase in budgeted expenditures. The largest dollar value change in the revenue budget was intergovernmental revenues, increasing by 17% or \$1.1 million. In previous years the revenue increases between the original and final budget were significant. Total budgeted revenues for the general fund increased by 7.7% over 2005 budgeted revenues, and expenditures ended with 8% increases over the previous year.

The most significant dollar value change in expenditures was in the Corrections office, with a variance of \$1.3 million or 11% greater than the original budget. This is mainly attributable to the additional overtime and inmate medical cost increases.

### **General Fund Budget to Actual**

The final results for 2006 showed actual revenues coming in 1% over budget and actual expenditures 3% less than budgeted. The combined effect including other financing sources and uses, including transfers, resulted in a \$4 million positive variance to the projected general fund ending fund balance. Within the following schedule transfers are included in the expenditures by department.

When compared to the previous year, actual general fund revenues increased by 6% and expenditures (including transfers out) grew by 8%. The result was an actual decrease of \$218 thousand dollars and when added to the \$390 thousand related to prior period adjustments, the 2006 total ending fund balance was at \$8.4 million.

An analysis of general fund expenditures shows an increase of \$4.8 million over 2005 actual totals (including transfers out). The largest increase occurred in Public Safety (\$4.1 million). Together the Sheriff's Office and Corrections expenditure increases totaled \$2.2 million over 2005 totals. Both of these offices had significant increases in salaries and benefits and increased grant programs.

**See Next Page**

**Thurston County**  
**General Fund Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
**as of December 31, 2006**

	Final 2006 Budget	2006 Actuals	Variance Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ 44,877,873	\$ 44,656,072	\$ (221,801)
Licenses & Permits	37,600	54,785	17,185
Intergovernmental	7,332,293	7,203,261	(129,032)
Charges for Services	6,761,095	6,626,095	(135,000)
Fines & Forfeitures	1,448,700	1,906,416	457,716
Miscellaneous	1,923,657	2,588,212	664,555
<b>Total General Revenues</b>	<b>62,381,218</b>	<b>63,034,841</b>	<b>653,623</b>
<b>Other Financing Sources:</b>			
Capital Lease Financing	-	75,358	75,358
Other Finance Sources - Capital Asset Sales	400	371	(29)
Transfers In	1,510,174	1,470,909	(39,265)
<b>Total Other Financing Sources</b>	<b>1,510,574</b>	<b>1,546,638</b>	<b>36,064</b>
<b>Total Revenues</b>	<b>\$ 63,891,792</b>	<b>\$ 64,581,479</b>	<b>\$ 689,687</b>
<b>Expenditures by Department *</b>			
Total Assessor's Office	\$ 3,131,129	\$ 3,128,142	\$ 2,987
Total Auditor's Office	4,656,361	4,456,594	199,767
Total Assigned Counsel	2,527,428	2,308,300	219,128
Total Civil Service	110,115	104,291	5,824
Total Clerk's Office	2,786,715	2,828,438	(41,723)
Total Commissioner's Office	1,079,474	1,060,256	19,218
Total Coroner's Office	665,722	658,672	7,050
Total Corrections	12,241,480	12,008,776	232,704
Total District Court	2,579,581	2,457,452	122,129
Total Human Resources	1,222,358	1,154,630	67,728
Total Juvenile Probation	5,732,257	5,556,804	175,453
Total Non-Departmental	4,083,510	3,266,456	817,054
Total Prosecuting Attorney	7,161,203	7,122,757	38,446
Total State Examiner	114,335	114,201	134
Total Sheriff	13,514,224	13,337,992	176,232
Total Superior Court	3,825,625	3,831,223	(5,598)
Total Treasurer's Office	999,938	977,972	21,966
Total WSU Extension	484,093	426,943	57,150
<b>Total General Fund Expenditures</b>	<b>66,915,548</b>	<b>64,799,899</b>	<b>2,115,649</b>
<b>Net Changes in Fund Balances</b>	<b>(3,023,756)</b>	<b>(218,420)</b>	<b>2,805,336</b>
Fund Balances as of January 1	7,406,038	9,035,744	1,629,706
Prior Period Adjustments	-	(390,408)	(390,408)
Fund Balances as of January 1 - Restated	7,406,038	8,645,336	1,239,298
Fund Balances as of December 31	\$ 4,382,282	\$ 8,426,916	\$ 4,044,634

\*Expenditures Include Transfers Out

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

Thurston County's total investment in capital assets amounts to \$425.6 million net of related depreciation. This represents all of the capital assets in both governmental and business-type activities. Capital assets include land, construction in progress, buildings, improvements, machinery and equipment and infrastructure. Capital assets amount to 69% of total assets. Of the \$425.6 million in net capital assets, 67% or \$284.1 million are non-depreciable assets and 33% or \$141.5 million are depreciated. A breakdown of the activity associated with capital assets is included in Note VI of the financial statement section.

Major capital asset events that occurred during the current year:

A number of projects were active Construction in Progress during 2006. We are in the process of replacing the HVAC system in the county jail and spent approximately \$1.2 million. We also remodeled Heritage Hall building at the fair grounds spending \$730 thousand on this project. The new customer service center is also in the planning stages; costs incurred on this project totaled \$381 thousand.

Net depreciable assets increased by \$1.6 million during 2006, so this number includes both depreciation expense and any retired or disposed assets. The largest application purchased in 2006 was the new Eagle recording system used by the Auditor – Recordings office. Roads had the largest percentage of asset increases including the following projects: Major road construction projects include the structural overlay of various county roads (\$1.4 million); Duterrow Street improvements (\$1.5 million); Old highway 99 bridge (\$1 million); Old Highway 99 and 93 street (\$700 thousand); Delphi and Mud Bay (\$603 thousand); and Yelm Highway (\$370 thousand). The county roads and transportation department spent approximately \$7.7 million on road construction projects during 2006.

### **Long-Term Debt**

As of December 31, 2006, Thurston County had total general obligation debt outstanding of \$51.4 million (\$39.9 million in governmental activities and \$11.5 million in Business-type activities). Loans, contracts and leases stand at \$3.6 million.

The County did not issue any general obligation debt during 2006.

The County is far from exceeding its limitation of indebtedness having the legal ability to issue debt without a vote in the amount of \$352 million. Currently the excess of debt liabilities over assets is \$38.6 million, leaving \$313.5 million of additional indebtedness available under the 1.5% limit of taxable property value.

See financial statement note VII for more information on the various debt issuances outstanding and the original reason for their issuance.



## **Economic Factors**

The average growth rate of the Thurston County's population over the past decade was 2.2% per year. In 2006 the county's population increased 3.1% to 231,100 residents. This is a little faster growth rate than the average and the region is experiencing exceptional strength in new affordable housing.

Senior citizens continue to be one of the fastest growing segments of Thurston County's population. Senior citizens constitute 11.6% of our total population. Continued increases in this sector of the population will place increased pressure on our public health care services and retirement communities.

With the increases in population comes the increase in housing starts and prices. The average sales price for a home in 2005 rose sharply to \$252,452 which is a 21% increase over the previous year. Thurston County continues to have affordable housing, especially when compared to the state averages.

Thurston County's economic vitality has traditionally come from being the capital of the state. State and local government is one of the major employers of our county. The county has experienced stabilization in this employment sector over the past few years, but it may be revitalized with the proposed State budget for the next biennium. The cities within Thurston County continue to grow and attract large national retail stores. South Thurston County is in the process of adding a large conference center and water park. The increase in jobs associated with this facility should help offset the recent closures of major companies in surrounding counties.



## Government Wide Financial Statements

# Statement Of Net Assets

## December 31, 2006

Page 1 of 2

ASSETS	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Current Assets:</b>			
Cash & Pooled Investments	\$ 120,835,588	\$ 9,046,736	\$ 129,882,324
<i>Receivables:</i>			
Taxes Receivable	1,726,345	-	1,726,345
Special Assessment Receivables	58,402	294,696	353,098
Accrued Interest & Penalties	3,265,732	372,617	3,638,349
Customer Account Receivables	10,386,455	1,591,990	11,978,445
Internal Balances	98,207	(98,207)	-
Due from Other Government Units	8,376,414	788,739	9,165,153
Inventory	962,181	-	962,181
Prepayments	481,096	-	481,096
<i>Restricted Assets:</i>			
Cash & Pooled Investments	-	748,092	748,092
Investments at Cost	-	961,314	961,314
<b>Long-Term Assets:</b>			
Deferred Charges	177,351	207,116	384,467
Community Loans Receivable	-	132,977	132,977
Other Long-Term Receivables	-	-	-
Special Assessment Receivables	332,720	4,637,430	4,970,150
Advances To Other Funds	-	83,300	83,300
Investment in Joint Ventures, Net	3,933,691	-	3,933,691
<i>Capital Assets:</i>			
Non-Depreciable	279,204,198	4,895,116	284,099,314
Depreciable, Net	112,832,483	28,662,539	141,495,022
<i>Restricted Assets: Cash and Pooled Investments</i>	-	18,313,680	18,313,680
<b>Total Assets</b>	<b>542,670,863</b>	<b>70,638,135</b>	<b>613,308,998</b>

See accompanying notes to the financial statements

**Statement Of Net Assets**  
**December 31, 2006**  
**Page 2 of 2**

LIABILITIES	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
<b>Current Liabilities:</b>			
Accounts Payable	7,358,852	1,169,449	8,528,301
Due To Other Funds	-	-	-
Notes Payable	335,326	217,258	552,584
Due to Other Government Units	1,398,221	-	1,398,221
Limited G.O. Bonds Payable	3,175,314	621,983	3,797,297
Unearned Revenue	1,032,559	-	1,032,559
<b>Long-Term Liabilities:</b>			
Limited G.O. Bonds Payable	36,735,000	10,889,302	47,624,302
Compensated Absences Payable	6,389,412	-	6,389,412
Claims & Judgments Payable	3,367,586	-	3,367,586
Intergovernmental Loans & Contracts Payable	1,022,234	1,987,181	3,009,415
Advances From Other Funds	45,000	38,300	83,300
Accumulated Landfill Closure Costs	-	20,708,258	20,708,258
<b>Total Liabilities</b>	<b>60,859,504</b>	<b>35,631,731</b>	<b>96,491,235</b>
<b>NET ASSETS</b>			
Investment in Capital Assets, Net of Related Debt	351,868,678	20,358,678	372,227,356
<b>Restricted Net Assets:</b>			
Culture & Recreation	263,800	-	263,800
Economic Environment	5,808,900	-	5,808,900
General Government	23,817,600	-	23,817,600
Health and Human Services	18,498,300	-	18,498,300
Internal Service	19,408,265	-	19,408,265
Public Safety	22,473,800	-	22,473,800
Physical Environment	3,506,800	-	3,506,800
Transportation	17,601,800	-	17,601,800
Debt Service	-	570,504	570,504
Landfill Postclosure	-	5,072,708	5,072,708
Unrestricted (Deficit)	18,563,416	9,004,514	27,567,930
<b>Total Net Assets</b>	<b>\$ 481,811,359</b>	<b>\$ 35,006,404</b>	<b>\$ 516,817,763</b>

See accompanying notes to the financial statements

**Statement Of Activities**  
**For The Year Ended December 31, 2006**  
**Page 1 of 2**

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues		
			Charges for Services	Operating Grants And Contributions	Capital Grants & Contributions
PRIMARY GOVERNMENT					
Governmental Activities:					
General Government	\$ 13,934,217	\$ (4,027,517)	\$ 2,714,911	\$ 31,539	\$ 102,096
Culture & Recreation	2,940,837	91,846	983,184	157,306	-
Economic Environment	13,558,128	646,067	6,507,519	7,763,177	963,820
Health & Human Services	42,419,332	927,069	2,156,834	28,172,034	-
Public Safety	54,330,459	1,183,769	6,750,616	3,406,010	-
Transportation	21,515,638	839,116	1,050,167	186,011	4,750,083
Utilities & Environment	1,555,657	38,224	584,671	48,874	-
Interest and Fiscal Charges	1,826,956	-	-	-	-
Total Governmental Activities	152,081,224	(301,426)	20,747,902	39,764,951	5,815,999
Business-Type Activities:					
Solid Waste	16,068,642	81,808	16,153,474	159,991	-
Grand Mound	1,290,373	20,852	258,526	-	859,847
Other	2,177,072	198,766	1,727,718	124,467	117,996
Total Business-Type Activities	19,536,087	301,426	18,139,718	284,458	977,843
Total Primary Government	\$ 171,617,311	\$ -	\$ 38,887,620	\$ 40,049,409	\$ 6,793,842

See accompanying notes to the financial statements

**Statement Of Activities**  
**For The Year Ended December 31, 2006**  
**Page 2 of 2**

Functions/Programs	Net (Expense) Revenue and Changes In Net Assets		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>PRIMARY GOVERNMENT</b>			
<i>Governmental Activities:</i>			
General Government	\$ (7,058,154)	\$ -	\$ (7,058,154)
Culture & Recreation	(1,892,193)	-	(1,892,193)
Economic Environment	1,030,321	-	1,030,321
Health & Human Services	(13,017,533)	-	(13,017,533)
Public Safety	(45,357,602)	-	(45,357,602)
Transportation	(16,368,493)	-	(16,368,493)
Utilities & Environment	(960,336)	-	(960,336)
Interest and Fiscal Charges	(1,826,956)	-	(1,826,956)
<b>Total Governmental Activities</b>	<b>(85,450,946)</b>	<b>-</b>	<b>(85,450,946)</b>
<i>Business-Type Activities:</i>			
Solid Waste	-	163,015	163,015
Grand Mound	-	(192,852)	(192,852)
Other	-	(405,657)	(405,657)
<b>Total Business-Type Activities</b>	<b>-</b>	<b>(435,494)</b>	<b>(435,494)</b>
<b>Total Primary Government</b>	<b>(85,450,946)</b>	<b>(435,494)</b>	<b>(85,886,440)</b>
<b>General Revenues:</b>			
<i>Taxes:</i>			
Property Taxes, Levied for Specific Purposes	24,635,604	-	24,635,604
Franchise and Public Serv. Taxes, Assessed for Specific Purposes	22,302,991	-	22,302,991
Property Taxes, Levied for General Purposes	29,078,258	-	29,078,258
Franchise and Public Serv. Taxes, Assessed for General Purposes	15,759,125	-	15,759,125
<i>Other General Revenues:</i>			
Interest & Investment Earnings	7,598,430	1,455,460	9,053,890
Other Non/Operating Revenues/(Expenses)	-	(547,353)	(547,353)
Gain/(Loss) on Sale of Capital Assets	(278,102)	-	(278,102)
Miscellaneous	177,382	34,648	212,030
Insurance/Settlement Recoveries/(Losses)	2,716,582	-	2,716,582
<i>Transfers In/(Out)</i>	<i>213,024</i>	<i>(213,024)</i>	<i>-</i>
<b>Total General Revenues, Special Items and Transfers</b>	<b>102,203,294</b>	<b>729,731</b>	<b>102,933,025</b>
<b>Change in Net Assets</b>	<b>16,752,348</b>	<b>294,237</b>	<b>17,046,585</b>
Net Assets as of January 1	465,185,564	34,712,167	499,897,731
Prior Period Adjustment	(126,553)	-	(126,553)
Net Assets as of January 1 - Restated	465,059,011	34,712,167	499,771,178
<b>Net Assets as of December 31</b>	<b>\$ 481,811,359</b>	<b>\$ 35,006,404</b>	<b>\$ 516,817,763</b>

See accompanying notes to the financial statements

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**Balance Sheet**  
**Governmental Funds**  
**December 31, 2006**

	General	Real Estate Excise Tax	Roads	Medic One	Public Health & Social Services	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
<b>Current Assets:</b>							
Cash & Pooled Investments	\$ 6,391,539	\$15,871,964	\$15,982,115	\$15,737,082	\$ 5,032,045	\$ 38,594,684	\$ 97,609,429
<i>Receivables:</i>							
Taxes Receivable	873,000	-	572,080	233,290	11,643	36,332	1,726,345
Special Assessment Receivables	-	-	-	-	-	58,402	58,402
Accrued Interest & Penalties	2,036,229	111,247	53,867	134,547	113,339	623,860	3,073,089
Customer Account Receivables	1,650,080	-	1,304	-	140	548,780	2,200,304
Due from Other Funds	99,632	24,556	373,082	-	355,011	246,899	1,099,180
Due from Other Government Units	1,093,840	-	2,335,476	7,000	3,344,332	1,566,651	8,347,299
Inventory	-	-	768,145	-	-	1,309	769,454
Prepayments	4,475	-	-	-	774	-	5,249
<b>Total Assets</b>	<b>\$12,148,795</b>	<b>\$16,007,767</b>	<b>\$20,086,069</b>	<b>\$16,111,919</b>	<b>\$ 8,857,284</b>	<b>\$ 41,676,917</b>	<b>\$ 114,888,751</b>
<b>LIABILITIES</b>							
<b>Current Liabilities:</b>							
Accounts Payable	\$ 1,033,046	\$ -	\$ 932,227	\$ 1,060,601	\$ 2,062,192	\$ 1,415,065	\$ 6,503,131
Due to Other Funds	49,107	-	299,513	5,330	51,384	459,545	864,879
Due to Other Government Units	3,900	-	8,701	341,818	762,468	281,334	1,398,221
Deferred Revenues	2,635,826	-	1,583,423	233,290	11,643	142,010	4,606,192
Advances From Other Funds	-	-	-	-	-	45,000	45,000
<b>Total Liabilities</b>	<b>3,721,879</b>	<b>-</b>	<b>2,823,864</b>	<b>1,641,039</b>	<b>2,887,687</b>	<b>2,342,954</b>	<b>13,417,423</b>
<b>FUND BALANCES</b>							
<b>Reserved For:</b>							
Debt Service	-	-	-	-	-	38,676	38,676
<b>Unreserved-Designated, Reported In:</b>							
Inventories	-	-	768,145	-	-	1,309	769,454
Petty Cash	25,000	-	300	100	2,850	18,225	46,475
<b>Unreserved-Undesignated, Reported In:</b>							
General Fund	8,401,916	-	-	-	-	-	8,401,916
Special Revenue Funds	-	16,007,767	16,493,760	14,470,780	5,966,747	29,774,169	82,713,223
Capital Projects Funds	-	-	-	-	-	9,501,584	9,501,584
<b>Total Fund Balance</b>	<b>8,426,916</b>	<b>16,007,767</b>	<b>17,262,205</b>	<b>14,470,880</b>	<b>5,969,597</b>	<b>39,333,963</b>	<b>101,471,328</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$12,148,795</b>	<b>\$16,007,767</b>	<b>\$20,086,069</b>	<b>\$16,111,919</b>	<b>\$ 8,857,284</b>	<b>\$ 41,676,917</b>	<b>\$ 114,888,751</b>

See accompanying notes to the financial statements



**Reconciliation Of The Balance Sheet Of Governmental Funds  
To The Statement Of Net Assets  
December 31, 2006**

	<b>Governmental Funds</b>
	<hr/>
<b>Fund balance as shown in the Governmental Funds Balance Sheet</b>	\$ 101,471,328
The cost of capital assets, which is expended in governmental funds, is deferred to future periods in the statement of net assets	385,155,845
Long term debt, which is not reported in governmental funds, is reported in the statement of net assets	(40,362,886)
Assets, liabilities and resulting net assets of internal service funds, which are separately reported in proprietary fund statements, are included and combined with governmental balances in the statement of net assets	29,566,333
Long term special assessment receivables and unamortized debt discount on long term debt, which is not reported in governmental funds, is reported in the statement of net assets	510,071
Long term (non-available) receivables, which are deferred in governmental funds, are recognized and accrued as revenues in the statement of net assets	11,658,538
Compensated absences, which are not reported in governmental funds, are reported as an accrued liability in the statement of net assets	(5,460,528)
Interfund balances, which are reported in governmental and proprietary funds, are eliminated in the statement of net assets (except for a residual amount outstanding between governmental and enterprise activities)	<hr/> (727,342)
<b>Net assets for governmental funds as shown in Statement of Net Assets</b>	<hr/> <b>\$ 481,811,359</b> <hr/>

See accompanying notes to the financial statements

**Statement Of Revenues, Expenditures And Changes In Fund Balances**  
**Governmental Funds**  
**For The Year Ended December 31, 2006**

	General Fund	Real Estate Excise Tax	Roads	Medic One	Public Health & Social Services	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Taxes	\$44,656,072	\$ 6,001,589	\$16,300,338	\$ 7,603,663	\$ 487,454	\$ 7,270,630	\$ 82,319,746
Licenses & Permits	54,785	-	-	-	389,342	3,169,685	3,613,812
Intergovernmental	7,203,261	-	10,443,877	152,814	28,802,335	9,535,484	56,137,771
Charges for Services	6,626,095	15,900	564,002	50	2,133,033	5,087,491	14,426,571
Fines & Forfeits	1,906,416	-	-	-	-	40,475	1,946,891
Miscellaneous Revenue	2,588,212	2,309,213	160,186	598,301	337,217	5,367,302	11,360,431
<b>Total Revenues</b>	<b>63,034,841</b>	<b>8,326,702</b>	<b>27,468,403</b>	<b>8,354,828</b>	<b>32,149,381</b>	<b>30,471,067</b>	<b>169,805,222</b>
<b>Expenditures:</b>							
General Government	11,042,656	92	-	-	-	1,415,565	12,458,313
Culture & Recreation	485,459	-	-	-	-	2,140,728	2,626,187
Economic Environment	278,864	-	-	-	111,825	13,603,821	13,994,510
Health & Human Services	-	-	-	6,344,593	36,544,708	81,409	42,970,710
Public Safety	49,931,770	-	1,684,209	-	-	2,905,772	54,521,751
Transportation	693	2,986	15,265,152	-	-	1,757,049	17,025,880
Utilities & Environment	471,437	-	-	-	-	1,198,527	1,669,964
Capital Outlay	297,698	-	7,747,979	39,470	52,501	4,628,780	12,766,428
Debt Service:							
Principal	30,771	-	204	3,637	3,036	2,300,578	2,338,226
Interest & Fiscal Charges	11,481	-	139	2,074	4,016	1,854,955	1,872,665
<b>Total Expenditures</b>	<b>62,550,829</b>	<b>3,078</b>	<b>24,697,683</b>	<b>6,389,774</b>	<b>36,716,086</b>	<b>31,887,184</b>	<b>162,244,634</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>484,012</b>	<b>8,323,624</b>	<b>2,770,720</b>	<b>1,965,054</b>	<b>(4,566,705)</b>	<b>(1,416,117)</b>	<b>7,560,588</b>
<b>Other Financing Sources (Uses)</b>							
Capital Lease Financing	75,358	-	12,752	-	30,721	103	118,934
Sale of Capital Assets	371	-	103,703	-	-	-	104,074
Transfers In	1,470,909	-	-	4,991	1,626,449	9,527,713	12,630,062
Transfers Out	(2,249,070)	(1,932,482)	(1,151,179)	(4,991)	(57,780)	(7,179,477)	(12,574,979)
<b>Total Other Financing Sources (Uses)</b>	<b>(702,432)</b>	<b>(1,932,482)</b>	<b>(1,034,724)</b>	<b>-</b>	<b>1,599,390</b>	<b>2,348,339</b>	<b>278,091</b>
<b>Net Changes In Fund Balances</b>	<b>(218,420)</b>	<b>6,391,142</b>	<b>1,735,996</b>	<b>1,965,054</b>	<b>(2,967,315)</b>	<b>932,222</b>	<b>7,838,679</b>
Fund Balances as of January 1	9,035,744	\$ 9,616,625	15,526,209	\$12,505,826	\$ 8,936,912	38,137,886	93,759,202
Prior Period Adjustments	(390,408)	-	-	-	-	263,855	(126,553)
Fund Balances as of January 1 - Restated	8,645,336	9,616,625	15,526,209	12,505,826	8,936,912	38,401,741	93,632,649
<b>Fund Balances as of December 31</b>	<b>\$ 8,426,916</b>	<b>\$ 16,007,767</b>	<b>\$17,262,205</b>	<b>\$14,470,880</b>	<b>\$ 5,969,597</b>	<b>\$ 39,333,963</b>	<b>\$ 101,471,328</b>

See accompanying notes to the financial statements

**Reconciliation Of The Statement Of Revenues, Expenditures And  
Changes in Fund Balances Of Governmental Funds  
To The Statement Of Activities  
For The Year Ended December 31, 2006**

		<b>Governmental Funds</b>
<b>Change in fund balance as shown in the Governmental Funds</b>		
<b>Statement of Revenues, Expenditures and Changes in Fund Balances</b>	\$	7,838,679
<b>Capital Assets:</b>		
Capital outlays, which are reported as expenditures in governmental funds, are capitalized and deferred to future periods and therefore not reported in the statement of activities	12,766,428	
Depreciation (asset usage), which is not reported in governmental funds, is recognized and reported in the statement of activities	(7,833,175)	
Gain (Loss) on the sale and disposition of governmental capital assets, which is not reported in governmental funds, is reported in the statement of activities	<u>(278,102)</u>	4,655,151
<b>Long-Term Debt:</b>		
Bond and capital lease principal payments (which are reported as expenditures in governmental funds) are not reported as expenditures in the statement of activities (however, they are reported as reductions in the amount owed in the statement of net assets)	2,359,629	
Debt issues costs, and other similar costs on debt issues, which are reported as expenditures in governmental funds, are deferred in the statement of net assets and then expensed over the life of the bond issue in the statement of activities	45,709	
Long-term bond and capital lease financing proceeds (which are reported as "other financing sources" in governmental funds), are not recognized or reported in the statement of activities (however, they are reported as an increase in the amount owed in the statement of net assets for new debt)	<u>(118,934)</u>	2,286,404
<b>Interfund Transactions:</b>		
Profit or (loss) from internal service funds, which is reported separately in proprietary fund statements, is credited or charged to governmental expenses in the statement of activities	2,076,051	
Other interfund transactions, which are reported in governmental funds, are eliminated in the statement of activities, except for a residual amount outstanding between governmental and business activities	(11,740)	
Unbilled internal service costs from the County's cost allocation plan, which is not allocated to service users in governmental fund statements, is allocated to service users in the statement of activities, resulting in a residual amount outstanding between governmental and business activities	<u>301,426</u>	2,365,737
<b>Other:</b>		
Long term (non-available) revenues, which are deferred in governmental funds, are reported as revenues (or as a debit adjustment) in the statement of activities	(46,281)	
Compensated absences, which is not reported in governmental funds, is reported as an expense (or as a credit adjustment) in the statement of activities	<u>(347,342)</u>	<u>(393,623)</u>
<b>Change in net assets for governmental funds as shown in the</b>		
<b>Statement of Activities</b>	\$	<u><u>16,752,348</u></u>

See accompanying notes to the financial statements

**Statement Of Net Assets**  
**Proprietary Funds**  
**December 31, 2006**  
**Page 1 of 2**

ASSETS	Enterprise Funds				Internal Service Funds
	Solid Waste	Grand Mound	Other	Total	
			Enterprise Funds	Enterprise Funds	
<b>Current Assets:</b>					
Cash & Pooled Investments	\$ 6,701,561	\$ 366,191	\$ 1,978,984	\$ 9,046,736	\$ 23,226,159
<i>Receivables:</i>					
Special Assessment Receivables	-	200,000	94,696	294,696	-
Accrued Interest & Penalties	318,701	6,594	47,322	372,617	192,643
Customer Account Receivables	1,532,288	22,628	37,074	1,591,990	110,046
Due From Other Funds	722,306	49	9,106	731,461	872,928
Due From Other Government Units	579,284	105,743	103,712	788,739	29,115
Inventory	-	-	-	-	192,727
Prepayments	-	-	-	-	475,847
<i>Restricted Assets:</i>					
Cash and Pooled Investments	-	299,252	448,840	748,092	-
Investments at Cost	-	-	961,314	961,314	-
<b>Long-Term Assets:</b>					
Deferred Charges	-	204,556	2,560	207,116	-
Community Loans Receivable	-	-	132,977	132,977	-
Special Assessment Receivables	-	3,390,065	1,247,365	4,637,430	-
Advances to Other Funds	38,300	-	45,000	83,300	-
Capital Assets	32,020,496	14,486,001	14,780,903	61,287,400	28,962,103
Accumulated Depreciation	(20,531,459)	(2,057,847)	(5,140,439)	(27,729,745)	(18,147,576)
<i>Restricted Assets: Cash and Pooled Investments</i>	18,313,680			18,313,680	
<b>Total Assets</b>	<b>39,695,157</b>	<b>17,023,232</b>	<b>14,749,414</b>	<b>71,467,803</b>	<b>35,913,992</b>

See accompanying notes to the financial statements

**Statement Of Net Assets**  
**Proprietary Funds**  
**December 31, 2006**  
**Page 2 of 2**

LIABILITIES	Enterprise Funds				Internal Service Funds
	Solid Waste	Grand Mound	Other Enterprise Funds	Total Enterprise Funds	
<b>Current Liabilities:</b>					
Accounts Payable	1,106,820	9,503	53,126	1,169,449	855,721
Notes Payable	-	8,873	208,385	217,258	248,529
Due To Other Funds	1,318,334	50,176	188,500	1,557,010	281,680
Unearned Revenue	-	-	-	-	8,800
Lim.Tax G.O.Bond-Current Portion	-	511,983	110,000	621,983	125,951
<b>Long-Term Liabilities:</b>					
Limited G.O. Bonds Payable	-	10,480,000	409,302	10,889,302	-
Compensated Absences Payable	-	-	-	-	928,884
Claims and Judgments Payable	-	-	-	-	3,367,586
Intergovernmental Loans & Contracts Payable	-	105,363	1,881,818	1,987,181	530,508
Advances From Other Funds	-	30,000	8,300	38,300	-
Accumulated Landfill Closure Costs	20,708,258	-	-	20,708,258	-
<b>Total Liabilities</b>	<b>23,133,412</b>	<b>11,195,898</b>	<b>2,859,431</b>	<b>37,188,741</b>	<b>6,347,659</b>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net Of Related Debt	11,489,037	1,321,935	7,547,706	20,358,678	9,909,539
<b>Restricted For:</b>					
Postclosure	5,072,708	-	-	5,072,708	-
Debt Service	-	-	570,504	570,504	-
Unrestricted (Deficit)	-	4,505,399	3,771,773	8,277,172	19,656,794
<b>Total Net Assets</b>	<b>\$ 16,561,745</b>	<b>\$ 5,827,334</b>	<b>\$ 11,889,983</b>	<b>\$ 34,279,062</b>	<b>\$ 29,566,333</b>

See accompanying notes to the financial statements

**Reconciliation Of The Statement Of  
Net Assets Of Proprietary Funds  
To The Statement Of Net Assets  
*December 31, 2006***

	<b>Business Type Funds</b>
	<hr/>
<b>Enterprise net assets as shown in the Proprietary Funds Statement of Net Assets</b>	<b>\$ 34,279,062</b>
 Internal balances for additional amounts owed between governmental and business units have not been included in governmental fund statements.	
	<hr/>
<b>Net assets for business-type funds as shown in Statement of Net Assets</b>	<b>\$ 35,006,404</b>
	<hr/>

See accompanying notes to the financial statements

**Statement Of Revenues, Expenses And Changes In Fund Net Assets**  
**Proprietary Funds**  
**For The Year Ended December 31, 2006**

	Enterprise Funds				Internal
	Solid	Grand	Other	Total	Service
	Waste	Mound	Enterprise	Enterprise	Funds
			Funds	Funds	
<b>Operating Revenues:</b>					
Charges for Services	\$ 16,152,574	\$ 258,526	\$ 1,889,584	\$ 18,300,684	\$ 341,362
Equipment Rental	-	-	-	-	5,265,201
Interfund Contributions	900	-	27,322	28,222	15,228,410
Miscellaneous	23,272	6,239	5,137	34,648	19,314
<b>Total Operating Revenues</b>	<b>16,176,746</b>	<b>264,765</b>	<b>1,922,043</b>	<b>18,363,554</b>	<b>20,854,287</b>
<b>Operating Expenses:</b>					
Salaries and Benefits	1,674,523	266,840	1,097,660	3,039,023	13,286,586
Other Supplies and Expenses	256,569	21,035	121,300	398,904	2,550,371
Contractual Services	1,805,707	55,842	188,084	2,049,633	4,996,800
Longhaul Contract	10,950,263	-	-	10,950,263	-
Interfund Services and Charges	720,652	23,193	227,584	971,429	1,415,446
Depreciation/Amortization	747,875	367,117	600,996	1,715,988	2,467,256
Claims Payments	-	-	-	-	1,008,863
<b>Total Operating Expenses</b>	<b>16,155,589</b>	<b>734,027</b>	<b>2,235,624</b>	<b>19,125,240</b>	<b>25,725,322</b>
<b>Operating Income (Loss)</b>	<b>21,157</b>	<b>(469,262)</b>	<b>(313,581)</b>	<b>(761,686)</b>	<b>(4,871,035)</b>
<b>Nonoperating Revenue (Expenses):</b>					
Interest Revenue	1,047,596	250,169	157,695	1,455,460	716,206
Other Nonoperating Revenue (Expense)	(262,825)	25	117,901	(144,899)	5,867,851
Interest Expense & Fiscal Charges	-	(558,443)	(53,332)	(611,775)	(61,269)
<b>Total Nonoperating Revenue (Expense)</b>	<b>784,771</b>	<b>(308,249)</b>	<b>222,264</b>	<b>698,786</b>	<b>6,522,788</b>
<b>Income Before Contributions and Transfers:</b>	<b>805,928</b>	<b>(777,511)</b>	<b>(91,317)</b>	<b>(62,900)</b>	<b>1,651,753</b>
Capital Contributions	-	859,847	-	859,847	266,357
Transfers In (Out)	(253,024)	-	40,000	(213,024)	157,941
<b>Change in Net Assets</b>	<b>552,904</b>	<b>82,336</b>	<b>(51,317)</b>	<b>583,923</b>	<b>2,076,051</b>
Net Assets as of January 1	16,008,841	5,744,998	11,941,300	33,695,139	27,490,282
<b>Net Assets as of December 31</b>	<b>\$ 16,561,745</b>	<b>\$ 5,827,334</b>	<b>\$ 11,889,983</b>	<b>\$ 34,279,062</b>	<b>\$ 29,566,333</b>

See accompanying notes to the financial statements

**Reconciliation Of The Statement Of Revenues, Expenses And  
Changes in Fund Net Assets Of Proprietary Funds  
To The Statement Of Activities  
For The Year Ended December 31, 2006**

	<b>Business-Type Funds</b>
	<hr/>
<b>Change in enterprise net assets as shown in the Statement of Revenues, Expenses and Changes in Fund Net Assets</b>	\$ 583,923
 Internal services, provided primarily by internal service funds, also occurs between other County funds. The net effect of the elimination of these services is reflected in the statement of activities:	
Other interfund transactions	11,740
Allocated direct and indirect costs from the County's cost plan	<hr/> (301,426)
 <b>Change in net assets for business-type funds as shown in the Statement of Net Assets</b>	 \$ 294,237 <hr/> <hr/>

See accompanying notes to the financial statements



**Statement Of Cash Flows**  
**Proprietary Funds**  
**For The Year Ended December 31, 2006**  
**Page 1 of 2**

	Enterprise Funds				Internal Service Funds
	Solid Waste	Grand Mound	Other Enterprise Funds	Total Enterprise Funds	
<b>Cash Flows from Operating Activities:</b>					
Cash Received from Customers	\$ 15,649,600	\$ 282,726	\$ 1,912,286	\$ 17,844,612	\$ 20,114,835
Cash Paid for Goods & Services	(13,439,577)	(101,943)	(563,852)	(14,105,372)	(10,016,304)
Cash Paid to Employees	(1,674,523)	(228,662)	(962,206)	(2,865,391)	(13,124,286)
Net Cash Provided (Used) by Operating Activities	535,500	(47,879)	386,228	873,849	(3,025,755)
<b>Cash Flows from Noncapital Financing Activities:</b>					
Operating Transfers In	719,661	-	590,000	1,309,661	393,163
Operating Transfers Out	(972,685)	-	(550,000)	(1,522,685)	(235,222)
Grant Proceeds	(141,392)	(96,787)	134,784	(103,395)	-
Tax and Assessment Receipts	-	-	-	-	5,834,007
Receipts On Community Loans	-	-	15,351	15,351	-
Payments On Community Loans	-	-	(20,051)	(20,051)	-
Insurance Recoveries	-	-	-	-	19,340
Tax Payments	(419,893)	(9,315)	(25,393)	(454,601)	(8,544)
Net Cash Provided (Used) by Noncapital Financing Activities	(814,309)	(106,102)	144,691	(775,720)	6,002,744
<b>Cash Flows from Capital &amp; Related Financing Activities:</b>					
Cash Gain/Loss on Sales/Dispositions Of Capital Assets	60,635	31,742	(6,048)	86,329	(27,770)
Capital Asset Acquisitions	(608,784)	(122,098)	(706,067)	(1,436,949)	(1,509,335)
Bond/Loan Payments	-	(218,551)	(321,885)	(540,436)	(374,922)
Bond/Loan Proceeds	-	-	8,300	8,300	-
Grant Proceeds	-	-	117,996	117,996	-
Contributed Capital	-	408,391	-	408,391	33,737
Assessment Receipts	-	641,669	149,821	791,490	-
Interest Payments	-	(574,449)	(54,185)	(628,634)	(61,269)
Net Cash Provided (Used) by Capital & Related Financing Activities	(548,149)	166,704	(812,068)	(1,193,513)	(1,939,559)
<b>Cash Flows from Investing Activities:</b>					
Interest Receipts	912,023	247,737	151,052	1,310,812	626,140
Net Cash Provided (Used) by Investing Activities	912,023	247,737	151,052	1,310,812	626,140
<b>Net Increase (Decrease) in Cash &amp; Cash Equivalents</b>	85,065	260,460	(130,097)	215,428	1,663,570
Cash & Cash Equivalents as of January 1	24,930,176	404,983	3,519,235	28,854,394	21,562,589
<b>Cash &amp; Cash Equivalents as of December 31</b>	<b>\$ 25,015,241</b>	<b>\$ 665,443</b>	<b>\$ 3,389,138</b>	<b>\$ 29,069,822</b>	<b>\$ 23,226,159</b>

See accompanying notes to the financial statements

**Statement Of Cash Flows**  
**Proprietary Funds**  
**December 31, 2006**  
**Page 2 of 2**

	Enterprise Funds				Internal Service Funds
	Solid Waste	Grand Mound	Other Enterprise Funds	Total Enterprise Funds	
<b>Reconciliation of Operating Income To Net Cash Provided (Used) by Operating Income:</b>					
Operating Income	\$ 21,157	\$ (469,262)	\$ (313,581)	\$ (761,686)	\$ (4,871,035)
<b>Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:</b>					
Depreciation Expense	747,875	367,117	600,996	1,715,988	2,467,256
<b>(Increase) Decrease in:</b>					
Customer Account Receivables	(205,339)	18,010	(2,265)	(189,594)	(10,184)
Due from Other Funds	(321,807)	(49)	(7,492)	(329,348)	(702,570)
Due from Other Government Units	-	-	-	-	(26,698)
Inventories	-	-	-	-	(23,051)
Prepaid Expense	-	-	-	-	(375,730)
<b>Increase (Decrease) in:</b>					
Accounts Payable	61,816	(1,873)	(26,884)	33,059	359,648
Due to Other Funds	680,891	38,178	135,454	854,523	228,659
Claims and Judgments	-	-	-	-	(137,414)
Compensated Absences Payable	-	-	-	-	65,364
Accumulated Landfill Closure	(449,093)	-	-	(449,093)	-
<b>Total Adjustments</b>	<b>514,343</b>	<b>421,383</b>	<b>699,809</b>	<b>1,635,535</b>	<b>1,845,280</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 535,500</b>	<b>\$ (47,879)</b>	<b>\$ 386,228</b>	<b>\$ 873,849</b>	<b>\$ (3,025,755)</b>
<hr/>					
<b>Noncash Investing, Capital, and Financing Activities:</b>					
Gain on Purchase/Sale Of Capital Assets	\$ -	\$ -	-	\$ -	\$ 44,530
Loss on Purchase/Sale of Capital Assets	\$ (2,923)	\$ -	(99,168)	\$ (102,091)	\$ -
Contribution of Capital Assets	\$ -	\$ 451,456	-	\$ 451,456	\$ 266,357

See accompanying notes to the financial statements

**Statement Of Fiduciary Net Assets**  
**Fiduciary Funds**  
**December 31, 2006**

<b>ASSETS</b>	<b>Investment Trust Funds</b>	<b>Private Purpose Trust Funds</b>	<b>Agency Funds</b>
<b>Assets:</b>			
Cash & Pooled Investments	\$ 250,937,017	\$ 3,392,027	\$ 17,905,776
Cash and Investments in Trust	-	-	491,744
Cash and Deposits with Fiscal Agent	-	-	175,000
<b>Receivables:</b>			
Accrued Interest Receivables	979,768	-	-
<b>Total Assets</b>	<b>251,916,785</b>	<b>3,392,027</b>	<b>18,572,520</b>
<b>LIABILITIES</b>			
<b>Liabilities:</b>			
Warrant Payable	-	-	15,563,039
Accounts Payable	-	-	405,311
Payroll Payable	-	-	1,937,426
Due to Other Governments	-	-	666,744
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>18,572,520</b>
<b>NET ASSETS</b>			
Investments Held in Trust for Pool Participants	251,916,785	-	-
Investments Held in Trust for Other Purposes	-	3,392,027	-
<b>Total Net Assets</b>	<b>\$ 251,916,785</b>	<b>\$ 3,392,027</b>	<b>\$ -</b>

See accompanying notes to the financial statements

**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
***For The Year Ended December 31, 2006***

	<b>Investment Trust Funds</b>	<b>Private Purpose Trust Funds</b>
<b>Additions:</b>		
<b>Contributions:</b>		
Additions By Participants	\$ 854,960,816	\$ 15,818,350
Trust Revenues	128,958	-
Total Contributions	<u>855,089,774</u>	<u>15,818,350</u>
<b>Investment Income:</b>		
Net Decrease In Fair Value Of Investments	1,771,904	-
Interest, Dividends and Other	-	26,816
Total Investment Income	<u>1,771,904</u>	<u>26,816</u>
<b>Total Additions</b>	<u>856,861,678</u>	<u>15,845,166</u>
<b>Deductions:</b>		
Distributions to Participants	821,326,829	14,344,309
Trust Administrative Costs	128,958	-
Total Deductions	<u>821,455,787</u>	<u>14,344,309</u>
 Change in Net Assets Held for Individuals, Organizations and Other Governments	 35,405,891	 1,500,857
Net Assets as of January 1 - Restated	<u>216,510,894</u>	<u>1,891,170</u>
<b>Net Assets as of December 31</b>	<u><u>\$ 251,916,785</u></u>	<u><u>\$ 3,392,027</u></u>

See accompanying notes to the financial statements

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**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

**Page 1 of 5**

	<b>Original 2006 Budget</b>	<b>Final 2006 Budget</b>	<b>Actual 2006</b>	<b>Variance with Final Budget Positive or (Negative)</b>
<b>Revenues By Funding Source</b>				
<b>General Revenues:</b>				
Taxes	\$ 44,514,925	\$ 44,877,873	\$ 44,656,072	\$ (221,801)
Licenses & Permits	37,600	37,600	54,785	17,185
Intergovernmental	6,274,176	7,332,293	7,203,261	(129,032)
Charges for Services	6,732,495	6,761,095	6,626,095	(135,000)
Fines & Forfeits	1,448,700	1,448,700	1,906,416	457,716
Miscellaneous Revenue	1,673,657	1,923,657	2,588,212	664,555
<b>Total General Revenues</b>	<b>60,681,553</b>	<b>62,381,218</b>	<b>63,034,841</b>	<b>653,623</b>
<b>Other Financing Sources:</b>				
Capital Lease Financing	-	-	75,358	75,358
Other Finance Sources - Capital Asset Sales	400	400	371	(29)
Transfers In	1,455,174	1,510,174	1,470,909	(39,265)
<b>Total Other Financing Sources</b>	<b>1,455,574</b>	<b>1,510,574</b>	<b>1,546,638</b>	<b>36,064</b>
<b>Total Revenues</b>	<b>\$ 62,137,127</b>	<b>\$ 63,891,792</b>	<b>\$ 64,581,479</b>	<b>\$ 689,687</b>

**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
**For The Year Ended December 31, 2006**

Page 2 of 5

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Assessor's Office:</b>				
General Government	\$ 3,131,129	\$ 3,131,129	\$ 3,128,142	\$ 2,987
<b>Total Assessor's Office</b>	3,131,129	3,131,129	3,128,142	2,987
<b>Auditor's Office:</b>				
General Government	4,261,813	4,550,738	4,361,996	188,742
Capital Outlay	-	99,136	88,454	10,682
Debt Service:				
Principal	4,174	4,462	4,257	205
Interest and Fiscal Charges	846	2,025	1,887	138
<b>Total Auditor's Office</b>	4,266,833	4,656,361	4,456,594	199,767
<b>Assigned Counsel:</b>				
Public Safety	2,579,342	2,527,428	2,293,313	234,115
Capital Outlay	-	-	11,085	(11,085)
Debt Service:				
Principal	-	-	2,370	(2,370)
Interest and Fiscal Charges	-	-	1,532	(1,532)
<b>Total Assigned Counsel</b>	2,579,342	2,527,428	2,308,300	219,128
<b>Civil Service:</b>				
Public Safety	97,055	110,115	103,745	6,370
Capital Outlay	-	-	546	(546)
<b>Total Civil Service</b>	97,055	110,115	104,291	5,824
<b>Clerk's Office:</b>				
Public Safety	2,739,382	2,781,015	2,771,762	9,253
Capital Outlay	-	-	45,485	(45,485) *
Debt Service:				
Principal	5,100	5,100	9,000	(3,900)
Interest and Fiscal Charges	600	600	2,191	(1,591)
<b>Total Clerk's Office</b>	2,745,082	2,786,715	2,828,438	(41,723) *

**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
**For The Year Ended December 31, 2006**

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	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Commissioner's Office:</b>				
General Government	1,075,619	1,075,619	1,056,388	19,231
Debt Service:				
Principal	1,928	1,928	2,477	(549)
Interest and Fiscal Charges	1,927	1,927	1,391	536
<b>Total Commissioner's Office</b>	<b>1,079,474</b>	<b>1,079,474</b>	<b>1,060,256</b>	<b>19,218</b>
<b>Coroner's Office:</b>				
Public Safety	595,064	663,572	656,579	6,993
Debt Service:				
Principal	1,500	1,500	1,539	(39)
Interest and Fiscal Charges	650	650	554	96
<b>Total Coroner's Office</b>	<b>597,214</b>	<b>665,722</b>	<b>658,672</b>	<b>7,050</b>
<b>Corrections:</b>				
Public Safety	10,983,033	12,223,625	11,987,859	235,766
Capital Outlay	-	17,855	20,917	(3,062)
<b>Total Corrections</b>	<b>10,983,033</b>	<b>12,241,480</b>	<b>12,008,776</b>	<b>232,704</b>
<b>District Court</b>				
Public Safety	2,574,581	2,579,581	2,457,452	122,129
<b>Total District Court</b>	<b>2,574,581</b>	<b>2,579,581</b>	<b>2,457,452</b>	<b>122,129</b>
<b>Human Resources:</b>				
General Government	1,217,908	1,217,908	1,152,317	65,591
Public Safety	2,450	2,450	1,175	1,275
Debt Service:				
Principal	2,000	2,000	1,110	890
Interest and Fiscal Charges	-	-	28	(28)
<b>Total Human Resources</b>	<b>1,222,358</b>	<b>1,222,358</b>	<b>1,154,630</b>	<b>67,728</b>



**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
**For The Year Ended December 31, 2006**

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	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Juvenile Probation:</b>				
Public Safety	5,720,257	5,732,257	5,552,344	179,913
Debt Service:				
Principal	-	-	4,307	(4,307)
Interest and Fiscal Charges	-	-	153	(153)
<b>Total Juvenile Probation</b>	<b>5,720,257</b>	<b>5,732,257</b>	<b>5,556,804</b>	<b>175,453</b>
<b>Non-Departmental:</b>				
General Government	1,320,252	1,043,746	251,640	792,106
Public Safety	-	13,500	13,500	-
Utilities & Environment	452,538	471,437	471,437	-
Transportation	994	994	693	301
Economic Environment	363,502	278,511	278,864	(353)
Culture and Recreation	-	73,815	61,885	11,930
Transfers Out	2,123,299	2,201,507	2,188,437	13,070
<b>Total Non-Departmental</b>	<b>4,260,585</b>	<b>4,083,510</b>	<b>3,266,456</b>	<b>817,054</b>
<b>Prosecuting Attorney:</b>				
Public Safety	6,706,362	7,161,203	7,122,757	38,446
<b>Total Prosecuting Attorney</b>	<b>6,706,362</b>	<b>7,161,203</b>	<b>7,122,757</b>	<b>38,446</b>
<b>State Examiner:</b>				
General Government	112,335	114,335	114,201	134
<b>Total State Examiner</b>	<b>112,335</b>	<b>114,335</b>	<b>114,201</b>	<b>134</b>
<b>Sheriff:</b>				
Public Safety	13,147,213	13,349,188	13,225,569	123,619
Capital Outlay	50,600	165,036	112,423	52,613
<b>Total Sheriff</b>	<b>13,197,813</b>	<b>13,514,224</b>	<b>13,337,992</b>	<b>176,232</b>

**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
**For The Year Ended December 31, 2006**

Page 5 of 5

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Superior Court:</b>				
Public Safety	3,514,619	3,764,992	3,745,715	19,277
Capital Outlay	-	-	18,788	(18,788) *
Debt Service:				
Principal	-	-	4,136	(4,136)
Interest and Fiscal Charges	-	-	1,951	(1,951)
Transfers Out	60,633	60,633	60,633	-
<b>Total Superior Court</b>	<b>3,575,252</b>	<b>3,825,625</b>	<b>3,831,223</b>	<b>(5,598) *</b>
<b>Treasurer's Office</b>				
General Government	970,485	999,938	977,972	21,966
<b>Total Treasurer's Office</b>	<b>970,485</b>	<b>999,938</b>	<b>977,972</b>	<b>21,966</b>
<b>WSU Extension</b>				
Culture and Recreation	389,619	480,723	423,574	57,149
Debt Service:				
Principal	1,575	1,575	1,575	-
Interest and Fiscal Charges	1,795	1,795	1,794	1
<b>Total WSU Extension</b>	<b>392,989</b>	<b>484,093</b>	<b>426,943</b>	<b>57,150</b>
<b>Total General Fund Expenditures</b>	<b>\$ 64,212,179</b>	<b>\$ 66,915,548</b>	<b>\$ 64,799,899</b>	<b>\$ 2,115,649</b>
Net Changes in Fund Balances	(2,075,052)	(3,023,756)	(218,420)	2,805,336
Fund Balances as of January 1	6,677,122	7,406,038	9,035,744	1,629,706
Prior Period Adjustments	-	-	(390,408)	(390,408)
Fund Balances as of January 1 - Restated	6,677,122	7,406,038	8,645,336	1,239,298
Fund Balances as of December 31	4,602,070	4,382,282	8,426,916	4,044,634

\* - See Notes for explanation of budget variance

**Real Estate Excise Tax**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	<b>Original 2006 Budget</b>	<b>Final 2006 Budget</b>	<b>Actual 2006</b>	<b>Variance with Final Budget Positive or (Negative)</b>
<b>Revenues:</b>				
Taxes	\$ 4,000,000	\$ 6,000,000	\$ 6,001,589	\$ 1,589
Charges for Services	15,900	15,900	15,900	-
Miscellaneous Revenue	252,311	252,311	2,309,213	2,056,902
<b>Total Revenues</b>	<b>4,268,211</b>	<b>6,268,211</b>	<b>8,326,702</b>	<b>2,058,491</b>
<b>Expenditures:</b>				
General Government	376,887	376,887	92	376,795
Culture & Recreation	1,633	1,633	-	1,633
Health & Human Services	3,023	3,023	-	3,023
Public Safety	62,261	62,261	-	62,261
Transportation	3,820	3,820	2,986	834
Capital Outlay	637,693	637,693	-	637,693
<b>Total Expenditures</b>	<b>1,085,317</b>	<b>1,085,317</b>	<b>3,078</b>	<b>1,082,239</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>3,182,894</b>	<b>5,182,894</b>	<b>8,323,624</b>	<b>3,140,730</b>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(2,174,230)	(1,932,539)	(1,932,482)	57
<b>Total Other Financing Sources (Uses)</b>	<b>(2,174,230)</b>	<b>(1,932,539)</b>	<b>(1,932,482)</b>	<b>57</b>
Net Changes In Fund Balances	1,008,664	3,250,355	6,391,142	3,140,787
Fund Balances as of January 1	7,242,977	9,616,625	9,616,625	-
<b>Fund Balances as of December 31</b>	<b>\$ 8,251,641</b>	<b>\$ 12,866,980</b>	<b>\$ 16,007,767</b>	<b>\$ 3,140,787</b>

**Roads and Transportation**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
**For The Year Ended December 31, 2006**

	<b>Original 2006 Budget</b>	<b>Final 2006 Budget</b>	<b>Actual 2006</b>	<b>Variance with Final Budget Positive or (Negative)</b>
<b>Revenues:</b>				
Taxes	\$ 16,473,234	\$ 16,473,234	\$ 16,300,338	\$ (172,896)
Intergovernmental	13,335,603	12,598,103	10,443,877	(2,154,226)
Charges for Services	150,600	1,026,600	564,002	(462,598)
Miscellaneous Revenue	116,600	116,600	160,186	43,586
<b>Total Revenues</b>	<b>30,076,037</b>	<b>30,214,537</b>	<b>27,468,403</b>	<b>(2,746,134)</b>
<b>Expenditures:</b>				
Public Safety	2,688,390	2,688,390	1,684,209	1,004,181
Transportation	18,286,873	19,573,798	15,265,152	4,308,646
Capital Outlay	9,518,922	9,729,497	7,747,979	1,981,518
Debt Service:				
Principal	-	-	204	(204)
Interest & Fiscal Charges	-	-	139	(139)
<b>Total Expenditures</b>	<b>30,494,185</b>	<b>31,991,685</b>	<b>24,697,683</b>	<b>7,294,002</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(418,148)</b>	<b>(1,777,148)</b>	<b>2,770,720</b>	<b>4,547,868</b>
<b>Other Financing Sources (Uses)</b>				
Capital Lease Financing	-	-	12,752	12,752
Sale of Capital Assets	30,000	30,000	103,703	73,703
Transfers Out	(1,391,279)	(1,153,779)	(1,151,179)	2,600
<b>Total Other Financing Sources (Uses)</b>	<b>(1,361,279)</b>	<b>(1,123,779)</b>	<b>(1,034,724)</b>	<b>89,055</b>
Net Changes In Fund Balances	(1,779,427)	(2,900,927)	1,735,996	4,636,923
Fund Balances as of January 1	9,571,840	15,525,910	15,526,209	299
<b>Fund Balances as of December 31</b>	<b>\$ 7,792,413</b>	<b>\$ 12,624,983</b>	<b>\$ 17,262,205</b>	<b>\$ 4,637,222</b>

**Medic One**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	<b>Original 2006 Budget</b>	<b>Final 2006 Budget</b>	<b>Actual 2006</b>	<b>Variance with Final Budget Positive or (Negative)</b>
<b>Revenues:</b>				
Taxes	\$ 7,510,427	\$ 7,510,427	\$ 7,603,663	\$ 93,236
Intergovernmental	139,000	139,000	152,814	13,814
Charges for Services	230	230	50	(180)
Miscellaneous Revenue	301,800	301,800	598,301	296,501
<b>Total Revenues</b>	<b>7,951,457</b>	<b>7,951,457</b>	<b>8,354,828</b>	<b>403,371</b>
<b>Expenditures:</b>				
Health & Human Services	7,240,029	7,269,679	6,344,593	925,086
Capital Outlay	318,125	318,125	39,470	278,655
Debt Service:				
Principal	3,637	3,637	3,637	-
Interest & Fiscal Charges	2,074	2,074	2,074	-
<b>Total Expenditures</b>	<b>7,563,865</b>	<b>7,593,515</b>	<b>6,389,774</b>	<b>1,203,741</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>387,592</b>	<b>357,942</b>	<b>1,965,054</b>	<b>1,607,112</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	5,250	5,250	4,991	(259)
Transfers Out	(5,250)	(5,250)	(4,991)	259
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Changes In Fund Balances	387,592	357,942	1,965,054	1,607,112
Fund Balances as of January 1	11,493,643	12,505,726	12,505,826	100
<b>Fund Balances as of December 31</b>	<b>\$ 11,881,235</b>	<b>\$ 12,863,668</b>	<b>\$ 14,470,880</b>	<b>\$ 1,607,212</b>

**Public Health & Social Services**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
**For The Year Ended December 31, 2006**

	<b>Original 2006 Budget</b>	<b>Final 2006 Budget</b>	<b>Actual 2006</b>	<b>Variance with Final Budget Positive or (Negative)</b>
<b>Revenues:</b>				
Taxes	\$ 479,801	\$ 479,801	\$ 487,454	\$ 7,653
Licenses & Permits	180,765	401,075	389,342	(11,733)
Intergovernmental	28,619,156	29,283,985	28,802,335	(481,650)
Charges for Services	1,585,751	2,408,316	2,133,033	(275,283)
Miscellaneous Revenue	194,300	199,137	337,217	138,080
<b>Total Revenues</b>	<b>31,059,773</b>	<b>32,772,314</b>	<b>32,149,381</b>	<b>(622,933)</b>
<b>Expenditures:</b>				
Economic Environment	112,166	112,166	111,825	341
Health & Human Services	34,571,421	35,479,551	36,544,708	(1,065,157) *
Capital Outlay	-	-	52,501	(52,501)
Debt Service:				
Principal	-	-	3,036	(3,036)
Interest & Fiscal Charges	-	-	4,016	(4,016)
<b>Total Expenditures</b>	<b>34,683,587</b>	<b>35,591,717</b>	<b>36,716,086</b>	<b>(1,124,369) *</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(3,623,814)</b>	<b>(2,819,403)</b>	<b>(4,566,705)</b>	<b>(1,747,302)</b>
<b>Other Financing Sources (Uses)</b>				
Capital Lease Financing	-	-	30,721	30,721
Transfers In	2,629,836	1,629,049	1,626,449	(2,600)
Transfers Out	(57,780)	(57,780)	(57,780)	-
<b>Total Other Financing Sources (Uses)</b>	<b>2,572,056</b>	<b>1,571,269</b>	<b>1,599,390</b>	<b>28,121</b>
Net Changes In Fund Balances	(1,051,758)	(1,248,134)	(2,967,315)	(1,719,181)
Fund Balances as of January 1	8,898,258	8,936,562	8,936,912	350
<b>Fund Balances as of December 31</b>	<b>\$ 7,846,500</b>	<b>\$ 7,688,428</b>	<b>\$ 5,969,597</b>	<b>\$ (1,718,831)</b>

\* - See Notes for explanation of budget variance

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## NOTES TO THE FINANCIAL STATEMENTS

### Guide to Notes

Year ended December 31, 2006

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# **NOTES TO THE FINANCIAL STATEMENTS**

## **Year Ended December 31, 2006**

### **Note I - Summary of Significant Accounting Policies**

The financial statements of Thurston County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

#### **A. REPORTING ENTITY**

The financial statements present Thurston County as the primary government as required by generally accepted accounting principles.

##### **Component Unit**

The Comprehensive Annual Financial Report (CAFR) of Thurston County does not include any component units for which the County is financially accountable.

#### **B. COMPREHENSIVE ANNUAL FINANCIAL REPORT**

This report is segregated into introductory, financial, supplementary information and statistical sections. The introductory section complements the other two sections and may include information (for example - prospective and economic information) that would normally be excluded from the financial section of this report. The statistical section includes supporting statistical schedules to the financial section.

The financial section includes all statements required by GASB for the year end financial report. The financial section includes the following statements: independent auditor's opinion, management discussion and analysis, government-wide financial statements, fund financial statements, notes to the financial statements and major fund budget to actual statements. The auditor's opinion provides an independent opinion by the Washington State Auditor's Office on the overall accuracy of this report. The management discussion and analysis provides our analysis of the financial condition and activities of Thurston County based on supporting facts and decisions by the County.

The supplementary information section includes all the combining statements required for a CAFR by the Government Finance Officers Association. The supplementary information section includes the following statements: non-major governmental and enterprise fund statements, internal service fund statements and fiduciary fund statements. Grant schedules are also included within this section that detail federal, state and local grants and awards.

Government wide financial statements, fund financial statements and the notes to the financial statements comprise the basic financial statements within the financial section of this report. Balances and activities in the government wide financial statements are reported differently than balances and activities reported in the fund financial statements, each using a different measurement focus and basis of accounting, as explained in more detail in note I.C. below.

Government wide financial statements provide an overview of the financial condition and activity of the entire governmental unit. This overview is reported in the statement of net assets and the statement of activities. The statement of net assets reports assets, liabilities and net assets or equity of the entire governmental unit. Likewise, the statement of activities reports revenues, expenses and resulting change in net assets of the entire governmental unit. Governmental balances and activities are segregated from business-type balances and activities in both statements (governmental activities are primarily supported by taxes and intergovernmental revenues whereas business type activities are primarily supported by user fees and charges).

#### C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government wide, proprietary, and fiduciary trust fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting. All assets and liabilities (whether current or non-current) are reported in the balance sheet. Operating statements present increases (revenues and gains) and decreases (expenses and losses) in net total assets. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. All revenues and service costs are reported each year regardless whether they were received or paid in the current year or soon thereafter.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989 are generally followed in both government wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private sector guidance for their business type activities and enterprise funds, subject to the same limitations. The County has elected not to apply subsequent private sector guidance.

##### 1. Government-Wide Financial Statements

Internal service balances are summarized with governmental balances in the statement of net assets since most internal services are provided to governmental functions. However, the doubling effect of internal service activities has been removed from the statement of activities.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Purchased capital assets are capitalized in the statement of net assets and not immediately expensed in the statement of activities. Capital assets include governmental infrastructure (primarily road) assets (See Note VI). However, the use of these assets over time is recognized as a depreciation expense in the statement of activities (See Note VI for depreciation expenses reported in the statement of activities).

Long-term debt proceeds are reported as liabilities in the statement of net assets and therefore not reported as general revenues in the statement of activities. Amounts paid to reduce long-term indebtedness are reported as a reduction in the related liability in the statement of net assets and therefore not reported as an expense in the statement of activities.

Program revenues in the statement of activities include:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges
- Fines & forfeitures
- Special assessments
- Grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment

Taxes, entitlements, unrestricted grants, interest and other special and extraordinary items are non-exchange revenues and reported as general revenues in the statement of activities. Non-exchange revenues occur when the County gives (or receives) value without directly receiving (or giving) equal value in exchange.

Taxes and entitlements are reported as either property taxes or franchise and public service taxes and then segregated as either unrestricted for general use or restricted for specific purposes. Franchise and public service taxes in the statement of activities include the following general tax revenues and regulatory fees: cable TV, document preservation, forest board, government land lease, harvest, leasehold excise, liquor excise, motel/hotel, motor vehicle license/excise, pull tabs, punch board, real estate, retail sales, and timber sales.

Property tax revenues are recognized in the fiscal year for which the taxes are levied. Grant, entitlement, and donation revenues are recognized in the fiscal year in which all eligibility requirements have been satisfied.

The County's cost allocation plan allocates unbilled indirect and direct service costs to individual functions. The full allocation of these costs has been included, and separately reported, as program expenses for each reported activity.

The effect of interfund activity has been eliminated, as a general rule, from the government wide financial statements. Exceptions to this general rule include internal charges for normal and recurring services provided by one fund or department to another fund or department.

## 2. Governmental Fund Financial Statements

All governmental funds are accounted on a current financial resources or "financial flow" measurement focus. This means only current assets and current liabilities are included in the balance sheet. Likewise, governmental fund operating statements focus on measuring changes in current financial position. They report increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

These funds are also reported using the modified accrual basis of accounting. Revenues are recognized when measurable and available. Consequently, fund balance measures "available spendable resources." Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay liabilities of the current period. Revenues that are measurable but not available are recorded as a receivable and offset by deferred revenues. See Note D.2. for revenue availability policies and guidelines.

Expenditures are generally recorded when the related fund liability is incurred. However, the modified accrual measurement focus and basis of accounting differs from full accrual in the following ways:

- Purchases of capital assets are expenditures
- Redemptions of long-term debt are expenditures when due
- Interest on long-term debt is not accrued but is recorded as an expenditure when due
- Accumulated unpaid vacation and sick leave are considered expenditures when paid

Thurston County reports the following major governmental funds:

- The General Fund is the County's primary operating fund. It is used to account for all activities of the general government not accounted for in another fund.
- The County Road Fund accounts for the design, construction, and maintenance of County roads.
- The Public Health and Social Services Fund accounts for the following services: mental health, developmental disabilities, substance abuse treatment, prevention, children and family, environmental, and personal health.
- The Medic One Fund accounts for countywide delivery of advanced life support response and transport services.
- The Real Estate Excise Tax Fund accounts for proceeds dedicated to capital projects from the one-half percent tax on real property sales in unincorporated Thurston County.

### 3. Proprietary Fund Financial Statements

Proprietary funds are reported using the economic resources measurement focus and accrual basis of accounting as noted above. However, only proprietary funds disclose cash flows in a separate statement that reports cash flows from operating, financing and investing activities. Proprietary funds also distinguish operating from non-operating revenues and expenses in their operating statements. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses include the cost of personnel and contractual services, other supplies and expenses and depreciation on capital assets. All revenues and expenses not meeting this definition, including capital and non-capital financing and investing activities and non-exchange and exchange like transactions, are reported as non-operating revenues and expenses.

The County reports the following major proprietary funds:

- The Solid Waste Fund accounts for all solid waste activity including the maintenance and operation of the County's waste and recovery center.
- The Grand Mound Water and Wastewater Fund accounts for maintenance and operations of the Grand Mound water & wastewater systems.

Proprietary funds provide fee based services to external customers as enterprise funds and internally as internal service funds to the County's internal customers which may at times include other governmental units. The County's internal service funds are reported in total only in the proprietary fund statements. However, internal service fund balances are included within governmental fund balances in the governmental activities section of the statement of net assets. Internal service activity is excluded from the statement of activities and any profit or loss is allocated to the appropriate governmental activity.

#### 4. Fiduciary Fund Financial Statements

Fiduciary trust funds are also reported using the economic resources measurement focus and accrual basis of accounting as noted above. However, agency funds have no measurement focus with only assets and liabilities reported in total for these funds in the fiduciary fund statements. Fiduciary funds are used to account for resources held for the benefit of parties other than Thurston County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Thurston County's programs.

Thurston County has three types of fiduciary funds:

- Investment Trust funds report pooled investments held on behalf of external participants in the County's investment program.
- Private Purpose Trust funds report trust arrangements where the principal and interest benefit those outside of the primary government.
- Agency Funds account for assets and liabilities the County holds for others in an agency capacity. These funds are custodial in nature and do not present results of operations or have a measurement focus. These funds primarily comprise clearing accounts for assets and liabilities held by the County in its role as custodian until the funds are allocated to private parties, organizations, or government agencies to which they belong.

#### D. ASSETS, LIABILITIES AND NET ASSETS OR FUND BALANCE

##### 1. Deposits and Investments

The County pools internal and external cash and investments into one pool for investment purposes with the County Treasurer, except as otherwise requested, in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. A segment, activity or fund's portion of total cash and pooled investments is summarized in the government-wide and major fund financial statements under the classification of cash and pooled investments. Balances in cash and pooled investments are available on a demand basis to each of the funds. Earnings on cash and pooled investments are allocated to participating funds on an average daily balance basis. For purposes of the statement of cash flows, unrestricted and restricted cash and pooled investments are treated as cash and cash equivalents since balances are available as demand deposits.

Amounts reported as cash and pooled investments also include compensatory balances maintained with certain banks. These balances are in addition to payments made for banking services rendered. The book value of deposits does not differ materially from the bank balances of deposits. The average compensatory balance maintained during 2006 was approximately \$3,004,000.

##### 2. Receivables from External Sources

Taxes receivable consist of current and delinquent property taxes (See Note V) and are partially offset by deferred revenue in the governmental funds balance sheet. The County considers property taxes to be available if they are collected within sixty days after year end. However, the County does not accrue these amounts unless they are material to the amount collected or the outstanding balance. Sales taxes are reported and accrued based on information and reports from the State of Washington.

Accrued interest receivable includes interest and penalties on property taxes, interest on investments (See Note III) and on special assessments at year end. The County considers interest on investments to be available if they are collected within sixty days after year-end.

Special Assessments are recorded when levied. Special assessments receivable consist of current and delinquent assessments. Deferred assessments are unbilled special assessments, including any related interest, that are liens against the property benefited.

Customer account receivables consist of amounts owed from private individuals or organizations for goods and services, including court, incarceration and public health receivables. Customer account receivables are considered to be available if they are expected to be collected within twelve months after year end. Receivables include amounts owed for which billings have not been prepared and are recorded net of estimated uncollectible amounts. Because property taxes, special assessments and utility billings are considered liens on property, no estimates of uncollectible amounts are established.

Deferred revenues are revenues that have been deferred, and therefore not recognized as income, until received or earned. Deferred revenues consist of tax and assessment revenue deferrals and amounts received but not earned.

### 3. Receivables To and From Internal Sources

Inter-fund activity representative of lending/borrowing arrangements and outstanding at year end are either "Interfund loans receivable/payable" or "advances to/from other funds". All other outstanding balances between funds are reported as "due to/from other funds" in the governmental funds balance sheet and proprietary funds statement of net assets. However, "due to/from other funds" are netted within "internal balances" in the statement of net assets. See Note VII for a balanced summary schedule of interfund balances by major fund and by non-major fund category.

Due to and from other funds and governments is reported as a cash flow change impacting operating activities in the statement of cash flows. However, cash flows from governmental receivables are treated differently for enterprise and internal service funds in the statement of cash flows. Due from other governments for enterprise funds is reported as a cash flow change impacting grant cash proceeds from non-capital financing activities. Due from other governments for internal service funds is reported as a cash flow change impacting operating activities.

### 4. Inventories and Prepaid Items

Inventories are assets held for internal consumption or for resale. Any material inventory remaining at year-end is included in the balance sheet of the appropriate fund.

The purchase method, where the cost is recorded as an expenditure when the item is purchased, is used in governmental funds, except for the Roads Special Revenue Fund. The perpetual inventory method is used in the Roads Special Revenue Fund and proprietary funds. The perpetual inventory method capitalizes the cost when inventory is purchased and then records an expenditure or expense when the item is consumed. Inventories recorded in the Roads Special Revenue fund and proprietary funds are stated at cost on a moving weighted average basis.

Prepayments are payments in advance of the receipt of goods and services in an exchange transaction and are recorded as an expenditure or expense only when consumed. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government wide and fund financial statements. These items primarily include prepaid rents for computer software.

## 5. Long-Term Liabilities

Revenue and general obligation bonds and intergovernmental loans and contracts directly related to and financed from enterprise funds are accounted for in the respective enterprise funds. All other long-term debt is reported in the governmental column of the government-wide statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, gain/loss and issuance costs during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds, is reported as debt service expenditures.

Amounts reserved, as stipulated in bond covenants or agreements, for the current portion of long-term liabilities is shown as a reservation of fund balance in the fund financial statements and a restriction of fund balance in the statement of net assets. Specific debt service requirements are described in Note VII – Long-Term and Other Significant Debt.

## 6. Capital Assets and Depreciation

Capital assets include land, improvements to land, easements, buildings, building improvements, machinery and equipment, construction in progress, infrastructure, and all other tangible and intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Thurston County defines capital assets as assets (including capital leases) valued at \$5,000 or more (including ancillary costs) with an estimated useful life in excess of one year.

Infrastructure assets are long-lived assets that normally are stationary in nature and can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure include roads, bridges, drainage systems, sidewalks, trails and paths, and water and sewer systems. Infrastructure assets acquired after July 1, 1980 are reported in the statement of net assets. Some infrastructure assets are reported at historical costs using County Road Administration Board and Washington State Department of Transportation annual reports. Other infrastructure assets are reported at estimated historical costs on a discounted current replacement value basis. Infrastructure acquired prior to June 30, 1980, except for Right of Ways and easements, is not reported.

Capital assets are valued at cost where historical records are available and at an estimated historical cost where no records exist. Donated capital assets are valued at their estimated fair market value, if estimable, or donor's net book value on the date received.

Improvements to capital assets that materially add to the value or extend the life of the asset are capitalized. Infra-structure costs are capitalized when the cost is for a component that has been replaced or depreciated. The cost of normal maintenance and repairs that do not significantly impact the value of the asset or materially extend the assets' life is expensed in the year incurred.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Machinery & Equipment	3-20 years
Improvements	10-40 years
Buildings	10-40 years
Infrastructure	20-40 years

Interest expense was not capitalized during asset construction since interest costs were offset by interest earnings on the investments of funds for these projects.

#### 7. Rebatable Arbitrage

Thurston County has chosen to treat any rebatable arbitrage as a reduction of revenue.

#### 8. Net Assets and Fund Balance

Restrictions, commitments and other limitations significantly affecting the availability of net assets and fund balances are reflected in their classifications in the statement of net assets and fund financial statements. Net assets is reported as (a) an investment in capital assets, net of related debt, (b) restricted or (c) unrestricted. Fund balance is reported as (a) reserved, (b) unreserved–designated or (c) unreserved–undesignated.

Fees and charges for services (except for the general fund), as reported in the statement of net assets, are usually considered to be restricted since they have been charged or levied for a specific purpose or use. When both restricted and unrestricted resources are available for use, it is the County's policy to use these resources proportionately based on their overall contribution to the total resources of that fund, function or program.

Net assets is restricted in proprietary fund statements and fund equity is reserved in governmental fund statements if “outside” restrictions have been placed on the use of these funds (see Note I.D.5. above for debt service restrictions and reservations). Solid waste cash and investments is restricted to fund a 30 year landfill postclosure care period (see Note XIII – Closure and Post Closure Care Costs). Solid waste net assets restricted for this purpose comprise the remainder of the net asset balance.

### **Note II - Reconciliation of Government Wide and Fund Financial Statements**

#### **A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets**

Account balances in the governmental fund balance sheet are reconciled to balances in the government-wide statement of net assets within the accompanying “Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets” statement. Three line items in this reconciliation are described and explained in more detail on the next page.



# Thurston County, Washington 2006

The first line item adjustment, as detailed below, was for \$385,155,844 because the “cost of capital assets, which is expended in governmental funds, is deferred to future periods in the statement of net assets”:

Governmental Net Book Value - 12/31/05	\$ 380,500,694
Gains (Losses) on Dispositions of Capital Assets	(278,102)
Governmental Capital Outlays	12,766,428
Governmental Depreciation Expense	<u>(7,833,175)</u>
Governmental Net Book Value - 12/31/06	<u>\$ 385,155,845</u>

The second line item adjustment, as detailed below, was for \$40,362,886 because “long-term debt, which is not reported in governmental funds, is reported in the statement of net assets”:

Governmental Debt - 12/31/05	\$ (42,649,290)
Debt Principal Payments	2,359,629
Lease Financing Proceeds And Adjustments	(130,318)
Amortization of Premium and Refunding Deferral	<u>57,093</u>
Computed Governmental Debt - 12/31/06	<u>\$ (40,362,886)</u>

The third line item adjustment, as detailed below, was for \$29,566,333 because “assets, liabilities and resulting net assets of internal service funds, which are separately reported in proprietary fund statements, are included and combined with governmental balances in the statement of net assets”:

Net Assets - 12/31/05	\$ 27,490,282
Net Profit	<u>2,076,051</u>
Net Assets - 12/31/06	<u>\$ 29,566,333</u>
Interfund Receivables	\$ 872,928
Capital Assets	10,814,527
Other Assets	24,226,537
Interfund Payables	(281,680)
Debt	(1,833,872)
Other Liabilities	<u>(4,232,107)</u>
Net Assets - 12/31/06	<u>\$ 29,566,333</u>

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities**

Account balances in the governmental income statement (statement of revenues, expenditures and changes in fund balances) are reconciled to balances in the government-wide statement of activities within the accompanying "Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities" statement. These line item reconciliations are available and reported in detail within this statement.

**Note III - Stewardship, Compliance and Accountability**

**A. BUDGETS AND BUDGETARY ACCOUNTING**

The County prepares its budgets in accordance with state law. In November 2005, the County Administrator submitted to the Board of County Commissioners a proposed operating budget for 2006. The operating budget includes proposed expenditures and the means of financing them. Public hearings were conducted at the County Courthouse to obtain taxpayer comments. On December 19, 2005 the budget was legally enacted through passage of a resolution.

For 2006, appropriations were authorized by department in the General Fund and at the total fund level for all other funds. These are the legal levels of budgetary control. The Board of County Commissioners must approve any revisions that increase the total appropriation of any General Fund department or other County fund. These changes must be approved through a resolution by a majority of the Board of County Commissioners after holding a public hearing.

Administrative control is maintained through the establishment of detailed line-item budgets and formal budgetary integration is employed as a management control device during the year for all budgeted funds. Budgets for all County funds are adopted on a GAAP basis. Budgets are recorded in the financial system for management use for some Non-County agency funds. However, the Board of County Commissioners does not adopt Non-County agency budgets and the County is not responsible for enforcing the legal limits on these expenditures. The Governmental Accounting Standards Board does not require, and the financial statements do not present, budgetary comparisons for proprietary fund types.

Budgeted amounts reflect the budget adopted on December 19, 2005 and various amendments made throughout the year. All appropriations lapse each year. Thurston County's expenditures did not exceed the legally authorized level allowed by state statute or the legally authorized level allowed by County budget appropriation policies. The following reported budget over expenditures did not violate these statutes and policies as described below:

1. The Clerks Office and Superior Court have reported expenditures exceeding budget of \$41,723 and \$5,598 respectively. The reported over expenditures are due to lease purchase accruals. The actual cash outlay for these leases is approved by the board and in compliance with the reported budget and county budget policies.
2. The Public Health and Social Services Fund have reported fund expenditures exceeding budget of \$1,124,369. The reported over expenditure is due to food commodity and vaccination grant accruals that do not require cash outlays. The actual cash outlay for food commodities and vaccinations by this Fund is approved by the Board and in compliance with the reported budget and county budget policies.

3. The investment Administration, Tax Refund and Treasurer's M & O Funds were excluded from the special revenue combining schedules of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual because these funds are not statutorily required to have budget authority and County budget policies do not require budgets for these funds.
4. The Tax Refund Fund had a deficit fund balance of (\$6,325) at December 31, 2006. This is a statutorily required fund that has specific requirements associated with recording tax refunds that will sometimes produce a negative fund balance. The timing of revenues and expenditures should produce a positive fund balance in 2007.

The following proprietary funds had deficit net assets at December 31, 2006: Solid Waste Reserve for Post Closure (\$173,908), Olympic View Debt Service (\$5,729), Grand Mound Debt Service (\$6,893,017) and Water & Waste Management Administration (\$38,467). These funds have contributed capital and generally utilize multiple funds within the same functional group. They have been segregated to more clearly account for interest revenues and bond covenants. These groups, when combined, have a positive fund equity. Additionally, the timing of revenues and expenditures should produce a positive fund balance for the Water & Waste Management Administration Fund in 2007.

#### **Note IV - Deposits and Investments**

The Thurston County Treasurer, acting in their legal capacity as treasurer for the County and other taxing districts, receipts, disburses and invests all cash.

##### **A. DEPOSITS**

All receipts received by the Treasurer are deposited into qualified bank depositaries as specified by the Washington Public Deposit Protection Commission (PDPC). All deposits, including money markets and certificates of deposits are entirely covered by federal depositary insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington PDPC. The PDPC is a statutory authority established under Chapter 39.58 of the Revised Code of Washington. PDPC coverage is of the nature of insurance pursuant to the Governmental Accounting Standards Board Statement No. 3. All deposits held at December 31, 2006 and throughout the year were classified as category 1, insured or collateralized with securities held by the County Treasurer or by their agent in the County Treasurer's name. Total undistributed cash deposits at December 31, 2006 were \$2,983,192.

##### **B. INVESTMENTS**

Investments are governed by State statute and county investment policy. All investment instruments are those allowed by statute, which include U.S. Treasury Notes, Federal Agencies, bankers' acceptances, short-term commercial paper, money market account and the State Treasurer's Local Government Investment Pool (LGIP). There is no statutory regulatory oversight of the LGIP other than annual audits through the Washington State Auditor's Office. The fair value of County shares in the LGIP is dollar for dollar equal to the value of pool shares.

The investment policy dictates that all investment instruments be transacted on the delivery vs. payment basis. Union Bank of California acts as safekeeping agent for the Thurston County Treasurer. During 2006 we did not buy or own any securities earning interest at a rate which varied depending on an underlying rate or index.

Thurston County, Washington 2006

As of December 31, 2006, the County's investment values and maturities for pool and individual fund investments are as follows:

<b><u>Investment Type</u></b>	<b><u>Book Value</u></b>	<b><u>Weighted Average Maturity (Years)</u></b>
<b>Pool Investments:</b>		
State Treasurer's LGIP	\$ 19,700,000	0.0
Money Market Account	25,000,000	0.0
U.S. agencies	<u>373,737,376</u>	3.5
Pool Investments	<u>418,437,376</u>	3.1
<b>Investments:</b>		
Municipal Bonds	<u>953,985</u>	0.6
Investments	<u>953,985</u>	0.6
Total Investments	<u><u>\$ 419,391,361</u></u>	

The interest rate, credit and concentration risks are described below:

Interest Rate Risk – The adopted investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law and the adopted investment policy limit investment in securities that have one of the three highest ratings of a national rating agency at the time of investment. All investments have a rating by Standard & Poors of either AAA or AA at the time of purchase.

Concentration of Credit Risk – The adopted investment policy requires that no more than 25% of the investments will be in a single security type, with the exception of U.S. treasury and agency securities and the State Local Government Investment Pool. The investments held are in compliance with this requirement.

A reconciliation of pool investments, investments, cash and cash deposits to the fund and entity wide statements is as follows on the next page:

## Reconciliation of Deposits and Investments

### December 31, 2006

	Total	Cash & Pool Investments	Investments
<b>Pool Investments:</b>			
State Treasurer's Local Govt. Investment Pool (LGIP)	\$ 19,700,000	\$ 19,700,000	\$ -
Money Market Account	25,000,000	25,000,000	-
U.S. Agency & Instrumentality Securities	373,737,376	373,737,376	-
<b>Investments:</b>			
Municipal Bonds	953,985	-	953,985
<b>Total Investments</b>	<u>419,391,361</u>	<u>418,437,376</u>	<u>953,985</u>
<b>Cash and Cash Deposits:</b>			
Cash with Fiscal Agent and Deposits With Financial Institutions	2,983,192	2,983,192	-
Cash with Fiscal Agent (Communications)	70,528 *	70,528	-
Petty Cash, Change, Revolving, and Advance Travel Funds	50,940	50,940	-
Clerk's Trust Funds	3,392,027	3,392,027	-
<b>Total Cash &amp; Investments</b>	<u>425,888,048</u>	<u>424,934,063</u>	<u>953,985</u>
Net Increase (Decrease) in the Fair Value of Investments	<u>(3,081,074)</u>	<u>(3,088,403)</u>	<u>7,329</u>
<b>Total Reported Cash &amp; Investments</b>	<u><u>\$ 422,806,974</u></u>	<u><u>\$ 421,845,660</u></u>	<u><u>\$ 961,314</u></u>
<b>Reconciliation to Statements:</b>			
Statement of Net Assets:			
Cash & Pooled Investments - Unrestricted	\$ 129,882,324		
Cash & Pooled Investments - Restricted	19,061,772		
Investments at Cost	961,314		
Statement of Fiduciary Net Assets:			
Investment Trust Funds	250,937,017		
Private Purpose Trust Funds	3,392,027		
Agency Funds	17,905,776		
Cash and Investments in Trust	491,744		
Cash and Deposits with Fiscal Agent	175,000		
<b>Total Reported Cash &amp; Investments</b>	<u><u>\$ 422,806,974</u></u>		

\* Note Cash with Fiscal Agent (Communications) is not held through the Treasurers Office

A summary of current and restricted assets for pooled investments and investments is as follows:

**Current and Restricted Assets  
December 31, 2006**

	<u>Total</u>	<u>Current Assets</u>	<u>Restricted Assets</u>
Pooled Investments	\$ 418,437,376	\$ 397,196,797	\$ 21,240,579
Investments	953,985	-	953,985
Total	<u>\$ 419,391,361</u>	<u>\$ 397,196,797</u>	<u>\$ 22,194,564</u>

**C. THURSTON COUNTY INVESTMENT POOL (TCIP)**

The Thurston County Investment Pool (TCIP) operates on an amortized cost-book value basis. The County Treasurer, the County Auditor and the Chairman of the Board of County Commissioners, as the statutory County Finance Committee, perform oversight of the pool's performance. There are no legally binding guarantees for TCIP. Authorized investments for the TCIP are the same as investments held outside of the pool. These are defined in statute and discussed in this note IV (B). TCIP also has holdings in the State Treasurer's Local Government Investment Pool (LGIP). The LGIP operates in a manner consistent with SEC Rule 2a7. As a 2a7-like pool, investments in the LGIP are reported at amortized cost.

All funds deposited in the TCIP are available to the participant at full face value without regard to current market values of the investment pool. Earnings distributions, including any realized transactions in the pool, are distributed monthly, calculated on the average daily balance of the participant's cash balances. The Thurston County Treasurer, by law, is the treasurer of most governments within the county, including schools, fire and library districts. These districts do not have a legal option to have their cash handled by other than the County Treasurer.

The TCIP did experience a net decrease in the fair value of the investments during 2006, as market interest rates increased. At 12/31/2006, the market value of investments was \$3,088,403 less than the amortized cost. These unrealized losses will not be recognized in the various funds as management intends to hold these investments to maturity. During 2006, TCIP sold 3 investments with a total realized loss of \$260,238.

Fair value of the TCIP is reviewed by the County Treasurer, on an ad hoc basis, and monthly by the County Finance Committee. Fair value is determined using information from our safekeeping agent, Union Bank of California and with "Bloomberg", an on-line financial services system.

There is no involuntary participation in the TCIP. Districts do have the option to participate in the TCIP or they can have the treasurer manage their cash in investments outside of TCIP by requesting specific investment amounts and maturity dates.

## Thurston County, Washington 2006

A condensed statement of net assets and statement of changes in net assets for the TCIP, including the external and internal portions of the pool, at December 31, 2006 is as follows:

### Condensed Statement of Net Assets December 31, 2005

	Total
<b>Assets</b>	
Cash, Cash Equivalents and Pooled Investments	\$ 418,437,376
Total Assets	<u>418,437,376</u>
Net Assets Held in Trust for Pool Participants	<u><u>\$ 418,437,376</u></u>

### Condensed Statement of Changes in Net Assets December 31, 2006

Changes in Net Assets Resulting from Operations	\$ 18,812,060
Distribution to Participants	(18,812,060)
Changes in Net Assets Resulting from Cash Transactions	<u>42,286,543</u>
Net Assets Available	42,286,543
Net Assets - 1/1/06	<u>376,150,833</u>
Net Assets - 12/31/06	<u><u>\$ 418,437,376</u></u>
Internal Investment Pool - 12/31/06	\$ 166,520,591
External Investment Pool - 12/31/06	<u>251,916,785</u>
Thurston County Investment Pool - 12/31/06	<u><u>\$ 418,437,376</u></u>

## Note V – Property Taxes

The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities.

### Property Tax Calendar

- January 1 Taxes are levied and become an enforceable lien against the properties.
- February 15 First day tax payments can be made.
- April 30 First of two equal installment payments is due.
- October 31 Second installment is due.

## Thurston County, Washington 2006

Property taxes are recorded as receivables when levied, but revenue is not recognized until collected. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible. An enforceable lien attaches at the point of levy. Interest accrues on delinquent taxes at a rate of 12% per annum. Penalties of 3% are assessed in June and 8% in December, in the first year of delinquency.

The County is permitted by law to levy up to a combined amount of \$4.05 per \$1,000 of assessed valuation. A maximum of \$1.80 per \$1,000 of assessed valuation may be levied on all property in the County for general government services. A maximum of \$2.25 per \$1,000 of assessed valuation may be levied on property in unincorporated Thurston County for the County Road Fund for road construction and maintenance. However a county is authorized to increase its levy from \$1.80 to a rate not to exceed \$2.475 per \$1,000 of assessed value for general county purposes if the total levies for both the county and the county road district do not exceed \$4.05 per \$1,000 of assessed value, and no other taxing district has its levy reduced as a result of the increased county levy. These levies may be reduced as noted below.

The Washington State Constitution limits total regular property taxes to 1 percent of true and fair market valuation. This would equate to a regular levy rate of \$10 per \$1,000 of value if the property were assessed at its true and fair value. If taxes of regular districts (excluding the Port & PUD) exceed this amount, the junior taxing districts taxes are reduced first and then the other entities are proportionately reduced until the total is at the 1 percent limit. This does not apply to special levies approved by voters.

Most taxing districts are authorized by state law to levy a certain rate each year without approval by the voters; these are commonly referred to as regular levies. The aggregate levies of junior taxing districts and senior taxing districts, other than the state, shall not exceed five dollars and ninety cents per thousand dollars of assessed valuations (RCW 84.52.043). At the county level this limitation does not apply to the Conservation Futures or Medic One levies.

RCW 84.55.010 limits all regular taxing districts to a limit factor not to exceed 101 percent of the highest lawful levy since 1985, plus additional levy capacity generated through new construction and state assessed utility increases.

The County may voluntarily levy taxes below the legal limit.

Special levies approved by the voters are not subject to the above limitations.

The following identifies the tax rates levied in 2005 for collection in 2006:

	<u>Levy In Dollars Per Thousand</u>	<u>Assessed Value</u>	<u>Total Levy</u>
County	\$ 1.3477	\$ 19,930,800,551	\$ 26,860,071
Roads	1.5363	\$ 10,764,084,064	16,536,861
	<u>\$ 2.8840</u>		<u>\$ 43,396,932</u>



**Note VI - Capital Assets and Commitments****A. CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2006 was as follows:

GOVERNMENTAL TYPE ACTIVITIES	Beginning Balance 01/01/06	Increases	Decreases	Ending Balance 12/31/06
Capital Assets - Non-Depreciable:				
Land	\$ 251,590,012	\$ 692,930	\$ 1,470,579	\$ 250,812,363
Construction in Progress	25,899,275	3,334,117	841,557	28,391,835
Capital Assets - Non-Depreciable	<u>277,489,287</u>	<u>4,027,047</u>	<u>2,312,136</u>	<u>279,204,198</u>
Capital Assets - Depreciable:				
Buildings	60,403,093	5,404,152	3,976,860	61,830,385
Improvements Other Than Buildings	5,071,227	50,300	2,003	5,119,524
Machinery & Equipment	38,916,513	4,264,523	4,702,109	38,478,927
Infrastructure	97,899,541	28,004,201	23,881,239	102,022,503
Original Cost	<u>202,290,374</u>	<u>37,723,176</u>	<u>32,562,211</u>	<u>207,451,339</u>
Less Accumulated Depreciation:				
Buildings	(15,080,195)	(1,508,385)	603,085	(15,985,495)
Improvements Other Than Buildings	(1,440,522)	(194,654)	3,092	(1,632,084)
Machinery & Equipment	(25,337,745)	(3,445,076)	3,487,247	(25,295,574)
Infrastructure	(49,985,613)	(5,152,316)	3,432,226	(51,705,703)
Accumulated Depreciation	<u>(91,844,075)</u>	<u>(10,300,431)</u>	<u>7,525,650</u>	<u>(94,618,856)</u>
Capital Assets - Depreciable, Net	<u>110,446,299</u>	<u>27,422,745</u>	<u>40,087,861</u>	<u>112,832,483</u>
Total Original Cost	479,779,661	41,750,223	34,874,347	486,655,537
Total Accumulated Depreciation	<u>(91,844,075)</u>	<u>(10,300,431)</u>	<u>7,525,650</u>	<u>(94,618,856)</u>
Governmental Capital Assets, Net	<u>\$ 387,935,586</u>	<u>\$ 31,449,792</u>	<u>\$ 42,399,997</u>	<u>\$ 392,036,681</u>

Depreciation Expense was charged to functions as follows:

General Government	\$ 1,651,777
Public Safety	380,000
Utilities and Environment	1,351
Transportation	5,323,701
Economic Environment	90,197
Health and Human Services	42,645
Culture and Recreation	<u>343,504</u>
Subtotal	<u>7,833,175</u>

In addition, depreciation on capital assets held by the County's internal service funds is charged to the various functions based upon their usage of the assets.

2,467,256

Total Governmental Activities Depreciation Expense \$ 10,300,431

Thurston County, Washington 2006

Business Type Activities for the year ended December 31, 2006 was as follows:

BUSINESS TYPE ACTIVITIES	Beginning Balance 01/01/06	Increases	Decreases	Ending Balance 12/31/06
Capital Assets, Not Being Depreciated:				
Land	\$ 1,606,972	\$ 4,753	\$ -	\$ 1,611,725
Construction In Progress	2,452,248	1,255,658	424,515	3,283,391
Total Capital Assets, Not Being Depreciated	<u>4,059,220</u>	<u>1,260,411</u>	<u>424,515</u>	<u>4,895,116</u>
Capital Assets, Being Depreciated:				
Buildings	21,957,601	567,580	404	22,524,777
Improvements Other Than Buildings	29,904,710	45,127	31,689	29,918,148
Machinery & Equipment	4,021,437	430,931	490,219	3,962,149
Total Capital Assets, Being Depreciated	<u>55,883,748</u>	<u>1,043,638</u>	<u>522,312</u>	<u>56,405,074</u>
Less Accumulated Depreciation For:				
Buildings	3,645,063	640,767	-	4,285,830
Improvements Other Than Buildings	20,660,556	857,823	26,477	21,491,902
Machinery & Equipment	2,098,450	217,398	351,045	1,964,803
Total Accumulated Depreciation	<u>26,404,069</u>	<u>1,715,988</u>	<u>377,522</u>	<u>27,742,535</u>
Total Capital Assets Being Depreciated, Net	<u>29,479,679</u>	<u>(672,350)</u>	<u>144,790</u>	<u>28,662,539</u>
Business Type Activities Capital Assets, Net	<u>\$ 33,538,899</u>	<u>\$ 588,061</u>	<u>\$ 569,305</u>	<u>\$ 33,557,655</u>

Depreciation expense was charged to functions as follows:

Solid Waste	\$ 747,875
Grand Mound	367,117
Other Enterprise Funds	<u>600,996</u>
Total	<u>\$ 1,715,988</u>

#### B.CONSTRUCTION COMMITMENTS

Thurston County has the following active construction commitments, including the Accountability and Restitution Center and Juvenile Remediation project, as of December 31, 2006:

Project	Spent-to-Date	Remaining Commitment
Accountability and Restitution Center	\$ 1,097,351	\$ 4,264,067
Juvenile Remediation Project	971,178	379,682
Customer Service Center	362,397	1,399,677
Devoe Housing	281,302	606,198
BHR Tumwater Gardens	83,865	205,153
HATC (Tenant Base Rental, Admin, Rehabilitation)	41,737	663,111
	<u>\$ 2,837,830</u>	<u>\$ 7,517,888</u>

These projects are financed with general obligation bonds which are then repaid with sales and real estate excise taxes.

## **Note VII - Long-Term and Other Significant Debt**

### **A. DISCLOSURES ABOUT EACH SIGNIFICANT DEBT INCURRED**

#### **1. General Obligation Bonded Indebtedness**

The County issues general obligation bonds to provide funds for the acquisition, construction, and improvement of capital facilities, and major equipment purchases. General obligation bonds have been issued for both general government and proprietary activities. The proprietary portion of general obligation debt is reported in proprietary funds because repayments will come from proprietary fund revenues. General obligation bonds are direct obligations and pledge the full faith and credit of the government. Payments on these bonds are funded from voter approved levies, real estate excise tax fees and proprietary revenues.

1997 General Obligation Bonds of \$26,415,000 (refunding and new issue) and 1997 Advance Refunding Bonds of \$4,660,000 were issued in annual principal installments of \$1,020,000 to \$2,260,000. There was only \$3,060,000 of the G. O. Bond portion of the issue left outstanding at December 31, 2005 after the issuance of 2005 Partial Advance Refunding General Obligation Bonds in 2005. The G. O. bond portion of the issue was used for new construction and to currently refund the 1995 (\$8,200,000) and 1996 (\$9,900,000) G. O. Bonds. The G. O. bond portion of this issue was used to finance various capital projects including: a juvenile detention center and family court facility, an emergency service center, an information technology tax appraisal/assessment system, jail facilities/improvements, other capital equipment and Road Improvement District #2 construction. The G. O. bond portion is serviced by the 1997 General Obligation Bond Redemption Fund (Debt Service Fund). \$16,175,000 was refunded with 2005 Advanced Refunding Bonds. The remaining outstanding balance as of December 31, 2006 was \$1,235,000. The advance refunding bond portion of this issue was used for a partial advance refunding of \$1,075,000 of 1990 bonds and an advance refunding of \$3,470,000 of 1991 bonds. The advanced refunding bond portion is serviced by the Boston Harbor Water/Sewer Debt Redemption Fund (Enterprise Fund) and has \$540,000 in bonds outstanding at December 31, 2006. The bonds of the entire issue bear an interest rate of 4.75% to 5.0%.

1998 General Obligation Bonds of \$3,170,000 were issued in 1998 and bear an interest rate of 50% of a bank reference rate. \$1,700,000 was issued for the acquisition of farmland development rights in annual principal installments of \$242,858. This issue portion is serviced by the 1998 General Obligation Bond Redemption Fund (Debt Service Fund) and has \$242,856 in bonds outstanding at December 31, 2006. The other \$1,470,000 was issued in annual principal installments of \$67,145 to \$98,015. These proceeds were used to construct and equip a regional emergency dispatch center. This issue portion is serviced by the Communications Fund (Internal Service Fund) and has \$125,951 in bonds outstanding at December 31, 2006.

1999 Grand Mound General Obligation Bonds of \$11,720,000 were issued in annual principal installments of \$250,000 to \$1,300,000 beginning in 2004 and running through 2019. The issue is serviced by the Grand Mound Debt Service Redemption Fund. Proceeds were used for constructing and equipping Grand Mound water and wastewater facilities. The bonds bear an interest rate of 5.0% to 5.6%. \$7,500,000 was refunded with 2005 Advanced Refunding Bonds. The remaining outstanding balance as of December 31, 2006 was \$3,420,000.

2002 Limited General Obligation Bonds of \$10,635,000 were issued in annual principal installments of \$320,000 to \$790,000 beginning in 2002 and running through 2022. Proceeds were used to payoff the 2000 General Obligation Bonds and for improvements to various county facilities. The bonds bear an interest rate of 4.0% to 5.13% with \$8,765,000 outstanding as of December 31, 2006.

2004 Limited General Obligation Bonds of \$11,000,000 were issued in 2004. The proceeds were used to acquire property and for improvements to various county facilities including: a) acquiring land to construct a jail facility, b) expanding the county/regional park system, c) acquiring a building adjacent to the courthouse to ease overcrowding and relieve existing space problems and d) replacing the County's 20-year old central phone system. The bonds bear an interest rate of 2.5% to 4.50% semi annually with principal repayments from \$400,000 to \$800,000 a year. The term of the bonds is for 20 years with the final payment due in 2024. The balance at December 31, 2006 was \$10,325,000

2005 General Obligation Bonds of \$26,135,000 were issued in 2005. The bonds were used as follows: \$15,700,000 was used for a partial advance refunding of \$16,175,000 of outstanding 1997 bonds and \$7,510,000 was used for an advance refunding of \$7,500,000 of outstanding 1999 bonds. The other portion of the issue amounting to \$2,925,000 will be utilized to finance park acquisitions and other capital improvements. The bonds bear an interest rate of 3.0% to 5.0% semi annually with principal repayments ranging from \$100,000 to \$3,000,000 a year. The term of the bonds is for 20 years with the final payment due in 2025. The balance at December 31, 2006 was \$26,035,000.

## 2. Loans and Contracts Payable

The County has entered into an agreement with the Department of Community Development, State of Washington, for six loans from the State of Washington, Public Works Trust Fund. The loans are to finance in part the construction of the Boston Harbor water and sewer infrastructure, the Tamoshan water system upgrade, the Olympic View drain field, and the Sunrise Beach Landslide Mitigation Project (also known as Road Improvement District #2). The County has agreed to repay the Public Works Trust Fund loans from water and sewer utility revenues, general obligation tax assessments, and other available County monies.

The Boston Harbor Water/Sewer Debt Redemption Fund (Enterprise Fund) has the first two Public Works Trust Fund loans which total \$212,298 at December 31, 2006. The first loan is not to exceed \$808,000 with an interest rate of 1.0% per annum. Yearly loan payments are due on July 1 and are equal to 1/19th of the loan's principal balance plus interest on the unpaid balance of the loan. The term of the loan is for twenty years due in 2008 with a balance at December 31, 2006 of \$86,234. The second loan is not to exceed \$798,407 with an interest rate of 1% per annum. Yearly loan payments are due on July 1 and are equal to 1/19th of the loan balance plus interest on the unpaid balance of the loan. The term of the loan is for 20 years due in 2009, and the balance at December 31, 2006 is \$126,064.

Tamoshan Debt Redemption Fund (Enterprise Fund) has the third Public Works Trust Fund loan, which is not to exceed \$173,166 with an interest rate of 1.0% per annum. Yearly loan payments are due on July 1 and are equal to 1/19th of the loan's principal balance plus interest on the unpaid balance of the loan. The term of the loan is for twenty years. The loan is due in 2009 and has a balance at December 31, 2006 of \$28,624.

Olympic View Debt Redemption Fund (Enterprise Fund) has the fourth Public Works Trust Fund loan, which is not to exceed \$110,000 with an interest rate of 5% per annum. Yearly loan payments are due on July 1 and are equal to 1/19th of the principal balance plus interest on the unpaid balance of the loan. The term of the loan is for twenty years. The loan is due in 2016 and has a balance at December 31, 2006 of \$58,216.

Road Improvement District #2 Fund (Debt Service Fund) has the fifth Public Works Trust Fund loan that is not to exceed \$500,000 with an interest rate of 4% per annum. Yearly loan payments are due on July 1 and are equal to 1/19th of the principal balance plus interest on the unpaid balance of the loan. The term of the loan is for twenty years. The loan is due in 2020 and has a balance at December 31, 2006 of \$368,421.

## Thurston County, Washington 2006

Grand Mound-water has the sixth Public Works Trust Fund loan that is not to exceed \$37,358 with an interest rate of 2% per annum. Yearly loan payments are due on July 1 and are equal to 1/4th of the principal balance plus interest on the unpaid balance of the loan starting in 2007. The term of the loan is for five years. The balance at December 31, 2006 is \$28,019.

The Community Loan Repayment Funds (Enterprise Funds) entered into six state revolving fund (SRF) loan agreements with the State of Washington Department of Ecology to create a community loan program to provide low interest loans for the repair of failing on-site septic systems. The loan programs are 80% federal from the Environmental Protection Agency, and 20% State from the Department of Ecology. The first loan is not to exceed \$300,000 with an interest rate of 5% per annum. Repayment began in 1996. The term of the loan is for twenty years. The balance at December 31, 2006 is \$134,002. The second loan is not to exceed \$200,000 with an interest rate of 0%. The term of the loan is for twenty years. The balance at December 31, 2006 is \$64,585. The third loan is not to exceed \$200,000 with an interest rate of 4.3%. Repayment began in 2003. The term of the loan is for twenty years. The balance at December 31, 2006 is \$125,256. A fourth loan began in 2000 and is not to exceed \$100,000 with an interest rate of 0%. Repayments began in 2003. The balance at December 31, 2006 is \$18,035. During 2002 a fifth loan began with a not to exceed value of \$150,000 and an interest rate of 1.5%. Repayment began after project completion on December 31, 2005. The balance as of December 31, 2006 is \$95,571. The sixth loan is not to exceed \$200,000 with an interest rate of 1.5%. Repayment will begin in December 2007. The term of the loan is for twenty years and the balance at December 31, 2006 was \$22,815.

Water and Waste Management entered into a state revolving fund (SRF) loan agreement with the State of Washington Department of Ecology to create a new Utility Local Improvement District for Tamoshan/Beverly Beach Wastewater Plant Improvements in 2002. Repayments began in 2004 and the loan balance at December 31, 2006 was \$1,330,801. The interest rate of the loan is 0% with a 20-year repayment term.

Water and Waste Management entered into a state revolving fund (DWSRF) loan agreement with the State of Washington Department of Community Development to construct a corrosion control system for the Grand Mound water system in 2006. The term of the loan is for 20 years and the amount to be financed is \$132,518 with an interest rate of 1%. The balance at December 31, 2006 was \$86,217.

Communications entered into an agreement with Government Capital Corporation to fund a new computer aided dispatch system during 2003. Principal payments began in 2003 and the note will be complete in 2009 with principal payments varying from \$142,611 to \$259,611. The total financed is \$1,522,000 with an effective interest rate of 4.94%. The amount outstanding at December 31, 2006 is \$740,472.

### 3. Leases

#### Capital Lease Liabilities

The County has entered into the transactions that are recorded as a capital lease purchases. These long-term contracts incorporate some or all of the benefits and risks of ownership. These lease agreements qualify as capital leases and recorded at the present value of future minimum lease payments as of the inception date. Leases payable totaled \$248,666 at December 31, 2006.

The future minimum lease obligations and net present value of minimum lease payments for assets acquired through capital leases as of December 31, 2006 were as follows:

	<u>Governmental Activities</u>
Machinery & Equipment	\$ 402,281
Less: Accumulated Depreciation	<u>(153,615)</u>
Present Value of Minimum Lease Payments	248,666
Plus amount representing interest	<u>48,845</u>
Total minimum lease payments	<u><u>\$ 297,511</u></u>

#### Operating Leases

The County has lease commitments for leases of buildings and office space that are cancelable and non-cancelable with lease terms primarily from month to month with only one lease with a term in excess of five years that terminates in 2016. Operating lease expenditures for the year ended December 31, 2006 were \$700,838. The future minimum lease payments for these leases are:

<u>Year</u>	<u>Amount</u>
2007	\$ 549,200
2008	\$ 528,562
2009	\$ 405,092
2010	\$ 244,616
2011	\$ 86,284
2012-16	\$ 56,930

## Thurston County, Washington 2006

### Lease Receivables

The County has contracts with various businesses to lease County owned buildings for office space. The leases are cancelable and non-cancelable with month to month terms of five years with one that extends to 2015. The County received \$333,488 in cancelable and non-cancelable operating lease revenues in 2006. Amounts that will be received in future years under these lease agreements are noted below:

<u>Year Ending December 31,</u>	<u>Amount</u>
2007	\$ 181,970
2008	\$ 140,269
2009	\$ 132,648
2010	\$ 116,801
2011	\$ 66,795
2012-15	\$ 261,073

### 4. Long-term Compensated Absences

Thurston County has traditional and alternative leave plans. Thurston County employees who chose the traditional leave plan earn 12 days of sick leave and 12-22 days of vacation leave per year depending upon the employee's length of service. A maximum of 140 days of sick leave may be accrued and a maximum of 45 days of vacation may be accrued. Thurston County employees who were hired after May 31, 1996, or who chose the alternative leave plan, earn 18-28 days of annual or personal leave (a combination of sick leave and vacation leave) per year depending upon the employee's length of service. A maximum of 185 days of personal leave may be accrued. Accumulated unpaid vacation/annual leave is recorded as earned by employees. Terminating employees are entitled to be paid for unused vacation up to a maximum of 240 hours (280 hours for alternative leave) and, if retiring, half of unused sick leave to a maximum of 360 hours.

The County reported a liability of \$6,389,412 at December 31, 2006 for that portion of unpaid accumulated vacation and personal leave payable in the statement of net assets. \$4,176,098 of this liability is expected to be incurred in 2007. The entire amount is reported as a long term liability since the estimated expense in 2007 will be derived in it's entirety from the additional amount earned. Leave costs are paid from governmental funds that fund the personnel costs for those employees. This long-term liability for accumulated vacation and personal leave payable includes \$5,460,528 for governmental funds and \$928,884 for internal service funds. Payroll, benefits and associated administrative services for enterprise funds are billed to the enterprise funds by two internal service funds. Consequently, balances for compensated absences in enterprise funds is rolled up into internal service funds which is in turn included within governmental activities in the following table and in the statement of net assets. Vested sick leave is not considered material and is not accrued.

**B. CHANGES IN LONG-TERM AND OTHER SIGNIFICANT DEBT**

The following is a summary of long-term and other significant debt transactions of the County:

**Schedule Of Changes In Long-term And Other Significant Debt  
For The Period Ended December 31, 2006**

	Balance At January 1 2006	New Issues And Adjustments	Reductions	Balance At December 31, 2006		
				Total Ending Balance	Current	Long Term
<b>Governmental Activities:</b>						
Loans & Contracts Payable	\$ 1,358,735	\$ -	\$ (249,841)	\$ 1,108,894	\$ 266,365	\$ 842,529
Leases Payable	155,939	165,100	(72,373)	248,666	68,961	179,705
Notes Payable	1,514,674	165,100	(322,214)	1,357,560	335,326	1,022,234
General Obligation Bonded Debt	41,686,624	-	(2,467,817)	39,218,807	2,483,807	36,735,000
Deferred Amount On Refunding	(671,758)	-	33,588	(638,170)	(638,170)	-
Unamortized Premium	1,399,660	-	(69,983)	1,329,677	1,329,677	-
Limited G.O. Bonds Payable	42,414,526	-	(2,504,212)	39,910,314	3,175,314	36,735,000
Compensated Absences	5,976,706	5,544,383	(5,131,677)	6,389,412	4,176,098	2,213,314
Balance at Dec 31, 2006	49,905,906	5,709,483	(7,958,103)	47,657,286	7,686,738	39,970,548
<b>Business-Type Activities:</b>						
Loans & Contracts Payable	2,317,058	94,837	(207,456)	2,204,439	217,258	1,987,181
General Obligation Bonded Debt	11,875,000	-	(405,000)	11,470,000	560,000	10,910,000
Deferred Amount On Refunding	(527,363)	-	43,145	(484,218)	(461,221)	(22,997)
Unamortized Premium	566,516	-	(41,013)	525,503	523,204	2,299
Limited G.O. Bonds Payable	11,914,153	-	(402,868)	11,511,285	621,983	10,889,302
Balance at Dec 31, 2006	14,231,211	94,837	(610,324)	13,715,724	839,241	12,876,483
Total Long-term Debt	\$ 64,137,117	\$ 5,804,320	\$ (8,568,427)	\$ 61,373,010	\$ 8,525,979	\$ 52,847,031

Enterprise segment information is not disclosed since revenue streams are not pledged to support proprietary long-term debt.



Thurston County, Washington 2006

C. DEBT SERVICE REQUIREMENTS

Annual debt requirements for all outstanding bonded and contractual debt is as follows:

**For Debt Payments  
As Of December 31, 2006**

	General Obligation Bonded Debt		Leases Payable		Loans/Contracts/Notes Payable		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2007	\$ 3,043,807	\$ 2,345,576	\$ 68,961	\$ 23,618	\$ 483,623	\$ 71,369	\$ 6,036,954
2008	2,710,000	2,210,718	80,586	15,380	490,058	56,955	5,563,697
2009	3,010,000	2,106,830	60,542	7,303	466,030	41,338	5,692,043
2010	3,355,000	1,985,595	28,906	2,217	149,738	25,128	5,546,584
2011	3,255,000	1,828,328	9,671	327	149,511	22,434	5,265,271
2012-2016	18,660,000	6,662,345	-	-	748,159	72,737	26,143,241
2017-2021	12,720,000	2,351,523	-	-	617,977	19,889	15,709,389
2022-2026	3,935,000	339,823	-	-	205,559	1,669	4,482,051
2027-2031	-	-	-	-	2,678	50	2,728
Total	<u>\$ 50,688,807</u>	<u>\$ 19,830,738</u>	<u>\$ 248,666</u>	<u>\$ 48,845</u>	<u>\$ 3,313,333</u>	<u>\$ 311,569</u>	<u>\$ 74,441,958</u>

D. ASSETS AVAILABLE FOR DEBT SERVICE

The County is meeting debt service requirements. The County has sufficient assets in variety of different funds, including the General Fund, Real Estate Excise Tax Fund, debt holding funds and proprietary funds to meet current and future debt service payments. At December 31, 2006, the County had an additional \$38,031 available in reserve in the Debt Service Funds to service general obligation debt.

E. LEGAL DEBT MARGIN

State law sets Thurston County's limitation on external long-term debt as follows:

Purpose of Indebtedness	Total Capacity	Remaining Capacity
General Government (No vote required)	\$ 352,117,124	\$ 313,541,517
General Government (With 3/5-majority vote)	\$ 586,861,874	\$ 548,286,267

**F. CONTINGENT LIABILITY FOR REFUNDED AND DEFEASED DEBT**

In prior years, the County issued general obligation refunding (new) bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on the refunded (old) debt. As a result, the refunded bonds are considered to be defeased and the liability for the defeased bonds is not included in the County's financial statements. Currently the County has two outstanding refunded issues.

Schedule Of Refunded And Defeased Bonds, Assets, And Liabilities  
As of December 31, 2006

	01/01/06	Increases	Decreases	12/31/06
Refunded & Defeased Bonds Outstanding	\$ 23,770,000	\$ -	\$ 95,000	\$ 23,675,000

General Obligation Bonds of \$26,135,000 were issued in 2005 of which \$15,700,000 were used for a partial advance refunding of \$16,175,000 of outstanding 1997 governmental bonds and \$7,510,000 were used for an advance refunding of \$7,500,000 of outstanding 1999 enterprise bonds. The advance refunding of the 1997 bonds resulted in an economic gain of \$867,803 with a \$861,415 reduction in debt service payments over the next 12 years. The advance refunding of the 1999 bonds resulted in an economic gain of \$440,635 with a \$567,825 reduction in debt service payments over the next 14 years.

**Note VIII - Interfund Transactions****A. INTERFUND RECEIVABLES AND PAYABLES**

Revenues, expenditures and expenses between County funds are reported as if they were from external organizations in the fund financial statements. These balances and transactions were eliminated in the government-wide financial statements if they did not represent an exchange of goods and services in a normal business relationship (see Notes I.C.1. and I.D.3. above). The composition of interfund receivables and payables in the fund financial statements as of December 31, 2006 is shown in the following table.

	Due From Other Funds	Due To Other Funds
General Fund	\$ 99,632	\$ 49,107
Real Estate Excise Tax	24,556	-
Roads	373,082	299,513
Medic One	-	5,330
Public Health & Social Services	355,011	51,384
Non-Major Governmental Funds	246,899	459,545
Internal Service Funds	872,928	281,680
<b>TOTAL GOVERNMENTAL &amp; INTERNAL SERVICE FUNDS</b>	<b>1,972,108</b>	<b>1,146,559</b>
Enterprise Funds		
Solid Waste	722,306	1,318,334
Grand Mound	49	50,176
Non-Major Enterprise Funds	9,106	188,500
<b>TOTAL ENTERPRISE FUNDS</b>	<b>731,461</b>	<b>1,557,010</b>
<b>TOTAL COUNTY FUNDS</b>	<b>2,703,569</b>	<b>2,703,569</b>

## B. INTERFUND LOANS AND ADVANCES

Interfund loans and advances are fund transfers, usually interest bearing, that will be repaid in a future years. Interfund loans are fund transfers for less than a year that are outstanding at year end and advances are fund transfers for more than one year. The following advances were outstanding as of December 31, 2006:

1. Solid Waste Fund advanced \$30,000 to Grand Mound Wastewater Operating in the Grand Mound Fund in 2004. The advance will be repaid over 5 years with the repayment period starting in 2005 and ending in 2009. The advance bears an annual interest rate of 3%. Interest only will be repaid during the first two years with equal interest and principal payments occurring during the last three years of the advance repayment period.
2. Solid Waste Fund advanced \$8,300 to Tamoshan Beverly Beach in the Tamoshan Utility Fund. The advance will be repaid with equal interest and principal payments over 3 years. The advance bears an interest rate of 4%.
3. Storm Water Operations in the Storm and Surface Water Utility Fund advanced \$45,000 to the Long Lake, Lake Management District Fund. The advance will be repaid in a lump sum payment in the 3rd year of the advance repayment period. The advance bears an interest rate of 4.1%.

## C. INTERFUND TRANSFERS

Interfund transfers are subsidies or contributions provided by one fund to another fund with no corresponding promise for repayment. These amounts, which are reported in the fund financial statements, were eliminated in the government-wide statements. Transfers out from the General Fund are usually made to subsidize other activities in other funds such as Parks, Fair and Public Health that are not self supporting through other taxes, grants or program and service fees. Transfers in to the General Fund are primarily from sales tax holding funds for public safety purposes. Transfers in to the Public Health and Social Services Fund comprise subsidies and support service payments from the General and Development Service Funds. Transfers in and out for proprietary and non-major governmental fund transfers are usually made to fund debt service and associated capital projects. Transfers may also include transfers of residual fund balances to an active fund, usually preparatory to closure of the transferring fund.

## Thurston County, Washington 2006

Interfund transfers occurring between major funds, non-major governmental funds, non-major enterprise funds and internal service funds of the county during the year ended December 31, 2006 are summarized below:

	Transfers In	Transfers Out
General Fund	\$ 1,470,909	\$ 2,249,070
Real Estate Excise Tax	-	1,932,482
Roads	-	1,151,179
Medic One	4,991	4,991
Public Health & Social Services	1,626,449	57,780
Non-Major Governmental Funds	9,527,713	7,179,477
Internal Service Funds	393,163	235,222
<b>TOTAL GOVERNMENTAL &amp; INTERNAL SERVICE FUNDS</b>	<b>13,023,225</b>	<b>12,810,201</b>
Enterprise Funds		
Solid Waste	719,661	972,685
Non-Major Enterprise Funds	590,000	550,000
<b>TOTAL ENTERPRISE FUNDS</b>	<b>1,309,661</b>	<b>1,522,685</b>
<b>TOTAL COUNTY FUNDS</b>	<b>\$ 14,332,886</b>	<b>\$ 14,332,886</b>

### Note IX - Pension Plans

Substantially all county full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Department of Retirement Systems, under cost-sharing multiple-employer defined benefit public employee retirement systems.

Historical trend and other information regarding each plan are presented in the State Department of Retirement Systems 2006 Consolidated Annual Financial Report. A copy of this report may be obtained at:

Department of Retirement Systems  
Administrative Services Division  
PO Box 48380  
Olympia, WA 98504-8380

#### A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)

PERS is a cost-sharing multiple-employer defined benefit pension plan. Membership in the plan includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges); employees of legislative committees; colleges 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.

The PERS system includes 3 plans. Participants who joined the system by September 30, 1977 are Plan 1 members. Those joining thereafter are enrolled in Plan 2. As of September 1, 2002 employees had an option of switching from PERS 2 to a new retirement plan, PERS 3. The window for the switch closed May 31, 2003 but new employees may enroll in either PERS 2 or PERS 3. Retirement benefits in all PERS plans are financed from employee and employer contributions and investment earnings.

Plan 1 members are eligible for retirement at any age after 30 years of service, or at age 60 with 5 years of service, or at the age of 55 with 25 years of service. The monthly pension is 2 percent of the final average compensation per year of service, capped at 60 percent. If qualified, after reaching age 66, a cost-of-living allowance is granted based on years of service credit and is capped at 3 percent annually.

Plan 2 members may retire at age 65 with 5 years of service, or at 55 with 20 years of service actuarially reduced for each year under age 65, or age 55 with 30 years of service, benefit reduced 3% for each year under age 65. The monthly benefit is 2% of average final compensation per year of service. There is no cap on years of service and a cost of living allowance is granted to a maximum of 3% per year.

Plan 3 members may retire at age 65 with at least 10 service credit years; or 5 service credit years, including 12 service credit months that were earned after age 54; or 5 service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 members may retire at age 55 with at least 10 years of service actuarially reduced for each year under age 65, or with 30 years of service, benefit reduced by 3% for each year under age 65. PERS Plan 3 has a dual benefit structure. Member contributions finance a defined contribution component, and employer contributions finance a defined benefit component. The monthly benefit for the defined portion is 1% of average final compensation per year of service. There is no cap on years of service and cost of living allowance is granted to a maximum of 3% per year.

Each biennium the state Pension Funding Council adopts Plan 1 employer contribution rates needed to fully amortize the total costs of the plan. Employee contribution rates for Plan 1 are established by statute at 6 percent and do not vary from year to year. The Pension Funding Council establishes the employer and employee contribution rates for Plan 2. All employers are required to contribute at the level established by state law. The methods used to determine the contribution rates are established under state statute in accordance with Chapters 41.40 and 41.45 RCW. The Pension Funding Council sets the employer contribution for Plan 3. The employee contribution rates are chosen by the employee upon switching to the plan and cannot change unless you terminate from employment, or change employers and re-enter PERS covered employment.

## Thurston County, Washington 2006

Thurston County's and employee's contribution rates expressed as a percentage of covered payroll for the prior years ending December 31, were:

PLAN	2004		2005		2006	
	Employer	Employee	Employer	Employee	Employer	Employee
<u>PERS 1:</u>						
1/1 - 6/30			1.38%	6.00%	2.44%	6.00%
7/1 - 12/31			2.44%	6.00%	3.69%	6.00%
1/1 - 8/31	1.40%	1.18%				
9/1 - 12/31	1.38%	1.18%				
<u>PERS 2:</u>						
1/1 - 6/30	1.40%	1.18%	1.38%	1.18%	2.44%	3.69%
7/1 - 12/31	1.38%	1.18%	2.44%	2.25%	2.25%	3.50%
<u>PERS 3:</u>						
1/1 - 6/30	1.40%	5%-15%	1.38%	5%-15%	2.44%	5%-15%
7/1 - 12/31	1.38%	5%-15%	2.44%	5%-15%	3.69%	5%-15%

Both Thurston County and the employees made the required contributions. The County's required contribution for the years ended December 31, were:

	PERS 1	PERS 2	PERS 3
2004	\$ 84,672	\$ 592,788	\$ 32,380
2005	\$ 114,466	\$ 857,198	\$ 58,489
2006	\$ 182,179	\$ 1,411,628	\$ 109,874

### B. LAW ENFORCEMENT OFFICERS AND FIRE FIGHTERS (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. Retirement benefits are financed from employee and employer contributions, investment earnings and state contribution. LEOFF is comprised solely of non-state employees.

LEOFF system includes 2 plans. Participants who joined the system by September 30, 1977 are Plan 1 members. Those joining thereafter are enrolled in Plan 2. Retirement benefits in both Plan 1 and 2 are vested after completion of 5 years of eligible service.

# Thurston County, Washington 2006

Plan 1 members are eligible to retire with 5 years of service at age 50. The benefit per year of service is as follows, with a cost-of-living allowance granted, capped at three percent annually:

<u>Term of Service</u>	<u>Percent of Final Average</u>
20+	2.0%
10-19	1.5%
5-9	1.0%

Plan 2 participants are eligible to retire at age 50 with 20 years of service, or at 55 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. There is no cap on years of service credit and a cost-of-living allowance is granted, capped at 3 percent annually.

Plan 1 employer and employee contribution rates are established by statute at 0 percent. State contribution rates for Plan 1 are set by the Pension Funding Council to fully amortize the total costs of the plan. The Pension Funding Council also sets employer, employee, and state contribution rates for Plan 2. All employers are required to contribute at the level required by state law. The methods used to determine the contribution rates are established under state statute in accordance with Chapters 41.26 and 41.45 RCW.

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

<u>PLAN</u>	<u>2004</u>		<u>2005</u>		<u>2006</u>	
	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>
<u>LEOFF 1</u>						
1/1 - 6/30			0.19%	0.00%	0.19%	0.00%
7/1 - 12/31			0.19%	0.00%	0.18%	0.00%
1/1 - 8/31	0.22%	0.00%				
9/1 - 12/31	0.19%	0.00%				
<u>LEOFF 2</u>						
1/1 - 6/30			3.25%	5.09%	4.39%	6.99%
7/1 - 12/31						
7/1 - 8/31			4.24%	6.75%	4.87%	7.79%
9/1 - 12/31			4.39%	6.99%	4.90%	7.85%
1/1 - 1/31	3.25%	5.05%				
2/1 - 8/31	3.26%	5.07%				
9/1 - 12/31	3.25%	5.09%				

Both County and employees made the required contributions. The County's required contributions for the years ending December 31, were:

	<u>LEOFF 1</u>	<u>LEOFF 2</u>
2004	\$ 1,131	\$ 178,066
2005	\$ 894	\$ 230,863
2006	\$ 680	\$ 297,739

### C. Public Safety Employees' Retirement System (PSERS)

PSERS is a cost-sharing multiple-employer defined benefit pension plan. Membership includes all full time, fully compensated employees working in PSERS covered positions as defined by RCW 41.37. Members of PERS Plan 2 or 3, working in PSERS positions on or before July 1, 2006 had the opportunity to elect PSERS membership from July 1, 2006 through September 30, 2006. PSERS Membership is prospective only. Employees hired into designated PSERS positions on or after July 1, 2006 are enrolled in the PSERS plan.

PSERS Plan 2 members may retire at age 65 with five years of service credit, or at age 60 with 10 years of PSERS service credit, or at age 53 with 20 years of service credit, benefit reduced 3% per year from age 60.

PSERS benefits are funded by contributions made by the employee and employer. The methods used to determine the contribution rates are established under statute in accordance with Chapter 41.45 RCW.

Both County and employees made the required contributions. The County's required contributions for the year ending December 31, 2006 were:

<b><u>PSERS 2 - Contribution Rates</u></b>	<b><u>July 1 -Dec 31</u></b>
Employer	6.76%
Employee	6.57%
<b><u>PSERS 2 - Total Contributions</u></b>	<b><u>Jul 1-Dec 31</u></b>
Employer	107,702
Employee	104,674

## Note X - Risk Management

### A. RISK POOL AND GENERAL LIABILITY INSURANCE

Thurston County is a member of the Washington Counties Risk Pool (Pool). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the extent that they may individually purchase insurance, self insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The Pool was formed on August 18, 1988 when several counties in the State of Washington joined together by signing an Interlocal Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. Thirty counties have joined the Pool, and twenty eight counties are members presently.

The Pool allows members to establish a plan of self-insurance, jointly purchase excess or reinsurance and provide related services. All Pool joint self-insurance liability coverage, including public officials' errors and omissions, and property insurance program are on an "occurrence" basis. The Pool provides the following forms of group purchased insurance coverage for its members: "following form" excess liability, and property that includes vehicles, mobile equipment, and EDP equipment. Special events/concessionaires is another optional group purchase insurance coverage.



## Thurston County, Washington 2006

Members make an annual contribution to fund the pool. The Pool acquires liability reinsurance and "following form" excess insurance from unrelated underwriters that is subject to a per-occurrence self-insured retention of \$100,000, or the member-selected deductible, whichever is greater. Members are responsible for their elected deductible amounts ranging from \$10,000 to \$500,000 of each covered claim while the pool is responsible for the remaining difference up to the pool's \$100,000 to the maximum limits of each policy. The reinsurance and excess insurance carriers cover losses exceeding the greater of the Pool's retention or the member county's deductible to the maximum limits of each policy.

The pool is governed by a board of directors that is comprised of one designated representative from each participating member. An executive committee is elected at the annual meeting, and is responsible for conducting the business affairs of the pool. Members contract to remain in the pool for a minimum of five years, and must give notice one year before terminating participation. Thurston County rejoined the pool on October 1, 2000, after a one-year absence. The contract with the pool is renewed automatically each year until terminated. Each member is responsible for contributions to the pool for any unresolved, unreported, and in-process claims for the period(s) during which it was a signatory to the interlocal agreement, even after termination of the contractual relationship.

The pool is fully funded by its member participants as a cooperative program with joint liability among the participating members. Claims are filed by members with the pool. Any deficits or program assets which are insufficient to cover program liabilities are financed through retroactive assessments of responsible members.

The County has recorded in its financial statements all material liabilities. This includes estimates for expense, defense and/or payment of pending claims and claims incurred but not reported. Furthermore, the County's settlements have not exceeded the County's insurance coverage in each of the past three years. In the opinion of management, the County's insurance policies, including its participation in the Washington Counties Risk Pool, in conjunction with our funded retention are adequate to pay all known or pending claims as they come due.

The County paid general claims costs of \$653,826 during 2006. The County's suggested minimum claim reserves, and therefore the County's potential liability for claims and costs not covered by the risk pool, were estimated by the pool's actuary on December 31, 2006 as \$3,367,586. The suggested reserve includes reserves for open claims plus an estimate of incurred but not reported (IBNR) claims. It should be recognized that portions of the estimated additional liability incurred are projections. As estimates, these values are subject to inherent variability and may or may not become payable over the course of several years.

### Schedule of Claims and Judgments Payable

	2006	2005
Beginning Claims Liability	\$ 3,505,000	\$ 3,483,173
Claims Incurred During the Year (including IBNRs)*	516,412	445,384
Claims Payments	(653,826)	(423,557)
Ending Claims Liability	<u>\$ 3,367,586</u>	<u>\$ 3,505,000</u>

\*Includes total provision for events of the current fiscal year and any changes in the provision for events for prior fiscal years.

## **B. OTHER**

The County is not self insured for other types of risks and losses except as described above under "Risk Pool and General Liability Insurance". The County reimburses Washington State Employment Security for unemployment compensation claims. These claims are funded through employee related fund transfers into the County's Unemployment Compensation fund. The County also pays Washington State Labor and Industries a stipulated amount per employee per payroll period for a state mandated industrial insurance program for worker compensation claims. As discussed in Note VII.F., the County also has a contingent financial liability for the payment of refunded debt.

### **Note XI - Postemployment Health Care Benefits**

In addition to the pension benefits described in Note IX, and in accordance with the Washington Law Enforcement Officers and Fire Fighters Retirement System (LEOFF) Act (RCW 41.26), the County pays health insurance and medical costs not covered by insurance for retired full time, fully compensated, law enforcement officers who established membership in the LEOFF 1 retirement system on or before September 30, 1977. Substantially all of the County's law enforcement officers who established membership in the LEOFF 1 retirement system may become eligible for those benefits when they reach normal retirement age. Thurston County reimburses retired LEOFF 1 police officers for reasonable medical charges as described in the LEOFF act. In 2006, 20 retirees received benefits under this act. As of December 31, 2006, there were 3 active officers who may become eligible for those benefits when they reach normal retirement age.

The cost of retiree health care benefits is recognized as an expenditure in the General Fund as claims are paid. For 2006, these costs total \$73,547 with an average cost per retiree of \$3,677. Thurston County used the Long Term Care Special Revenue Fund to purchase additional long-term care insurance for LEOFF 1 in 2006.

### **Note XII - Joint Ventures/Jointly Governed Organizations**

Thurston County participates in inter-local agreements with five other Thurston County governmental units or agencies. The County participates inter-locally with Animal Control Services, the Inter-local Drug Control Unit, Olympia Region Clean Air Agency (ORCAA), the Thurston Regional Planning Council (TRPC) and the Regional Athletic Complex.

Animal Control Services is a joint venture governed by a six-member board of which Thurston County is a member. . Thurston County had an equity interest of \$959,298 as of December 31, 2006 resulting in a decrease of 508,804 from the prior year. The decrease in equity interest resulted from the asset being transferred to the real-estate excise tax fund at it's fair market value at the time of transfer. This interest was capitalized as a general governmental asset of the County. The County contributed \$425,563 as its share of operations in 2006. Each member's contribution is based on a formula factoring population and basic service components. The 2006 contribution was 55.94% of Animal Control Services' total budget. Complete financial statements for Animal Control can be obtained from its administrative office at the City of Lacey, Post Office Box 3400, Lacey, Washington 98509-3400.

The Interlocal Drug Control Unit is a joint venture governed by a five member executive committee of which Thurston County is a member. Thurston County did not have a computable equity interest in the Interlocal Drug Control Unit in 2006. The Interlocal Drug Control Unit is funded by grants and seizures of drug funds. Financial information on the Interlocal Drug Control Unit can be obtained from its administrative office at the City of Lacey, Post Office Box 3400, Lacey, Washington 98509-3400.

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Olympic Region Clean Air Agency is a jointly governed organization governed by a nine-member board of which Thurston County is a member. Thurston County contributed \$45,874 as its share of operations in 2006. The assessment was based on population and violation fees collected. Thurston County did not have an equity interest in ORCAA in 2006. Complete financial statements for ORCAA can be obtained from its administrative office at 2940 B Limited Lane NW, Olympia, Washington 98502.

Thurston Regional Planning Council is a jointly governed organization governed by a fifteen-member council of which Thurston County is a member. Thurston County contributed \$235,276 as its share of operations in 2006. Of that \$48,385 went to the Historic Commission and \$186,891 was for intergovernmental professional services. The assessment was based on population and contractual commitments. Thurston County did not have an equity interest in TRPC in 2006. Complete financial statements for TRPC can be obtained from its administrative office at 2404-B Heritage Court SE, Olympia, Washington 98502.

The Regional Athletic Complex is governed by Thurston County and the City of Lacey. In 1998, Thurston County and the City of Lacey agreed to purchase, develop and jointly share the costs of a Regional Athletic Complex. Total net capital investment as of December 31, 2006 for Thurston County and the City of Lacey was \$2,965,424 and \$2,779,644, respectively. This represents an equity interest of 52.92% for Thurston County and 47.08% for the City of Lacey. Any excess costs for maintenance, operation and capital expenditures are the joint and equal responsibility of Thurston County and the City of Lacey. In September, 2005 the complex was dedicated and opened for the benefit of the citizens of Thurston County. The County may, in its sole discretion, transfer its share of ownership to the City of Lacey after 2014. Additional financial information may be obtained from Thurston County Financial Services, 2000 Lakeridge Drive SW, Olympia, Washington 98502.

The following is condensed financial information on joint ventures for which the County has an equity interest as of December 31, 2006:

<b>Animal Control</b>		<b>Regional Athletic Complex</b>	
Assets	\$ 3,018,660	Current Assets	\$ 114,410
Liabilities	(289,778)	Capital Assets	5,745,067
Net Assets	<u>\$ 2,728,882</u>	Liabilities	-
		Net Assets	<u>\$ 5,859,477</u>
Revenues	\$ 1,388,364	Revenues	\$ 220,710
Expenses	(1,224,290)	Expenses & Adjustments	(300,134)
Net Income	<u>\$ 164,074</u>	Net Income	<u>\$ (79,424)</u>

## Thurston County, Washington 2006

Activity for investments in joint ventures for Animal Control Services and the Regional Athletic Complex for the year ended December 31, 2006 was as follows:

GOVERNMENTAL TYPE ACTIVITIES	Beginning Balance 1/1/2006	Increases	Decreases	Ending Balance 12/31/2006
Non-Depreciable	\$ 3,260,309	\$ 3,976,425	\$ 4,484,290	\$ 2,752,444
Depreciable - Original Cost	1,293,813	-	1,878	1,291,935
Less Accumulated Depreciation	(508,804)	(110,688)	508,804	(110,688)
Investment in Joint Ventures, Net	<u>\$ 4,045,318</u>	<u>\$ 3,865,737</u>	<u>\$ 4,994,972</u>	<u>\$ 3,933,691</u>

### Note XIII - Closure and Post Closure Care Costs

State and federal laws and regulations require Thurston County to perform landfill maintenance and monitoring activities for thirty years after closure. An expense provision and related liability for these activities was recognized in the Solid Waste Enterprise Fund before the landfill was closed. This expense provision was based on estimated future post closure care costs after closure.

Cell No. 1, the last landfill cell used for waste disposal at the Hawke's Prairie landfill site, was closed on April 30, 2000. The County's long haul of waste to a regional landfill in Klickitat County was initiated on May 1, 2000. Post closure costs were funded with operating fees through December 31, 2002. The post closure care period was subsequently initiated on January 1, 2003. The estimated remaining liability for post closure care costs is \$20,708,259 on December 31, 2006.

Thurston County, as required by state and federal laws and regulations, made annual contributions to finance post closure care. The County is in compliance with these requirements, and at December 31, 2006, cash and pooled investments of \$18,313,680 are held for these purposes and reported as restricted cash and pooled investments on the balance sheet.

The post closure care cost was based on the amount that would have been paid if all equipment, facilities and services required to monitor and maintain the landfill site were acquired as of December 31, 2000. However, the actual cost of post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. It is anticipated that future inflation costs will be financed in part from earnings on the cash and investments. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that may arise from changes in post closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

### Note XIV - Other Disclosures

#### A. PRIOR PERIOD ADJUSTMENTS AND RESTATEMENTS

Governmental net assets and General Fund balance were reduced by \$126,553 in 2006. This was due to reclassifying receivables for fines and forfeitures from the Clerk's Office in the General Fund to a local drug fund managed by the City of Lacey. The General Fund balance was reduced an additional \$263,855 to reclassify fines and forfeitures to the Victim Advocate Program and Clerk's Collection Funds.

## Thurston County, Washington 2006

The Investment Trust Fund beginning balance was restated and increased by \$2,153,418 in the fiduciary fund statements. This change was primarily due to reclassifying cash with treasurer from Payroll and Claims Clearing, which is an agency fund, to the external investment pool which comprises the Investment Trust Fund. 95% of the change in the beginning balances of these two funds was due to this change in the accounting treatment of cash with treasurer. There were other minor restatements in the beginning account balances of agency funds. These changes were primarily related to beginning account balance reclassifications within each the fund.

### B. OTHER FINANCIAL ADJUSTMENTS

\$2,037,975 from a gain on refunding of long term debt is reported as interest under miscellaneous revenues in the County Building Capital Projects Fund. This gain was due to excess interest on investment proceeds which remained in the refunding account after the debt issue was fully refunded. \$2,716,582 from insurance and settlement recoveries was primarily a result of the negotiated settlement on the cost to repair the recently constructed juvenile and justice center.

### C. CONTINGENCIES

The County is planning to get clarification from the State Legislature during the 2007 legislative session on the allowability of using real estate excise tax revenues for making capital purchases. The State Auditors Office has questioned the use of these funds for purchasing major business systems, computer hardware and software. Subsequently the County is reevaluating its current use of real estate excise tax revenues to ensure compliance with the state law. We do not consider any potential liabilities to be probable and therefore have not recorded such liabilities.

The County plans to call and liquidate \$536,462 of long term general obligation bonds and intergovernmental loans in the Boston Harbor Utility Fund sometime in the 2<sup>nd</sup> half of 2007. These liabilities are reported as long term liabilities since this decision is not irrevocable and may be rescinded prior to the call.

Thurston County has other claims and lawsuits pending at this time that could be a liability to the County over the next few years. The amount of these other claims cannot be reasonably estimated.

**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2006**

<b>ASSETS</b>	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total</b>
<b>Current Assets:</b>				
Cash & Pooled Investments	\$ 29,086,412	\$ 38,098	\$ 9,470,174	\$ 38,594,684
<i>Receivables:</i>				
Taxes Receivable	36,332	-	-	36,332
Special Assessment Receivables	58,402	-	-	58,402
Accrued Interest & Penalties	483,655	578	139,627	623,860
Customer Account Receivables	548,780	-	-	548,780
Due from Other Funds	64,162	-	182,737	246,899
Due from Other Government Units	1,566,651	-	-	1,566,651
Inventory	1,309	-	-	1,309
<b>Total Assets</b>	<b>\$ 31,845,703</b>	<b>\$ 38,676</b>	<b>\$ 9,792,538</b>	<b>\$ 41,676,917</b>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts Payable	\$ 1,178,151	\$ -	\$ 236,914	\$ 1,415,065
Notes Payable	-	-	-	-
Due to Other Funds	405,505	-	54,040	459,545
Due to Other Government Units	281,334	-	-	281,334
Deferred Revenues	142,010	-	-	142,010
Advances From Other Funds	45,000	-	-	45,000
<b>Total Liabilities</b>	<b>2,052,000</b>	<b>-</b>	<b>290,954</b>	<b>2,342,954</b>
<b>FUND BALANCES</b>				
<b>Reserved For:</b>				
Debt Service	-	38,676	-	38,676
<b>Unreserved - Designated, Reported In:</b>				
Inventories	1,309	-	-	1,309
Petty Cash	18,225	-	-	18,225
<b>Unreserved Undesignated</b>	<b>29,774,169</b>	<b>-</b>	<b>9,501,584</b>	<b>39,275,753</b>
<b>Total Fund Balance</b>	<b>29,793,703</b>	<b>38,676</b>	<b>9,501,584</b>	<b>39,333,963</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 31,845,703</b>	<b>\$ 38,676</b>	<b>\$ 9,792,538</b>	<b>\$ 41,676,917</b>

**Combining Statement Of Revenues, Expenditures  
And Changes In Fund Balances  
Nonmajor Governmental Funds  
For The Year Ended December 31, 2006**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total
<b>Revenues:</b>				
Taxes	\$ 7,270,630	\$ -	\$ -	\$ 7,270,630
Licenses & Permits	3,169,685	-	-	3,169,685
Intergovernmental	9,535,484	-	-	9,535,484
Charges for Services	5,062,555	-	24,936	5,087,491
Fines & Forfeits	40,475	-	-	40,475
Miscellaneous Revenue	2,869,149	2,106	2,496,047	5,367,302
<b>Total Revenues</b>	<b>27,947,978</b>	<b>2,106</b>	<b>2,520,983</b>	<b>30,471,067</b>
<b>Expenditures:</b>				
General Government	891,365	-	524,200	1,415,565
Culture & Recreation	2,140,728	-	-	2,140,728
Economic Environment	13,603,821	-	-	13,603,821
Health & Human Services	-	-	81,409	81,409
Public Safety	2,828,576	-	77,196	2,905,772
Transportation	1,757,049	-	-	1,757,049
Utilities & Environment	1,123,714	-	74,813	1,198,527
Capital Outlay	1,575,382	-	3,053,398	4,628,780
Debt Service:				
Principal	60,365	2,240,213	-	2,300,578
Interest & Fiscal Charges	33,555	1,821,400	-	1,854,955
<b>Total Expenditures</b>	<b>24,014,555</b>	<b>4,061,613</b>	<b>3,811,016</b>	<b>31,887,184</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>3,933,423</b>	<b>(4,059,507)</b>	<b>(1,290,033)</b>	<b>(1,416,117)</b>
<b>Other Financing Sources (Uses)</b>				
Capital Lease Financing	103	-	-	103
Transfers In	2,579,403	4,061,188	2,887,122	9,527,713
Transfers Out	(7,071,755)	-	(107,722)	(7,179,477)
<b>Total Other Financing Sources (Uses)</b>	<b>(4,492,249)</b>	<b>4,061,188</b>	<b>2,779,400</b>	<b>2,348,339</b>
Net Changes In Fund Balances	(558,826)	1,681	1,489,367	932,222
Fund Balances as of January 1	30,088,674	36,995	8,012,217	38,137,886
Prior Period Adjustments	263,855	-	-	263,855
Fund Balances as of January 1 - Restated	30,352,529	36,995	8,012,217	38,401,741
<b>Fund Balances as of December 31</b>	<b>\$ 29,793,703</b>	<b>\$ 38,676</b>	<b>\$ 9,501,584</b>	<b>\$ 39,333,963</b>

## NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are established pursuant to state statutes or local ordinances in order to segregate resources that are designated to be used for specified purposes.

**Anti-Profiteering** – A fund that uses proceeds from anti-profiteering cases to investigate and prosecute similar cases.

**Auditor - Election Reserve** – A fund that uses election service surcharges to acquire and replace election equipment.

**Auditor - Maintenance and Operations** – A fund that uses service charges (including election service surcharges, duplicating fees and document preservation fees) and grants for the replacement of recording equipment and for historic document preservation.

**Clerk's Collection** – A fund that uses intergovernmental service revenues to collect past due court ordered financial obligations.

**Conservation Futures** – A fund that uses property taxes to acquire, maintain and operate park lands and open spaces.

**Debt Holding - 2002** – A holding fund for 2002 G. O. debt proceeds pending transfer of proceeds to construction funds to fund capital projects authorized by this bond issue.

**Debt Holding - 2004** – A holding fund for 2004 G. O. debt proceeds pending transfer of proceeds to construction funds to fund capital projects authorized by this bond issue.

**Debt Holding - 2005** – A holding fund for 2005 G. O. debt proceeds pending transfer of proceeds to construction funds to fund capital projects authorized by this bond issue.

**Detention Facility Sales Tax Holding** – A holding fund that accounts for local option sales taxes levied for the operation and construction of adult and juvenile detention facilities.

**Development Services** – A fund that uses development license fees and service charges to provide planning, permitting and development inspection services within the unincorporated sections of Thurston County.

**Emergency Management** – A fund established to use intergovernmental service revenues from local jurisdictions to fund joint emergency management activities.

**Fair** – A fund that uses event service charges, general fund subsidies and grants to fund activities at the County's fairgrounds.

**Family Court Services** – A fund that uses grants (federal and state), service charges (family court, civil filing and transcription) and general fund transfers to provide court ordered services to indigent parties for medication counseling, psychological evaluation, guardians ad litem and custody investigations.

**Geodata Center** – A fund established to use roads property tax assessments to administer and operate a spatial data support service facility for roads, other County departments and other agencies and businesses.



**Investment Administration** – A fund that uses Treasurer’s investment service fees on outside agencies to administer Thurston County’s Investment Pool.

**Lake Lawrence L. M. D.** – A fund established to use assessments and grants to manage water quality and remove weeds and other aquatic vegetation from Lake Lawrence.

**Lakes Management Administration** – A fund established to use transfers (General Fund, Noxious Weed and LMDs) and grant funds to provide limited assistance in the formation of lake management districts and for monitoring water quality at public access swimming beaches and at boat accessed lakes.

**Law Library** – A fund that uses filing fees to fund a legal law library for Thurston County’s Superior Courts.

**LEOFF 1 Long Term Care** – A fund that uses proceeds from the General Fund to fund a reserve to pay unfunded premiums for law enforcement long-term care insurance.

**Long Lake L. M. D.** – A fund that uses lake assessments to manage water quality and to remove of Eurasian Water Milfoil and other weeds from Long Lake.

**Noxious Weed Control** – A fund established to use tax assessments to control noxious weeds.

**Office of Program and Budget Development** – A fund that uses business, occupation and excise taxes, grants, recording surcharges and interfund payments to provide the following services: administrative and budget support to the BOCC, preparation of the County's capital facilities plan, managing debt and tax holding funds, administering grant funded environmental and community services, administering Cable TV franchise agreements and providing information services to other departments.

**Pacific Mountain Workforce Consortium** – A fund that administers federal workforce investment act grants to provide employment training, placement and development services for Thurston County and four other adjacent counties.

**Parks and Recreation** – A fund that uses primarily transfers from the general fund and secondarily park usage fees to acquire, develop and maintain County parks, preserves, open spaces, historic sites, and trails.

**Prisoner Concession** – A fund established to use prisoner concession and booking fees to fund prisoner commissary sales and inmate rehabilitative activities.

**REET Technology Fund** – A fund established to use real estate excise taxes and treasurer collection fees to develop and implement technology to process real estate excise tax affidavits.

**Road Improvement District No. 2** – A fund that uses special assessments for principal and interest payments that were used to finance a landslide stabilization project on Sunrise Beach Road.

**Roads Development Review** – A fund established to use transfers from Roads and Development Services to review and inspect road and road frontage for privately funded land development projects constructed in unincorporated Thurston County.

**RSN - IRMA (Cowlitz, Thurston and Grays Harbor)** – Three reserve funds funded by these three counties that will fund inpatient and outpatient care if there is a cash shortage to fund these services in the future.

**Sheriff Special Programs** – A fund that uses vessel registration fees to fund boating enforcement and other programs.

**South Pattison Lake L. M. D.** – A primarily dormant fund that uses interest earnings for invasive aquatic weed monitoring at South Pattison Lake.

**Special Projects** – A fund that uses real estate excise taxes to fund major maintenance and small capital projects for the Courthouse Complex and associated sites.

**Regional Athletic Complex** – A fund that uses property and sales taxes, grants and donations and funds from the City of Lacey to develop, maintain and operate a jointly owned athletic complex facility in northeast Thurston County.

**Stadium Convention and Arts Center** – A fund that uses hotel/motel tax proceeds to promote tourism and economic development.

**Tax Refund** – An abolished fund established to return taxes improperly collected as mandated by court order.

**Treasurer's Maintenance and Operations** – A revolving fund that uses Treasurer's assessment collection fees to defray costs of foreclosing and selling property due to delinquent property taxes.

**Trial Court Improvement** – A fund established to use judicial salary contributions from the state to fund improvements to superior and district courts.

**Veterans** – A fund that uses property taxes to fund emergency assistance to eligible veterans in Thurston County.

**Victim Advocate Program** – A fund that uses court penalties and assessments from the county crime victim/witness program and grant proceeds to fund services to victims of crimes.

**WRIA Water and Waste** – A fund that uses grant proceeds to identify comprehensive water resource management strategies for the Deschutes River Watershed.

**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2006**  
**Page 1 of 7**

ASSETS	Auditor -					Debt	
	Anti- Profiteering	Election Reserve	Auditor - M & O	Clerk's Collection	Conservation Futures	Holding - 2004	
<b>Current Assets:</b>							
Cash & Pooled Investments	\$ 28,668	\$ 352,599	\$ 840,220	\$ 375,352	\$ 3,880,380	\$ 1,200,510	
Receivables:							
Taxes Receivable	-	-	-	-	29,551	-	
Special Assessment Receivables	-	-	-	-	-	-	
Accrued Interest & Penalties	-	5,638	-	7,059	41,290	51,301	
Customer Account Receivables	-	2,232	-	128,574	-	-	
Due from Other Funds	-	-	-	-	-	-	
Due from Other Government Units	-	12,519	-	-	-	-	
Inventory	-	-	-	-	-	-	
<b>Total Assets</b>	<b>\$ 28,668</b>	<b>\$ 372,988</b>	<b>\$ 840,220</b>	<b>\$ 510,985</b>	<b>\$ 3,951,221</b>	<b>\$ 1,251,811</b>	
<b>LIABILITIES</b>							
<b>Current Liabilities:</b>							
Accounts Payable	\$ -	\$ 2,870	\$ 30,918	\$ 3,225	\$ -	\$ -	
Due to Other Funds	-	-	-	-	-	170,837	
Due to Other Government Units	-	-	-	-	-	-	
Deferred Revenues	-	-	-	-	29,551	-	
Advances From Other Funds	-	-	-	-	-	-	
<b>Total Liabilities</b>	<b>-</b>	<b>2,870</b>	<b>30,918</b>	<b>3,225</b>	<b>29,551</b>	<b>170,837</b>	
<b>FUND BALANCES</b>							
<b>Unreserved - Designated, Reported In:</b>							
Inventories	-	-	-	-	-	-	
Petty Cash	-	-	-	-	-	-	
<b>Unreserved Undesignated</b>	<b>28,668</b>	<b>370,118</b>	<b>809,302</b>	<b>507,760</b>	<b>3,921,670</b>	<b>1,080,974</b>	
<b>Total Fund Balance</b>	<b>28,668</b>	<b>370,118</b>	<b>809,302</b>	<b>507,760</b>	<b>3,921,670</b>	<b>1,080,974</b>	
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 28,668</b>	<b>\$ 372,988</b>	<b>\$ 840,220</b>	<b>\$ 510,985</b>	<b>\$ 3,951,221</b>	<b>\$ 1,251,811</b>	

**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2006**  
**Page 2 of 7**

ASSETS	<div style="display: flex; justify-content: space-around;"> <span>Debt</span> <span>Detention</span> <span></span> <span></span> <span></span> <span>Family</span> </div>					
	Debt Holding - 2005	Facility Sales Tax Holding Fund	Development Services	Emergency Management	Fair	Court Services
<b>Current Assets:</b>						
Cash & Pooled Investments	\$ 3	\$ 11,159,262	\$ 2,640,620	\$ 9,835	\$ 81,132	\$ 171,602
<i>Receivables:</i>						
Taxes Receivable	-	-	-	-	-	-
Special Assessment Receivables	-	-	-	-	-	-
Accrued Interest & Penalties	18,894	97,293	48,720	171	1,034	1,780
Customer Account Receivables	-	-	-	-	3,094	2,440
Due from Other Funds	-	7,300	3,202	-	350	-
Due from Other Government Units	-	-	-	-	-	15,007
Inventory	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 18,897</b>	<b>\$ 11,263,855</b>	<b>\$ 2,692,542</b>	<b>\$ 10,006</b>	<b>\$ 85,610</b>	<b>\$ 190,829</b>
<b>LIABILITIES</b>						
<b>Current Liabilities:</b>						
Accounts Payable	\$ -	\$ 530	\$ 43,132	\$ 739	\$ 8,026	\$ 2,576
Due to Other Funds	-	11,851	70,011	-	159	-
Due to Other Government Units	-	-	-	-	-	-
Deferred Revenues	-	5,600	-	-	4,900	1,220
Advances From Other Funds	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>17,981</b>	<b>113,143</b>	<b>739</b>	<b>13,085</b>	<b>3,796</b>
<b>FUND BALANCES</b>						
<b>Unreserved - Designated, Reported In:</b>						
Inventories	-	-	-	-	-	-
Petty Cash	-	-	250	-	150	-
<b>Unreserved Undesignated</b>	<b>18,897</b>	<b>11,245,874</b>	<b>2,579,149</b>	<b>9,267</b>	<b>72,375</b>	<b>187,033</b>
<b>Total Fund Balance</b>	<b>18,897</b>	<b>11,245,874</b>	<b>2,579,399</b>	<b>9,267</b>	<b>72,525</b>	<b>187,033</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 18,897</b>	<b>\$ 11,263,855</b>	<b>\$ 2,692,542</b>	<b>\$ 10,006</b>	<b>\$ 85,610</b>	<b>\$ 190,829</b>

**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2006**  
**Page 3 of 7**

						LEOFF 1
			Lake	Lakes		Long
	GeoData	Investment	Lawrence -	Management	Law	Term
ASSETS	Center	Admin.	L. M. D.	Admin.	Library	Care
<b>Current Assets:</b>						
Cash & Pooled Investments	\$ 59,365	\$ 148,085	\$ 5,994	\$ 12,121	\$ 49,685	\$ 9,052
Receivables:						
Taxes Receivable	-	-	-	-	-	-
Special Assessment Receivables	-	-	4,855	-	-	-
Accrued Interest & Penalties	522	124,280	213	399	-	1,465
Customer Account Receivables	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	17,222	-
Due from Other Government Units	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 59,887</b>	<b>\$ 272,365</b>	<b>\$ 11,062</b>	<b>\$ 12,520</b>	<b>\$ 66,907</b>	<b>\$ 10,517</b>
<b>LIABILITIES</b>						
<b>Current Liabilities:</b>						
Accounts Payable	\$ 1,236	\$ 42	\$ -	\$ 53	\$ 11,166	\$ 6,200
Due to Other Funds	448	-	1,371	4,987	-	-
Due to Other Government Units	-	-	-	-	-	-
Deferred Revenues	-	-	4,855	-	-	-
Advances From Other Funds	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>1,684</b>	<b>42</b>	<b>6,226</b>	<b>5,040</b>	<b>11,166</b>	<b>6,200</b>
<b>FUND BALANCES</b>						
<b>Unreserved - Designated, Reported In:</b>						
Inventories	-	-	-	-	-	-
Petty Cash	100	-	-	-	-	-
<b>Unreserved Undesignated</b>	<b>58,103</b>	<b>272,323</b>	<b>4,836</b>	<b>7,480</b>	<b>55,741</b>	<b>4,317</b>
<b>Total Fund Balance</b>	<b>58,203</b>	<b>272,323</b>	<b>4,836</b>	<b>7,480</b>	<b>55,741</b>	<b>4,317</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 59,887</b>	<b>\$ 272,365</b>	<b>\$ 11,062</b>	<b>\$ 12,520</b>	<b>\$ 66,907</b>	<b>\$ 10,517</b>

**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2006**  
**Page 4 of 7**

<b>ASSETS</b>	<b>Long Lake - L. M. D.</b>	<b>Noxious Weed Control</b>	<b>Office Of Program And Budget Development</b>	<b>Pacific Mountain Job Training</b>	<b>Parks And Recreation</b>	<b>Prisoner Concession</b>
<b>Current Assets:</b>						
Cash & Pooled Investments	\$ 88,609	\$ 86,962	\$ 3,988,701	\$ -	\$ 296,286	\$ 337,772
<i>Receivables:</i>						
Taxes Receivable	-	-	-	-	-	-
Special Assessment Receivables	1,774	21,513	2,260	-	-	-
Accrued Interest & Penalties	324	1,066	36,804	737	4,183	-
Customer Account Receivables	-	-	-	33,400	7,223	29,459
Due from Other Funds	-	-	23,901	11,568	-	-
Due from Other Government Units	-	-	835,042	581,809	113,500	-
Inventory	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 90,707</b>	<b>\$ 109,541</b>	<b>\$ 4,886,708</b>	<b>\$ 627,514</b>	<b>\$ 421,192</b>	<b>\$ 367,231</b>
<b>LIABILITIES</b>						
<b>Current Liabilities:</b>						
Accounts Payable	\$ -	\$ 164	\$ 339,920	\$ 373,174	\$ 56,586	\$ 28,912
Due to Other Funds	9,744	58	19,861	289	109,161	-
Due to Other Government Units	-	-	276,691	4,643	-	-
Deferred Revenues	1,774	21,514	12,916	-	-	-
Advances From Other Funds	45,000	-	-	-	-	-
<b>Total Liabilities</b>	<b>56,518</b>	<b>21,736</b>	<b>649,388</b>	<b>378,106</b>	<b>165,747</b>	<b>28,912</b>
<b>FUND BALANCES</b>						
<b>Unreserved - Designated, Reported In:</b>						
Inventories	-	-	-	-	-	-
Petty Cash	-	-	-	10,000	225	-
<b>Unreserved Undesignated</b>	<b>34,189</b>	<b>87,805</b>	<b>4,237,320</b>	<b>239,408</b>	<b>255,220</b>	<b>338,319</b>
<b>Total Fund Balance</b>	<b>34,189</b>	<b>87,805</b>	<b>4,237,320</b>	<b>249,408</b>	<b>255,445</b>	<b>338,319</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 90,707</b>	<b>\$ 109,541</b>	<b>\$ 4,886,708</b>	<b>\$ 627,514</b>	<b>\$ 421,192</b>	<b>\$ 367,231</b>

**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2006**  
**Page 5 of 7**

ASSETS	Road			RSN -		
	REET	Improvement	Roads	RSN -	IRMA -	RSN -
	Technology	District	Development	IRMA -	Grays	IRMA -
		No. 2	Review	Cowlitz	Harbor	Thurston
<b>Current Assets:</b>						
Cash & Pooled Investments	\$ 74,799	\$ 327,143	\$ 116,590	\$ 99,986	\$ 69,006	\$ 985,394
<i>Receivables:</i>						
Taxes Receivable	-	-	-	-	-	-
Special Assessment Receivables	-	28,000	-	-	-	-
Accrued Interest & Penalties	179	3,230	1,069	1,192	823	6,252
Customer Account Receivables	-	-	-	-	-	-
Due from Other Funds	-	-	175	-	-	-
Due from Other Government Units	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 74,978</b>	<b>\$ 358,373</b>	<b>\$ 117,834</b>	<b>\$ 101,178</b>	<b>\$ 69,829</b>	<b>\$ 991,646</b>
<b>LIABILITIES</b>						
<b>Current Liabilities:</b>						
Accounts Payable	\$ -	\$ -	\$ 2,229	\$ -	\$ -	\$ -
Due to Other Funds	-	-	3,451	-	-	-
Due to Other Government Units	-	-	-	-	-	-
Deferred Revenues	-	28,000	-	-	-	-
Advances From Other Funds	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>28,000</b>	<b>5,680</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>						
<b>Unreserved - Designated, Reported In:</b>						
Inventories	-	-	-	-	-	-
Petty Cash	-	-	-	-	-	-
<b>Unreserved Undesignated</b>	<b>74,978</b>	<b>330,373</b>	<b>112,154</b>	<b>101,178</b>	<b>69,829</b>	<b>991,646</b>
<b>Total Fund Balance</b>	<b>74,978</b>	<b>330,373</b>	<b>112,154</b>	<b>101,178</b>	<b>69,829</b>	<b>991,646</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 74,978</b>	<b>\$ 358,373</b>	<b>\$ 117,834</b>	<b>\$ 101,178</b>	<b>\$ 69,829</b>	<b>\$ 991,646</b>

**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2006**  
**Page 6 of 7**

ASSETS	South			Stadium		Tax
	Sheriff's Special Programs	Pattison Lake - L. M. D.	Special Projects	Regional Athletic Complex	Convention & Arts Center	
<b>Current Assets:</b>						
Cash & Pooled Investments	\$ 126,496	\$ 5,781	\$ 869,891	\$ 110,442	\$ 63,196	\$ -
<i>Receivables:</i>						
Taxes Receivable	-	-	-	-	-	-
Special Assessment Receivables	-	-	-	-	-	-
Accrued Interest & Penalties	1,867	76	18,794	3,968	586	-
Customer Account Receivables	-	-	-	-	-	182,278
Due from Other Funds	-	-	444	-	-	-
Due from Other Government Units	-	-	-	-	-	-
Inventory	1,309	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 129,672</b>	<b>\$ 5,857</b>	<b>\$ 889,129</b>	<b>\$ 114,410</b>	<b>\$ 63,782</b>	<b>\$ 182,278</b>
<b>LIABILITIES</b>						
<b>Current Liabilities:</b>						
Accounts Payable	\$ 11,543	\$ -	\$ 56,344	\$ -	\$ -	\$ 188,602
Due to Other Funds	-	-	-	-	-	-
Due to Other Government Units	-	-	-	-	-	-
Deferred Revenues	-	-	-	-	100	-
Advances From Other Funds	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>11,543</b>	<b>-</b>	<b>56,344</b>	<b>-</b>	<b>100</b>	<b>188,602</b>
<b>FUND BALANCES</b>						
<b>Unreserved - Designated, Reported In:</b>						
Inventories	1,309	-	-	-	-	-
Petty Cash	-	-	-	-	-	-
<b>Unreserved Undesignated</b>	<b>116,820</b>	<b>5,857</b>	<b>832,785</b>	<b>114,410</b>	<b>63,682</b>	<b>(6,324)</b>
<b>Total Fund Balance</b>	<b>118,129</b>	<b>5,857</b>	<b>832,785</b>	<b>114,410</b>	<b>63,682</b>	<b>(6,324)</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 129,672</b>	<b>\$ 5,857</b>	<b>\$ 889,129</b>	<b>\$ 114,410</b>	<b>\$ 63,782</b>	<b>\$ 182,278</b>



**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2006**  
**Page 7 of 7**

<b>ASSETS</b>	<b>Treasurer's M &amp; O</b>	<b>Trial Court Improvement</b>	<b>Veterans</b>	<b>Victim Advocate Program</b>	<b>WRIA Water &amp; Waste</b>	<b>Total</b>
<b>Current Assets:</b>						
Cash & Pooled Investments	\$ 62,991	\$ 27,793	\$ 252,329	\$ 59,846	\$ 11,914	\$ 29,086,412
<i>Receivables:</i>						
Taxes Receivable	-	-	6,781	-	-	36,332
Special Assessment Receivables	-	-	-	-	-	58,402
Accrued Interest & Penalties	924	45	729	319	429	483,655
Customer Account Receivables	24,799	-	-	135,281	-	548,780
Due from Other Funds	-	-	-	-	-	64,162
Due from Other Government Units	-	-	-	-	8,774	1,566,651
Inventory	-	-	-	-	-	1,309
<b>Total Assets</b>	<b>\$ 88,714</b>	<b>\$ 27,838</b>	<b>\$ 259,839</b>	<b>\$ 195,446</b>	<b>\$ 21,117</b>	<b>\$ 31,845,703</b>
<b>LIABILITIES</b>						
<b>Current Liabilities:</b>						
Accounts Payable	\$ 1,101	\$ -	\$ 8,842	\$ 21	\$ -	\$ 1,178,151
Due to Other Funds	2,491	-	-	-	786	405,505
Due to Other Government Units	-	-	-	-	-	281,334
Deferred Revenues	24,799	-	6,781	-	-	142,010
Advances From Other Funds	-	-	-	-	-	45,000
<b>Total Liabilities</b>	<b>28,391</b>	<b>-</b>	<b>15,623</b>	<b>21</b>	<b>786</b>	<b>2,052,000</b>
<b>FUND BALANCES</b>						
<b>Unreserved - Designated, Reported In:</b>						
Inventories	-	-	-	-	-	1,309
Petty Cash	-	-	7,500	-	-	18,225
<b>Unreserved Undesignated</b>	<b>60,323</b>	<b>27,838</b>	<b>236,716</b>	<b>195,425</b>	<b>20,331</b>	<b>29,774,169</b>
<b>Total Fund Balance</b>	<b>60,323</b>	<b>27,838</b>	<b>244,216</b>	<b>195,425</b>	<b>20,331</b>	<b>29,793,703</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 88,714</b>	<b>\$ 27,838</b>	<b>\$ 259,839</b>	<b>\$ 195,446</b>	<b>\$ 21,117</b>	<b>\$ 31,845,703</b>

**Combining Statement Of Revenues, Expenditures And Changes In Fund  
Nonmajor Special Revenue Funds  
For The Year Ended December 31, 2006**

**Page 1 of 7**

	Auditor -					Debt
	Anti- Profiteering	Election Reserve	Auditor - M & O	Clerk's Collection	Conservation Futures	Holding - 2004
<b>Revenues:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 964,725	\$ -
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	-	-	124,324	196,193	12,348	-
Charges for Services	-	31,237	352,080	-	-	-
Fines & Forfeits	28,155	-	-	-	-	-
Miscellaneous Revenue	110	17,699	14,069	13,112	163,349	57,924
<b>Total Revenues</b>	<b>28,265</b>	<b>48,936</b>	<b>490,473</b>	<b>209,305</b>	<b>1,140,422</b>	<b>57,924</b>
<b>Expenditures:</b>						
General Government	-	149,858	157,472	-	-	-
Culture & Recreation	-	-	-	-	152,453	-
Economic Environment	-	-	-	-	-	-
Public Safety	-	-	-	75,514	-	-
Transportation	-	-	-	-	-	-
Utilities & Environment	-	-	-	-	-	-
Capital Outlay	-	35,571	247,009	14,527	328,500	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest & Fiscal Charges	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>185,429</b>	<b>404,481</b>	<b>90,041</b>	<b>480,953</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>28,265</b>	<b>(136,493)</b>	<b>85,992</b>	<b>119,264</b>	<b>659,469</b>	<b>57,924</b>
<b>Other Financing Sources (Uses)</b>						
Capital Lease Financing	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	(489,653)	(547,869)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(489,653)</b>	<b>(547,869)</b>
Net Changes In Fund Balances	28,265	(136,493)	85,992	119,264	169,816	(489,945)
Fund Balances as of January 1	403	506,611	723,310	259,922	3,751,854	1,570,919
Prior Period Adjustments	-	-	-	128,574	-	-
Fund Balances as of January 1 - Restated	403	506,611	723,310	388,496	3,751,854	1,570,919
<b>Fund Balances as of December 31</b>	<b>\$ 28,668</b>	<b>\$ 370,118</b>	<b>\$ 809,302</b>	<b>\$ 507,760</b>	<b>\$ 3,921,670</b>	<b>\$ 1,080,974</b>

**Combining Statement Of Revenues, Expenditures And Changes In Fund  
Nonmajor Special Revenue Funds  
For The Year Ended December 31, 2006**

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	Debt Holding - 2005	Detention Facility Sales Tax Holding Fund	Development Services	Emergency Management	Fair	Family Court Services
<b>Revenues:</b>						
Taxes	\$ -	\$ 4,131,889	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	3,004,745	-	-	-
Intergovernmental	-	-	23,305	-	40,196	61,428
Charges for Services	-	-	1,725,659	-	122,617	136,588
Fines & Forfeits	-	151	-	-	-	-
Miscellaneous Revenue	37,613	1,443,730	143,313	574	260,234	23,500
<b>Total Revenues</b>	<b>37,613</b>	<b>5,575,770</b>	<b>4,897,022</b>	<b>574</b>	<b>423,047</b>	<b>221,516</b>
<b>Expenditures:</b>						
General Government	-	198	-	-	-	-
Culture & Recreation	-	-	-	-	542,105	-
Economic Environment	-	-	4,189,248	-	-	-
Public Safety	-	52,111	1,442,367	7,116	-	234,416
Transportation	-	-	-	-	-	-
Utilities & Environment	-	-	113,649	-	-	-
Capital Outlay	-	-	73,895	-	-	-
Debt Service:						
Principal	-	-	15,029	-	-	-
Interest & Fiscal Charges	-	-	5,397	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>52,309</b>	<b>5,839,585</b>	<b>7,116</b>	<b>542,105</b>	<b>234,416</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>37,613</b>	<b>5,523,461</b>	<b>(942,563)</b>	<b>(6,542)</b>	<b>(119,058)</b>	<b>(12,900)</b>
<b>Other Financing Sources (Uses)</b>						
Capital Lease Financing	-	-	-	-	-	-
Transfers In	-	-	442,611	-	115,150	60,633
Transfers Out	(2,288,848)	(2,644,573)	(642,040)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(2,288,848)</b>	<b>(2,644,573)</b>	<b>(199,429)</b>	<b>-</b>	<b>115,150</b>	<b>60,633</b>
Net Changes In Fund Balances	(2,251,235)	2,878,888	(1,141,992)	(6,542)	(3,908)	47,733
Fund Balances as of January 1	2,270,132	8,366,986	3,721,391	15,809	76,433	139,300
Prior Period Adjustments	-	-	-	-	-	-
Fund Balances as of January 1 - Restated	2,270,132	8,366,986	3,721,391	15,809	76,433	139,300
<b>Fund Balances as of December 31</b>	<b>\$ 18,897</b>	<b>\$ 11,245,874</b>	<b>\$ 2,579,399</b>	<b>\$ 9,267</b>	<b>\$ 72,525</b>	<b>\$ 187,033</b>

**Combining Statement Of Revenues, Expenditures And Changes In Fund  
Nonmajor Special Revenue Funds  
For The Year Ended December 31, 2006**

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					LEOFF 1	
			Lake	Lakes		Long
	GeoData	Investment	Lawrence -	Management	Law	Term
	Center	Admin.	L. M. D.	Admin.	Library	Care
<b>Revenues:</b>						
Taxes	\$ -	\$ -	\$ 65,261	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	13,951	-	-	-	-	-
Charges for Services	38,487	-	-	-	91,045	-
Fines & Forfeits	-	-	-	-	-	-
Miscellaneous Revenue	9,027	12,809	594	683	1,202	2,678
<b>Total Revenues</b>	<b>61,465</b>	<b>12,809</b>	<b>65,855</b>	<b>683</b>	<b>92,247</b>	<b>2,678</b>
<b>Expenditures:</b>						
General Government	-	88,325	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-
Public Safety	-	-	-	-	78,217	134,291
Transportation	891,048	-	-	-	-	-
Utilities & Environment	-	-	70,624	16,509	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest & Fiscal Charges	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>891,048</b>	<b>88,325</b>	<b>70,624</b>	<b>16,509</b>	<b>78,217</b>	<b>134,291</b>
<b>Excess (Deficiency) of Revenues</b>						
<b>Over Expenditures</b>	<b>(829,583)</b>	<b>(75,516)</b>	<b>(4,769)</b>	<b>(15,826)</b>	<b>14,030</b>	<b>(131,613)</b>
<b>Other Financing Sources (Uses)</b>						
Capital Lease Financing	-	-	-	-	-	-
Transfers In	830,000	-	-	-	-	30,000
Transfers Out	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>830,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,000</b>
Net Changes In Fund Balances	417	(75,516)	(4,769)	(15,826)	14,030	(101,613)
Fund Balances as of January 1	57,786	347,839	9,605	23,306	41,711	105,930
Prior Period Adjustments	-	-	-	-	-	-
Fund Balances as of January 1 - Restated	57,786	347,839	9,605	23,306	41,711	105,930
<b>Fund Balances as of December 31</b>	<b>\$ 58,203</b>	<b>\$ 272,323</b>	<b>\$ 4,836</b>	<b>\$ 7,480</b>	<b>\$ 55,741</b>	<b>\$ 4,317</b>

**Combining Statement Of Revenues, Expenditures And Changes In Fund  
Nonmajor Special Revenue Funds  
For The Year Ended December 31, 2006**

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	Long Lake - L. M. D.	Noxious Weed Control	Office Of Program And Budget Development	Pacific Mountain Job Training	Parks And Recreation	Prisoner Concession
<b>Revenues:</b>						
Taxes	\$ 184,936	\$ 279,870	\$ 1,310,537	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-	45,074	-
Intergovernmental	-	39,914	1,922,501	6,781,192	136,697	-
Charges for Services	-	57,746	963,433	48,870	566,540	324,542
Fines & Forfeits	-	-	-	-	-	-
Miscellaneous Revenue	3,950	4,303	153,867	80,751	68,981	189,236
<b>Total Revenues</b>	<b>188,886</b>	<b>381,833</b>	<b>4,350,338</b>	<b>6,910,813</b>	<b>817,292</b>	<b>513,778</b>
<b>Expenditures:</b>						
General Government	-	-	335,216	-	-	-
Culture & Recreation	-	-	-	-	1,446,170	-
Economic Environment	-	-	2,205,455	6,909,473	131,037	-
Public Safety	-	-	-	-	-	521,049
Transportation	-	-	48,692	-	-	-
Utilities & Environment	194,023	387,364	329,834	-	-	-
Capital Outlay	-	46,541	-	-	5,718	-
Debt Service:						
Principal	-	-	-	-	2,780	-
Interest & Fiscal Charges	-	-	-	-	521	-
<b>Total Expenditures</b>	<b>194,023</b>	<b>433,905</b>	<b>2,919,197</b>	<b>6,909,473</b>	<b>1,586,226</b>	<b>521,049</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(5,137)</b>	<b>(52,072)</b>	<b>1,431,141</b>	<b>1,340</b>	<b>(768,934)</b>	<b>(7,271)</b>
<b>Other Financing Sources (Uses)</b>						
Capital Lease Financing	-	-	-	-	-	-
Transfers In	-	-	-	-	733,413	-
Transfers Out	-	(2,500)	(390,518)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(2,500)</b>	<b>(390,518)</b>	<b>-</b>	<b>733,413</b>	<b>-</b>
Net Changes In Fund Balances	(5,137)	(54,572)	1,040,623	1,340	(35,521)	(7,271)
Fund Balances as of January 1	39,326	142,377	3,196,697	248,068	290,966	345,590
Prior Period Adjustments	-	-	-	-	-	-
Fund Balances as of January 1 - Restated	39,326	142,377	3,196,697	248,068	290,966	345,590
<b>Fund Balances as of December 31</b>	<b>\$ 34,189</b>	<b>\$ 87,805</b>	<b>\$ 4,237,320</b>	<b>\$ 249,408</b>	<b>\$ 255,445</b>	<b>\$ 338,319</b>

**Combining Statement Of Revenues, Expenditures And Changes In Fund  
Nonmajor Special Revenue Funds  
For The Year Ended December 31, 2006**

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	REET Technology	Road Improvement District No. 2	Roads Development Review	RSN - IRMA - Cowlitz	RSN - IRMA - Grays Harbor	RSN - IRMA - Thurston
<b>Revenues:</b>						
Taxes	\$ 5,410	\$ 80,783	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	119,866	-	-	-
Intergovernmental	43,530	-	7,733	-	-	-
Charges for Services	-	-	314,020	-	-	-
Fines & Forfeits	-	-	-	-	-	-
Miscellaneous Revenue	1,992	31,944	5,822	4,054	2,798	39,953
<b>Total Revenues</b>	<b>50,932</b>	<b>112,727</b>	<b>447,441</b>	<b>4,054</b>	<b>2,798</b>	<b>39,953</b>
<b>Expenditures:</b>						
General Government	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Transportation	-	-	817,309	-	-	-
Utilities & Environment	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	42,556	-	-	-	-
Interest & Fiscal Charges	-	27,637	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>70,193</b>	<b>817,309</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>50,932</b>	<b>42,534</b>	<b>(369,868)</b>	<b>4,054</b>	<b>2,798</b>	<b>39,953</b>
<b>Other Financing Sources (Uses)</b>						
Capital Lease Financing	-	-	-	-	-	-
Transfers In	-	-	336,050	-	-	-
Transfers Out	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>336,050</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Changes In Fund Balances	50,932	42,534	(33,818)	4,054	2,798	39,953
Fund Balances as of January 1	24,046	287,839	145,972	97,124	67,031	951,693
Prior Period Adjustments	-	-	-	-	-	-
Fund Balances as of January 1 - Restated	24,046	287,839	145,972	97,124	67,031	951,693
<b>Fund Balances as of December 31</b>	<b>\$ 74,978</b>	<b>\$ 330,373</b>	<b>\$ 112,154</b>	<b>\$ 101,178</b>	<b>\$ 69,829</b>	<b>\$ 991,646</b>

**Combining Statement Of Revenues, Expenditures And Changes In Fund  
Nonmajor Special Revenue Funds  
For The Year Ended December 31, 2006**

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	Sheriff's Special Programs	South Pattison Lake - L. M. D.	Special Projects	Regional Athletic Complex	Stadium Convention & Arts Center	Tax Refund Fund
<b>Revenues:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 18,542	\$ 2
Licenses & Permits	-	-	-	-	-	-
Intergovernmental	72,853	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines & Forfeits	-	-	-	-	-	-
Miscellaneous Revenue	6,709	246	53,214	1,949	2,330	-
<b>Total Revenues</b>	<b>79,562</b>	<b>246</b>	<b>53,214</b>	<b>1,949</b>	<b>20,872</b>	<b>2</b>
<b>Expenditures:</b>						
General Government	-	-	15,244	-	-	6,346
Culture & Recreation	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-
Public Safety	94,770	-	-	-	-	-
Transportation	-	-	-	-	-	-
Utilities & Environment	-	463	-	-	-	-
Capital Outlay	-	-	823,621	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest & Fiscal Charges	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>94,770</b>	<b>463</b>	<b>838,865</b>	<b>-</b>	<b>-</b>	<b>6,346</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(15,208)</b>	<b>(217)</b>	<b>(785,651)</b>	<b>1,949</b>	<b>20,872</b>	<b>(6,344)</b>
<b>Other Financing Sources (Uses)</b>						
Capital Lease Financing	-	-	-	-	-	-
Transfers In	-	-	31,546	-	-	-
Transfers Out	-	-	(55,456)	-	(10,298)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(23,910)</b>	<b>-</b>	<b>(10,298)</b>	<b>-</b>
Net Changes In Fund Balances	(15,208)	(217)	(809,561)	1,949	10,574	(6,344)
Fund Balances as of January 1	133,337	6,074	1,642,346	112,461	53,108	20
Prior Period Adjustments	-	-	-	-	-	-
Fund Balances as of January 1 - Restated	133,337	6,074	1,642,346	112,461	53,108	20
<b>Fund Balances as of December 31</b>	<b>\$ 118,129</b>	<b>\$ 5,857</b>	<b>\$ 832,785</b>	<b>\$ 114,410</b>	<b>\$ 63,682</b>	<b>\$ (6,324)</b>

**Combining Statement Of Revenues, Expenditures And Changes In Fund  
Nonmajor Special Revenue Funds  
For The Year Ended December 31, 2006  
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	Treasurer's M & O	Trial Court Improvement	Veterans	Victim Advocate Program	WRIA Water & Waste	Total
<b>Revenues:</b>						
Taxes	\$ -	\$ -	\$ 228,675	\$ -	\$ -	\$ 7,270,630
Licenses & Permits	-	-	-	-	-	3,169,685
Intergovernmental	-	21,164	2,941	26,254	8,960	9,535,484
Charges for Services	114,905	-	-	174,786	-	5,062,555
Fines & Forfeits	-	-	-	12,169	-	40,475
Miscellaneous Revenue	2,814	732	8,056	2,615	613	2,869,149
<b>Total Revenues</b>	<b>117,719</b>	<b>21,896</b>	<b>239,672</b>	<b>215,824</b>	<b>9,573</b>	<b>27,947,978</b>
<b>Expenditures:</b>						
General Government	138,706	-	-	-	-	891,365
Culture & Recreation	-	-	-	-	-	2,140,728
Economic Environment	-	-	168,608	-	-	13,603,821
Public Safety	-	-	-	188,725	-	2,828,576
Transportation	-	-	-	-	-	1,757,049
Utilities & Environment	-	-	-	-	11,248	1,123,714
Capital Outlay	-	-	-	-	-	1,575,382
Debt Service:						
Principal	-	-	-	-	-	60,365
Interest & Fiscal Charges	-	-	-	-	-	33,555
<b>Total Expenditures</b>	<b>138,706</b>	<b>-</b>	<b>168,608</b>	<b>188,725</b>	<b>11,248</b>	<b>24,014,555</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(20,987)</b>	<b>21,896</b>	<b>71,064</b>	<b>27,099</b>	<b>(1,675)</b>	<b>3,933,423</b>
<b>Other Financing Sources (Uses)</b>						
Capital Lease Financing	103	-	-	-	-	103
Transfers In	-	-	-	-	-	2,579,403
Transfers Out	-	-	-	-	-	(7,071,755)
<b>Total Other Financing Sources (Uses)</b>	<b>103</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,492,249)</b>
Net Changes In Fund Balances	(20,884)	21,896	71,064	27,099	(1,675)	(558,826)
Fund Balances as of January 1	81,207	5,942	173,152	33,045	22,006	30,088,674
Prior Period Adjustments	-	-	-	135,281	-	263,855
Fund Balances as of January 1 - Restated	81,207	5,942	173,152	168,326	22,006	30,352,529
<b>Fund Balances as of December 31</b>	<b>\$ 60,323</b>	<b>\$ 27,838</b>	<b>\$ 244,216</b>	<b>\$ 195,425</b>	<b>\$ 20,331</b>	<b>\$ 29,793,703</b>



**Anti-Profiteering**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Fines & Forfeits	\$ 100,000	\$ 100,000	\$ 28,155	\$ (71,845)
Miscellaneous Revenue	-	-	110	110
<b>Total Revenues</b>	<b>100,000</b>	<b>100,000</b>	<b>28,265</b>	<b>(71,735)</b>
<b>Expenditures:</b>				
Public Safety	100,000	100,000	-	100,000
<b>Total Expenditures</b>	<b>100,000</b>	<b>100,000</b>	<b>-</b>	<b>100,000</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>-</b>	<b>-</b>	<b>28,265</b>	<b>28,265</b>
Net Changes In Fund Balances	-	-	28,265	28,265
Fund Balances as of January 1	-	402	403	1
<b>Fund Balances as of December 31</b>	<b>\$ -</b>	<b>\$ 402</b>	<b>\$ 28,668</b>	<b>\$ 28,266</b>

**Auditor - Election Reserve**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 125,989	\$ 125,989	\$ 31,237	\$ (94,752)
Miscellaneous Revenue	10,000	10,000	17,699	7,699
<b>Total Revenues</b>	<b>135,989</b>	<b>135,989</b>	<b>48,936</b>	<b>(87,053)</b>
<b>Expenditures:</b>				
General Government	108,092	172,512	149,858	22,654
Capital Outlay	5,000	58,380	35,571	22,809
<b>Total Expenditures</b>	<b>113,092</b>	<b>230,892</b>	<b>185,429</b>	<b>45,463</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>22,897</b>	<b>(94,903)</b>	<b>(136,493)</b>	<b>(41,590)</b>
Net Changes In Fund Balances	22,897	(94,903)	(136,493)	(41,590)
Fund Balances as of January 1	323,494	506,611	506,611	-
<b>Fund Balances as of December 31</b>	<b>\$ 346,391</b>	<b>\$ 411,708</b>	<b>\$ 370,118</b>	<b>\$ (41,590)</b>

**Auditor - M & O**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 124,324	\$ 24,324
Charges for Services	267,000	267,000	352,080	85,080
Miscellaneous Revenue	11,720	11,720	14,069	2,349
<b>Total Revenues</b>	<b>378,720</b>	<b>378,720</b>	<b>490,473</b>	<b>111,753</b>
<b>Expenditures:</b>				
General Government	455,165	418,802	157,472	261,330
Capital Outlay	-	247,363	247,009	354
<b>Total Expenditures</b>	<b>455,165</b>	<b>666,165</b>	<b>404,481</b>	<b>261,684</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(76,445)</b>	<b>(287,445)</b>	<b>85,992</b>	<b>373,437</b>
Net Changes In Fund Balances	(76,445)	(287,445)	85,992	373,437
Fund Balances as of January 1	301,533	723,310	723,310	-
<b>Fund Balances as of December 31</b>	<b>\$ 225,088</b>	<b>\$ 435,865</b>	<b>\$ 809,302</b>	<b>\$ 373,437</b>

**Clerk's Collection**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 150,043	\$ 150,043	\$ 196,193	\$ 46,150
Miscellaneous Revenue	20,000	20,000	13,112	(6,888)
<b>Total Revenues</b>	<b>170,043</b>	<b>170,043</b>	<b>209,305</b>	<b>39,262</b>
<b>Expenditures:</b>				
Public Safety	167,978	167,978	75,514	92,464
Capital Outlay	-	-	14,527	(14,527)
<b>Total Expenditures</b>	<b>167,978</b>	<b>167,978</b>	<b>90,041</b>	<b>77,937</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>2,065</b>	<b>2,065</b>	<b>119,264</b>	<b>117,199</b>
Net Changes In Fund Balances	2,065	2,065	119,264	117,199
Fund Balances as of January 1	196,551	259,922	259,922	-
Prior Period Adjustments	-	-	128,574	128,574
Fund Balances as of January 1 - Restated	196,551	259,922	388,496	128,574
<b>Fund Balances as of December 31</b>	<b>\$ 198,616</b>	<b>\$ 261,987</b>	<b>\$ 507,760</b>	<b>\$ 245,773</b>

**Conservation Futures**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Taxes	\$ 967,008	\$ 967,008	\$ 964,725	\$ (2,283)
Intergovernmental	8,000	8,000	12,348	4,348
Miscellaneous Revenue	101,747	101,747	163,349	61,602
<b>Total Revenues</b>	<b>1,076,755</b>	<b>1,076,755</b>	<b>1,140,422</b>	<b>63,667</b>
<b>Expenditures:</b>				
Culture & Recreation	2,453	2,453	152,453	(150,000)
Capital Outlay	2,500,000	2,500,000	328,500	2,171,500
<b>Total Expenditures</b>	<b>2,502,453</b>	<b>2,502,453</b>	<b>480,953</b>	<b>2,021,500</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(1,425,698)</b>	<b>(1,425,698)</b>	<b>659,469</b>	<b>2,085,167</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	2,000,000	2,000,000	-	(2,000,000)
Transfers Out	(629,613)	(629,613)	(489,653)	139,960
<b>Total Other Financing Sources (Uses)</b>	<b>1,370,387</b>	<b>1,370,387</b>	<b>(489,653)</b>	<b>(1,860,040)</b>
Net Changes In Fund Balances	(55,311)	(55,311)	169,816	225,127
Fund Balances as of January 1	3,408,437	3,751,854	3,751,854	-
<b>Fund Balances as of December 31</b>	<b>\$ 3,353,126</b>	<b>\$ 3,696,543</b>	<b>\$ 3,921,670</b>	<b>\$ 225,127</b>

**Debt Holding - 2004**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Miscellaneous Revenue	\$ 5,040	\$ 5,040	\$ 57,924	\$ 52,884
<b>Total Revenues</b>	<b>5,040</b>	<b>5,040</b>	<b>57,924</b>	<b>52,884</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>5,040</b>	<b>5,040</b>	<b>57,924</b>	<b>52,884</b>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(3,702,040)	(3,702,040)	(547,869)	3,154,171
<b>Total Other Financing Sources (Uses)</b>	<b>(3,702,040)</b>	<b>(3,702,040)</b>	<b>(547,869)</b>	<b>3,154,171</b>
Net Changes In Fund Balances	(3,697,000)	(3,697,000)	(489,945)	3,207,055
Fund Balances as of January 1	3,697,000	3,697,000	1,570,919	(2,126,081)
<b>Fund Balances as of December 31</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,080,974</b>	<b>\$ 1,080,974</b>

**Debt Holding - 2005**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Miscellaneous Revenue	\$ 30,000	\$ 30,000	\$ 37,613	\$ 7,613
<b>Total Revenues</b>	30,000	30,000	37,613	7,613
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	30,000	30,000	37,613	7,613
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(3,150,000)	(3,150,000)	(2,288,848)	861,152
<b>Total Other Financing Sources (Uses)</b>	(3,150,000)	(3,150,000)	(2,288,848)	861,152
Net Changes In Fund Balances	(3,120,000)	(3,120,000)	(2,251,235)	868,765
Fund Balances as of January 1	3,120,000	3,120,000	2,270,132	(849,868)
<b>Fund Balances as of December 31</b>	\$ -	\$ -	\$ 18,897	\$ 18,897

**Detention Facility Sales Tax Holding Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	<b>Original 2006 Budget</b>	<b>Final 2006 Budget</b>	<b>Actual 2006</b>	<b>Variance with Final Budget Positive or (Negative)</b>
<b>Revenues:</b>				
Taxes	\$ 3,710,202	\$ 3,710,202	\$ 4,131,889	\$ 421,687
Fines & Forfeits	-	-	151	151
Miscellaneous Revenue	404,758	404,758	1,443,730	1,038,972
<b>Total Revenues</b>	<b>4,114,960</b>	<b>4,114,960</b>	<b>5,575,770</b>	<b>1,460,810</b>
<b>Expenditures:</b>				
General Government	-	-	198	(198)
Public Safety	35,000	35,000	52,111	(17,111)
<b>Total Expenditures</b>	<b>35,000</b>	<b>35,000</b>	<b>52,309</b>	<b>(17,309)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>4,079,960</b>	<b>4,079,960</b>	<b>5,523,461</b>	<b>1,443,501</b>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(2,747,108)	(2,747,108)	(2,644,573)	102,535
<b>Total Other Financing Sources (Uses)</b>	<b>(2,747,108)</b>	<b>(2,747,108)</b>	<b>(2,644,573)</b>	<b>102,535</b>
Net Changes In Fund Balances	1,332,852	1,332,852	2,878,888	1,546,036
Fund Balances as of January 1	8,000,884	8,366,986	8,366,986	-
<b>Fund Balances as of December 31</b>	<b>\$ 9,333,736</b>	<b>\$ 9,699,838</b>	<b>\$ 11,245,874</b>	<b>\$ 1,546,036</b>



**Development Services**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Licenses & Permits	\$ 3,156,340	\$ 2,955,578	\$ 3,004,745	\$ 49,167
Intergovernmental	-	15,389	23,305	7,916
Charges for Services	2,198,391	1,807,171	1,725,659	(81,512)
Miscellaneous Revenue	90,900	95,900	143,313	47,413
<b>Total Revenues</b>	<b>5,445,631</b>	<b>4,874,038</b>	<b>4,897,022</b>	<b>22,984</b>
<b>Expenditures:</b>				
Economic Environment	3,984,222	4,607,297	4,189,248	418,049
Public Safety	1,404,021	1,506,981	1,442,367	64,614
Utilities & Environment	121,609	127,609	113,649	13,960
Capital Outlay	30,000	112,931	73,895	39,036
Debt Service:				
Principal	10,500	15,679	15,029	650
Interest & Fiscal Charges	6,000	5,747	5,397	350
<b>Total Expenditures</b>	<b>5,556,352</b>	<b>6,376,244</b>	<b>5,839,585</b>	<b>536,659</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(110,721)</b>	<b>(1,502,206)</b>	<b>(942,563)</b>	<b>559,643</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	442,611	442,611	442,611	-
Transfers Out	(1,839,928)	(642,040)	(642,040)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,397,317)</b>	<b>(199,429)</b>	<b>(199,429)</b>	<b>-</b>
Net Changes In Fund Balances	(1,508,038)	(1,701,635)	(1,141,992)	559,643
Fund Balances as of January 1	2,918,737	3,721,141	3,721,391	250
<b>Fund Balances as of December 31</b>	<b>\$ 1,410,699</b>	<b>\$ 2,019,506</b>	<b>\$ 2,579,399</b>	<b>\$ 559,893</b>

**Emergency Management**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Miscellaneous Revenue	400	400	574	174
<b>Total Revenues</b>	<b>1,400</b>	<b>1,400</b>	<b>574</b>	<b>(826)</b>
<b>Expenditures:</b>				
Public Safety	1,150	13,150	7,116	6,034
<b>Total Expenditures</b>	<b>1,150</b>	<b>13,150</b>	<b>7,116</b>	<b>6,034</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>250</b>	<b>(11,750)</b>	<b>(6,542)</b>	<b>5,208</b>
Net Changes In Fund Balances	250	(11,750)	(6,542)	5,208
Fund Balances as of January 1	14,000	15,809	15,809	-
<b>Fund Balances as of December 31</b>	<b>\$ 14,250</b>	<b>\$ 4,059</b>	<b>\$ 9,267</b>	<b>\$ 5,208</b>

**Fair**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 43,000	\$ 43,000	\$ 40,196	\$ (2,804)
Charges for Services	132,550	132,550	122,617	(9,933)
Miscellaneous Revenue	239,737	239,737	260,234	20,497
<b>Total Revenues</b>	<b>415,287</b>	<b>415,287</b>	<b>423,047</b>	<b>7,760</b>
<b>Expenditures:</b>				
Culture & Recreation	562,944	562,944	542,105	20,839
<b>Total Expenditures</b>	<b>562,944</b>	<b>562,944</b>	<b>542,105</b>	<b>20,839</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(147,657)</b>	<b>(147,657)</b>	<b>(119,058)</b>	<b>28,599</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	115,150	115,150	115,150	-
<b>Total Other Financing Sources (Uses)</b>	<b>115,150</b>	<b>115,150</b>	<b>115,150</b>	<b>-</b>
Net Changes In Fund Balances	(32,507)	(32,507)	(3,908)	28,599
Fund Balances as of January 1	65,000	76,183	76,433	250
<b>Fund Balances as of December 31</b>	<b>\$ 32,493</b>	<b>\$ 43,676</b>	<b>\$ 72,525</b>	<b>\$ 28,849</b>

**Family Court Services**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 57,103	\$ 57,103	\$ 61,428	\$ 4,325
Charges for Services	105,300	105,300	136,588	31,288
Miscellaneous Revenue	3,500	3,500	23,500	20,000
<b>Total Revenues</b>	165,903	165,903	221,516	55,613
<b>Expenditures:</b>				
Public Safety	293,979	293,979	234,416	59,563
Capital Outlay	8,000	8,000	-	8,000
Debt Service:				
Principal	7,200	7,200	-	7,200
Interest & Fiscal Charges	2,000	2,000	-	2,000
<b>Total Expenditures</b>	311,179	311,179	234,416	76,763
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(145,276)	(145,276)	(12,900)	132,376
<b>Other Financing Sources (Uses)</b>				
Transfers In	60,633	60,633	60,633	-
<b>Total Other Financing Sources (Uses)</b>	60,633	60,633	60,633	-
Net Changes In Fund Balances	(84,643)	(84,643)	47,733	132,376
Fund Balances as of January 1	93,447	139,300	139,300	-
<b>Fund Balances as of December 31</b>	\$ 8,804	\$ 54,657	\$ 187,033	\$ 132,376

**GeoData Center**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 45,000	\$ 45,000	\$ 13,951	\$ (31,049)
Charges for Services	46,000	46,000	38,487	(7,513)
Miscellaneous Revenue	3,000	3,000	9,027	6,027
<b>Total Revenues</b>	<b>94,000</b>	<b>94,000</b>	<b>61,465</b>	<b>(32,535)</b>
<b>Expenditures:</b>				
Transportation	916,260	916,260	891,048	25,212
<b>Total Expenditures</b>	<b>916,260</b>	<b>916,260</b>	<b>891,048</b>	<b>25,212</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(822,260)</b>	<b>(822,260)</b>	<b>(829,583)</b>	<b>(7,323)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	830,000	830,000	830,000	-
<b>Total Other Financing Sources (Uses)</b>	<b>830,000</b>	<b>830,000</b>	<b>830,000</b>	<b>-</b>
Net Changes In Fund Balances	7,740	7,740	417	(7,323)
Fund Balances as of January 1	-	57,686	57,786	100
<b>Fund Balances as of December 31</b>	<b>\$ 7,740</b>	<b>\$ 65,426</b>	<b>\$ 58,203</b>	<b>\$ (7,223)</b>

**Lake Lawrence - L.M.D.**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Taxes	\$ 67,137	\$ 67,137	\$ 65,261	\$ (1,876)
Miscellaneous Revenue	600	600	594	(6)
<b>Total Revenues</b>	<b>67,737</b>	<b>67,737</b>	<b>65,855</b>	<b>(1,882)</b>
<b>Expenditures:</b>				
Utilities & Environment	72,874	72,874	70,624	2,250
<b>Total Expenditures</b>	<b>72,874</b>	<b>72,874</b>	<b>70,624</b>	<b>2,250</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(5,137)</b>	<b>(5,137)</b>	<b>(4,769)</b>	<b>368</b>
Net Changes In Fund Balances	(5,137)	(5,137)	(4,769)	368
Fund Balances as of January 1	5,137	9,605	9,605	-
<b>Fund Balances as of December 31</b>	<b>\$ -</b>	<b>\$ 4,468</b>	<b>\$ 4,836</b>	<b>\$ 368</b>

**Lake Management Administration**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 11,116	\$ 11,116	\$ -	\$ (11,116)
Miscellaneous Revenue	600	600	683	83
<b>Total Revenues</b>	<b>11,716</b>	<b>11,716</b>	<b>683</b>	<b>(11,033)</b>
<b>Expenditures:</b>				
Utilities & Environment	22,427	22,427	16,509	5,918
<b>Total Expenditures</b>	<b>22,427</b>	<b>22,427</b>	<b>16,509</b>	<b>5,918</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(10,711)</b>	<b>(10,711)</b>	<b>(15,826)</b>	<b>(5,115)</b>
Net Changes In Fund Balances	(10,711)	(10,711)	(15,826)	(5,115)
Fund Balances as of January 1	28,562	23,306	23,306	-
<b>Fund Balances as of December 31</b>	<b>\$ 17,851</b>	<b>\$ 12,595</b>	<b>\$ 7,480</b>	<b>\$ (5,115)</b>

**Law Library**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 68,000	\$ 68,000	\$ 91,045	\$ 23,045
Miscellaneous Revenue	-	-	1,202	1,202
<b>Total Revenues</b>	<b>68,000</b>	<b>68,000</b>	<b>92,247</b>	<b>24,247</b>
<b>Expenditures:</b>				
Public Safety	96,328	96,328	78,217	18,111
<b>Total Expenditures</b>	<b>96,328</b>	<b>96,328</b>	<b>78,217</b>	<b>18,111</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(28,328)</b>	<b>(28,328)</b>	<b>14,030</b>	<b>42,358</b>
Net Changes In Fund Balances	(28,328)	(28,328)	14,030	42,358
Fund Balances as of January 1	28,328	41,711	41,711	-
<b>Fund Balances as of December 31</b>	<b>\$ -</b>	<b>\$ 13,383</b>	<b>\$ 55,741</b>	<b>\$ 42,358</b>



**LEOFF I Long Term Care**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Miscellaneous Revenue	\$ 4,900	\$ 4,900	\$ 2,678	\$ (2,222)
<b>Total Revenues</b>	<b>4,900</b>	<b>4,900</b>	<b>2,678</b>	<b>(2,222)</b>
<b>Expenditures:</b>				
Public Safety	127,437	144,437	134,291	10,146
<b>Total Expenditures</b>	<b>127,437</b>	<b>144,437</b>	<b>134,291</b>	<b>10,146</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(122,537)</b>	<b>(139,537)</b>	<b>(131,613)</b>	<b>7,924</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	30,000	47,000	30,000	(17,000)
<b>Total Other Financing Sources (Uses)</b>	<b>30,000</b>	<b>47,000</b>	<b>30,000</b>	<b>(17,000)</b>
Net Changes In Fund Balances	(92,537)	(92,537)	(101,613)	(9,076)
Fund Balances as of January 1	92,537	105,930	105,930	-
<b>Fund Balances as of December 31</b>	<b>\$ -</b>	<b>\$ 13,393</b>	<b>\$ 4,317</b>	<b>\$ (9,076)</b>

**Long Lake - L.M.D.**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Taxes	\$ 188,000	\$ 188,000	\$ 184,936	\$ (3,064)
Miscellaneous Revenue	550	550	3,950	3,400
<b>Total Revenues</b>	<b>188,550</b>	<b>188,550</b>	<b>188,886</b>	<b>336</b>
<b>Expenditures:</b>				
Utilities & Environment	214,744	259,744	194,023	65,721
<b>Total Expenditures</b>	<b>214,744</b>	<b>259,744</b>	<b>194,023</b>	<b>65,721</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(26,194)</b>	<b>(71,194)</b>	<b>(5,137)</b>	<b>66,057</b>
<b>Other Financing Sources (Uses)</b>				
Capital Lease Financing	-	45,000	-	(45,000)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>45,000</b>	<b>-</b>	<b>(45,000)</b>
Net Changes In Fund Balances	(26,194)	(26,194)	(5,137)	21,057
Fund Balances as of January 1	27,084	39,326	39,326	-
<b>Fund Balances as of December 31</b>	<b>\$ 890</b>	<b>\$ 13,132</b>	<b>\$ 34,189</b>	<b>\$ 21,057</b>

**Noxious Weed Control**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Taxes	\$ 280,029	\$ 280,029	\$ 279,870	\$ (159)
Intergovernmental	16,818	42,643	39,914	(2,729)
Charges for Services	50,643	64,745	57,746	(6,999)
Miscellaneous Revenue	5,101	5,101	4,303	(798)
<b>Total Revenues</b>	<b>352,591</b>	<b>392,518</b>	<b>381,833</b>	<b>(10,685)</b>
<b>Expenditures:</b>				
Utilities & Environment	389,645	429,572	387,364	42,208
Capital Outlay	30,000	30,000	46,541	(16,541)
<b>Total Expenditures</b>	<b>419,645</b>	<b>459,572</b>	<b>433,905</b>	<b>25,667</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(67,054)</b>	<b>(67,054)</b>	<b>(52,072)</b>	<b>14,982</b>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(2,500)	(2,500)	(2,500)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(2,500)</b>	<b>(2,500)</b>	<b>(2,500)</b>	<b>-</b>
Net Changes In Fund Balances	(69,554)	(69,554)	(54,572)	14,982
Fund Balances as of January 1	150,753	142,377	142,377	-
<b>Fund Balances as of December 31</b>	<b>\$ 81,199</b>	<b>\$ 72,823</b>	<b>\$ 87,805</b>	<b>\$ 14,982</b>

**Office Of Program & Budget Development**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Taxes	\$ 1,186,736	\$ 1,186,736	\$ 1,310,537	\$ 123,801
Intergovernmental	2,363,370	2,534,593	1,922,501	(612,092)
Charges for Services	859,416	859,416	963,433	104,017
Miscellaneous Revenue	42,000	42,000	153,867	111,867
<b>Total Revenues</b>	<b>4,451,522</b>	<b>4,622,745</b>	<b>4,350,338</b>	<b>(272,407)</b>
<b>Expenditures:</b>				
General Government	421,787	421,787	335,216	86,571
Economic Environment	2,711,978	3,275,657	2,205,455	1,070,202
Transportation	54,787	54,787	48,692	6,095
Utilities & Environment	387,441	387,441	329,834	57,607
<b>Total Expenditures</b>	<b>3,575,993</b>	<b>4,139,672</b>	<b>2,919,197</b>	<b>1,220,475</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>875,529</b>	<b>483,073</b>	<b>1,431,141</b>	<b>948,068</b>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(374,783)	(429,783)	(390,518)	39,265
<b>Total Other Financing Sources (Uses)</b>	<b>(374,783)</b>	<b>(429,783)</b>	<b>(390,518)</b>	<b>39,265</b>
Net Changes In Fund Balances	500,746	53,290	1,040,623	987,333
Fund Balances as of January 1	2,396,451	3,196,697	3,196,697	-
<b>Fund Balances as of December 31</b>	<b>\$ 2,897,197</b>	<b>\$ 3,249,987</b>	<b>\$ 4,237,320</b>	<b>\$ 987,333</b>

**Pacific Mountain Job Training**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 7,958,322	\$ 7,958,322	\$ 6,781,192	\$ (1,177,130)
Charges for Services	-	-	48,870	48,870
Miscellaneous Revenue	48,000	48,000	80,751	32,751
<b>Total Revenues</b>	8,006,322	8,006,322	6,910,813	(1,095,509)
<b>Expenditures:</b>				
Economic Environment	8,006,322	8,006,322	6,909,473	1,096,849
<b>Total Expenditures</b>	8,006,322	8,006,322	6,909,473	1,096,849
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	-	-	1,340	1,340
Net Changes In Fund Balances	-	-	1,340	1,340
Fund Balances as of January 1	-	233,068	248,068	15,000
<b>Fund Balances as of December 31</b>	\$ -	\$ 233,068	\$ 249,408	\$ 16,340

**Parks & Recreation**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Licenses & Permits	\$ 19,808	\$ 19,808	\$ 45,074	\$ 25,266
Intergovernmental	58,197	49,505	136,697	87,192
Charges for Services	554,016	662,529	566,540	(95,989)
Miscellaneous Revenue	181,063	140,791	68,981	(71,810)
<b>Total Revenues</b>	<b>813,084</b>	<b>872,633</b>	<b>817,292</b>	<b>(55,341)</b>
<b>Expenditures:</b>				
Culture & Recreation	1,568,593	1,606,842	1,446,170	160,672
Economic Environment	119,600	150,918	131,037	19,881
Capital Outlay	102,000	102,000	5,718	96,282
Debt Service:				
Principal	3,000	3,000	2,780	220
Interest & Fiscal Charges	1,050	1,050	521	529
<b>Total Expenditures</b>	<b>1,794,243</b>	<b>1,863,810</b>	<b>1,586,226</b>	<b>277,584</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(981,159)</b>	<b>(991,177)</b>	<b>(768,934)</b>	<b>222,243</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	868,141	868,141	733,413	(134,728)
<b>Total Other Financing Sources (Uses)</b>	<b>868,141</b>	<b>868,141</b>	<b>733,413</b>	<b>(134,728)</b>
Net Changes In Fund Balances	(113,018)	(123,036)	(35,521)	87,515
Fund Balances as of January 1	175,049	290,666	290,966	300
<b>Fund Balances as of December 31</b>	<b>\$ 62,031</b>	<b>\$ 167,630</b>	<b>\$ 255,445</b>	<b>\$ 87,815</b>

**Prisoner Concession**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 282,458	\$ 282,458	\$ 324,542	\$ 42,084
Miscellaneous Revenue	180,790	180,790	189,236	8,446
<b>Total Revenues</b>	<b>463,248</b>	<b>463,248</b>	<b>513,778</b>	<b>50,530</b>
<b>Expenditures:</b>				
Public Safety	524,275	569,951	521,049	48,902
<b>Total Expenditures</b>	<b>524,275</b>	<b>569,951</b>	<b>521,049</b>	<b>48,902</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(61,027)</b>	<b>(106,703)</b>	<b>(7,271)</b>	<b>99,432</b>
Net Changes In Fund Balances	(61,027)	(106,703)	(7,271)	99,432
Fund Balances as of January 1	212,932	345,590	345,590	-
<b>Fund Balances as of December 31</b>	<b>\$ 151,905</b>	<b>\$ 238,887</b>	<b>\$ 338,319</b>	<b>\$ 99,432</b>

**REET Technology**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Taxes	\$ 30,000	\$ 30,000	\$ 5,410	\$ (24,590)
Intergovernmental	55,000	55,000	43,530	(11,470)
Miscellaneous Revenue	-	-	1,992	1,992
<b>Total Revenues</b>	<b>85,000</b>	<b>85,000</b>	<b>50,932</b>	<b>(34,068)</b>
<b>Expenditures:</b>				
General Government	50,000	50,000	-	50,000
<b>Total Expenditures</b>	<b>50,000</b>	<b>50,000</b>	<b>-</b>	<b>50,000</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>35,000</b>	<b>35,000</b>	<b>50,932</b>	<b>15,932</b>
Net Changes In Fund Balances	35,000	35,000	50,932	15,932
Fund Balances as of January 1	-	24,013	24,046	33
<b>Fund Balances as of December 31</b>	<b>\$ 35,000</b>	<b>\$ 59,013</b>	<b>\$ 74,978</b>	<b>\$ 15,965</b>



**Regional Athletic Complex**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 40,000	\$ 40,000	\$ -	\$ (40,000)
Miscellaneous Revenue	500	500	1,949	1,449
<b>Total Revenues</b>	<b>40,500</b>	<b>40,500</b>	<b>1,949</b>	<b>(38,551)</b>
<b>Expenditures:</b>				
Capital Outlay	40,000	40,000	-	40,000
<b>Total Expenditures</b>	<b>40,000</b>	<b>40,000</b>	<b>-</b>	<b>40,000</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>500</b>	<b>500</b>	<b>1,949</b>	<b>1,449</b>
Net Changes In Fund Balances	500	500	1,949	1,449
Fund Balances as of January 1	10,000	112,461	112,461	-
<b>Fund Balances as of December 31</b>	<b>\$ 10,500</b>	<b>\$ 112,961</b>	<b>\$ 114,410</b>	<b>\$ 1,449</b>

**Road Improvement District No. 2**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Taxes	\$ 59,000	\$ 29,000	\$ 80,783	\$ 51,783
Miscellaneous Revenue	25,000	25,000	31,944	6,944
<b>Total Revenues</b>	<b>84,000</b>	<b>54,000</b>	<b>112,727</b>	<b>58,727</b>
<b>Expenditures:</b>				
Debt Service:				
Principal	42,565	42,565	42,556	9
Interest & Fiscal Charges	27,655	27,655	27,637	18
<b>Total Expenditures</b>	<b>70,220</b>	<b>70,220</b>	<b>70,193</b>	<b>27</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>13,780</b>	<b>(16,220)</b>	<b>42,534</b>	<b>58,754</b>
Net Changes In Fund Balances	13,780	(16,220)	42,534	58,754
Fund Balances as of January 1	263,913	287,839	287,839	-
<b>Fund Balances as of December 31</b>	<b>\$ 277,693</b>	<b>\$ 271,619</b>	<b>\$ 330,373</b>	<b>\$ 58,754</b>

**Roads Development Review**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Licenses & Permits	\$ 3,156,340	\$ 2,955,578	\$ 3,004,745	\$ 49,167
Intergovernmental	-	15,389	23,305	7,916
Charges for Services	2,198,391	1,807,171	1,725,659	(81,512)
Miscellaneous Revenue	90,900	95,900	143,313	47,413
<b>Total Revenues</b>	<b>5,445,631</b>	<b>4,874,038</b>	<b>4,897,022</b>	<b>22,984</b>
<b>Expenditures:</b>				
Economic Environment	3,984,222	4,607,297	4,189,248	418,049
Public Safety	1,404,021	1,506,981	1,442,367	64,614
Utilities & Environment	121,609	127,609	113,649	13,960
Capital Outlay	30,000	112,931	73,895	39,036
Debt Service:				
Principal	10,500	15,679	15,029	650
Interest & Fiscal Charges	6,000	5,747	5,397	350
<b>Total Expenditures</b>	<b>5,556,352</b>	<b>6,376,244</b>	<b>5,839,585</b>	<b>536,659</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(110,721)</b>	<b>(1,502,206)</b>	<b>(942,563)</b>	<b>559,643</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	442,611	442,611	442,611	-
Transfers Out	(1,839,928)	(642,040)	(642,040)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,397,317)</b>	<b>(199,429)</b>	<b>(199,429)</b>	<b>-</b>
Net Changes In Fund Balances	(1,508,038)	(1,701,635)	(1,141,992)	559,643
Fund Balances as of January 1	2,918,737	3,721,141	3,721,391	250
<b>Fund Balances as of December 31</b>	<b>\$ 1,410,699</b>	<b>\$ 2,019,506</b>	<b>\$ 2,579,399</b>	<b>\$ 559,893</b>

**R.S.N. - I.R.M.A. - Cowlitz**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Miscellaneous Revenue	\$ 2,000	\$ 2,000	\$ 4,054	\$ 2,054
<b>Total Revenues</b>	2,000	2,000	4,054	2,054
<b>Expenditures:</b>				
Health & Human Services	90,000	90,000	-	90,000
<b>Total Expenditures</b>	90,000	90,000	-	90,000
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(88,000)	(88,000)	4,054	92,054
Net Changes In Fund Balances	(88,000)	(88,000)	4,054	92,054
Fund Balances as of January 1	95,851	97,124	97,124	-
<b>Fund Balances as of December 31</b>	\$ 7,851	\$ 9,124	\$ 101,178	\$ 92,054

**R.S.N. - I.R.M.A. - Grays Harbor**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Miscellaneous Revenue	\$ 1,500	\$ 1,500	\$ 2,798	\$ 1,298
<b>Total Revenues</b>	1,500	1,500	2,798	1,298
<b>Expenditures:</b>				
Health & Human Services	60,000	60,000	-	60,000
<b>Total Expenditures</b>	60,000	60,000	-	60,000
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(58,500)	(58,500)	2,798	61,298
Net Changes In Fund Balances	(58,500)	(58,500)	2,798	61,298
Fund Balances as of January 1	66,272	67,031	67,031	-
<b>Fund Balances as of December 31</b>	\$ 7,772	\$ 8,531	\$ 69,829	\$ 61,298

**R.S.N. - I.R.M.A. - Thurston**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Miscellaneous Revenue	\$ 5,000	\$ 5,000	\$ 39,953	\$ 34,953
<b>Total Revenues</b>	5,000	5,000	39,953	34,953
<b>Expenditures:</b>				
Health & Human Services	925,000	925,000	-	925,000
<b>Total Expenditures</b>	925,000	925,000	-	925,000
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(920,000)	(920,000)	39,953	959,953
Net Changes In Fund Balances	(920,000)	(920,000)	39,953	959,953
Fund Balances as of January 1	941,417	961,969	951,693	(10,276)
<b>Fund Balances as of December 31</b>	\$ 21,417	\$ 41,969	\$ 991,646	\$ 949,677

**Sheriff's Special Programs**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 72,000	\$ 72,000	\$ 72,853	\$ 853
Miscellaneous Revenue	3,842	3,842	6,709	2,867
<b>Total Revenues</b>	<b>75,842</b>	<b>75,842</b>	<b>79,562</b>	<b>3,720</b>
<b>Expenditures:</b>				
Public Safety	108,748	123,748	94,770	28,978
<b>Total Expenditures</b>	<b>108,748</b>	<b>123,748</b>	<b>94,770</b>	<b>28,978</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(32,906)</b>	<b>(47,906)</b>	<b>(15,208)</b>	<b>32,698</b>
Net Changes In Fund Balances	(32,906)	(47,906)	(15,208)	32,698
Fund Balances as of January 1	173,298	133,337	133,337	-
<b>Fund Balances as of December 31</b>	<b>\$ 140,392</b>	<b>\$ 85,431</b>	<b>\$ 118,129</b>	<b>\$ 32,698</b>

**South Pattison Lake - L.M.D.**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Miscellaneous Revenue	\$ 100	\$ 100	\$ 246	\$ 146
<b>Total Revenues</b>	100	100	246	146
<b>Expenditures:</b>				
Utilities & Environment	4,957	4,957	463	4,494
<b>Total Expenditures</b>	4,957	4,957	463	4,494
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(4,857)	(4,857)	(217)	4,640
Net Changes In Fund Balances	(4,857)	(4,857)	(217)	4,640
Fund Balances as of January 1	5,500	6,074	6,074	-
<b>Fund Balances as of December 31</b>	\$ 643	\$ 1,217	\$ 5,857	\$ 4,640



**Special Projects**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Miscellaneous Revenue	\$ 55,000	\$ 55,000	\$ 53,214	\$ (1,786)
<b>Total Revenues</b>	55,000	55,000	53,214	(1,786)
<b>Expenditures:</b>				
General Government	-	-	15,244	(15,244)
Capital Outlay	1,450,287	1,448,559	823,621	624,938
<b>Total Expenditures</b>	1,450,287	1,448,559	838,865	609,694
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,395,287)	(1,393,559)	(785,651)	607,908
<b>Other Financing Sources (Uses)</b>				
Transfers In	241,691	-	31,546	31,546
Transfers Out	(55,456)	(55,456)	(55,456)	-
<b>Total Other Financing Sources (Uses)</b>	186,235	(55,456)	(23,910)	31,546
Net Changes In Fund Balances	(1,209,052)	(1,449,015)	(809,561)	639,454
Fund Balances as of January 1	1,458,070	1,642,346	1,642,346	-
<b>Fund Balances as of December 31</b>	\$ 249,018	\$ 193,331	\$ 832,785	\$ 639,454

**Stadium Convention & Arts Center**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Taxes	\$ 16,000	\$ 16,000	\$ 18,542	\$ 2,542
Miscellaneous Revenue	1,200	1,200	2,330	1,130
<b>Total Revenues</b>	<b>17,200</b>	<b>17,200</b>	<b>20,872</b>	<b>3,672</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>17,200</b>	<b>17,200</b>	<b>20,872</b>	<b>3,672</b>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(10,298)	(10,298)	(10,298)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(10,298)</b>	<b>(10,298)</b>	<b>(10,298)</b>	<b>-</b>
Net Changes In Fund Balances	6,902	6,902	10,574	3,672
Fund Balances as of January 1	50,752	53,108	53,108	-
<b>Fund Balances as of December 31</b>	<b>\$ 57,654</b>	<b>\$ 60,010</b>	<b>\$ 63,682</b>	<b>\$ 3,672</b>

**Trial Court Improvement**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 23,000	\$ 23,000	\$ 21,164	\$ (1,836)
Miscellaneous Revenue	1,425	1,425	732	(693)
<b>Total Revenues</b>	<b>24,425</b>	<b>24,425</b>	<b>21,896</b>	<b>(2,529)</b>
<b>Expenditures:</b>				
Public Safety	29,925	29,925	-	29,925
<b>Total Expenditures</b>	<b>29,925</b>	<b>29,925</b>	<b>-</b>	<b>29,925</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(5,500)</b>	<b>(5,500)</b>	<b>21,896</b>	<b>27,396</b>
Net Changes In Fund Balances	(5,500)	(5,500)	21,896	27,396
Fund Balances as of January 1	5,500	5,925	5,942	17
<b>Fund Balances as of December 31</b>	<b>\$ -</b>	<b>\$ 425</b>	<b>\$ 27,838</b>	<b>\$ 27,413</b>

**Veterans**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Taxes	\$ 205,903	\$ 205,903	\$ 228,675	\$ 22,772
Intergovernmental	3,000	3,000	2,941	(59)
Miscellaneous Revenue	100	100	8,056	7,956
<b>Total Revenues</b>	209,003	209,003	239,672	30,669
<b>Expenditures:</b>				
Economic Environment	208,730	208,730	168,608	40,122
<b>Total Expenditures</b>	208,730	208,730	168,608	40,122
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	273	273	71,064	70,791
Net Changes In Fund Balances	273	273	71,064	70,791
Fund Balances as of January 1	109,373	165,652	173,152	7,500
<b>Fund Balances as of December 31</b>	\$ 109,646	\$ 165,925	\$ 244,216	\$ 78,291

**Victim Advocate Program**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 26,900	\$ 26,254	\$ (646)
Charges for Services	175,000	175,000	174,786	(214)
Fines & Forfeits	5,000	5,000	12,169	7,169
Miscellaneous Revenue	1,000	1,000	2,615	1,615
<b>Total Revenues</b>	<b>181,000</b>	<b>207,900</b>	<b>215,824</b>	<b>7,924</b>
<b>Expenditures:</b>				
Public Safety	178,743	232,530	188,725	43,805
<b>Total Expenditures</b>	<b>178,743</b>	<b>232,530</b>	<b>188,725</b>	<b>43,805</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>2,257</b>	<b>(24,630)</b>	<b>27,099</b>	<b>51,729</b>
Net Changes In Fund Balances	2,257	(24,630)	27,099	51,729
Fund Balances as of January 1	24,500	33,045	33,045	-
Prior Period Adjustments	-	-	135,281	135,281
Fund Balances as of January 1 - Restated	24,500	33,045	168,326	135,281
<b>Fund Balances as of December 31</b>	<b>\$ 26,757</b>	<b>\$ 8,415</b>	<b>\$ 195,425</b>	<b>\$ 187,010</b>

**W.R.I.A. Water & Waste**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 8,960	\$ (91,040)
Miscellaneous Revenue	200	200	613	413
<b>Total Revenues</b>	<b>100,200</b>	<b>100,200</b>	<b>9,573</b>	<b>(90,627)</b>
<b>Expenditures:</b>				
Utilities & Environment	100,558	100,558	11,248	89,310
<b>Total Expenditures</b>	<b>100,558</b>	<b>100,558</b>	<b>11,248</b>	<b>89,310</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(358)</b>	<b>(358)</b>	<b>(1,675)</b>	<b>(1,317)</b>
Net Changes In Fund Balances	(358)	(358)	(1,675)	(1,317)
Fund Balances as of January 1	20,440	22,006	22,006	-
<b>Fund Balances as of December 31</b>	<b>\$ 20,082</b>	<b>\$ 21,648</b>	<b>\$ 20,331</b>	<b>\$ (1,317)</b>

## NONMAJOR DEBT SERVICE FUNDS

Debt service funds are established to account for the accumulation of resources for the payment of principal and interest on general obligation debt. All general obligation debt issues are funded by local option sales taxes and/or real estate excise taxes.

**G. O. Bonds -1997** – A fund that accounts for annual principal and interest payments on general obligation bonds issued in 1997 to acquire and construct various capital projects which includes the: juvenile detention facility, emergency service center, health building, information technology systems, jail facilities and improvements, Sunrise Beach road project, Boston Harbor water/sewer system and the rehabilitation of the County's HVAC system.

**G. O. Bonds - 1998** – A fund that accounts for annual principal and interest payments for the general obligation bonds issued in 1998 for the acquisition of farm land development rights and to construct an emergency dispatch center.

**G. O. Bonds - 2002** – A fund that accounts for annual principal and interest payments for general obligation bonds issued in 2002 for the construction of jail facilities, coroner building and the HVAC system for the courthouse complex.

**G. O. Bonds - 2004** – A fund that accounts for annual principal and interest payments for general obligation bonds issued in 2004 for the acquisition and construction of additional office space, land acquisition for the justice center and for parks, repairs to the juvenile detention facility and for the acquisition of a phone system for the courthouse complex.

**G. O. Bonds - 2005** – A fund that accounts for annual principal and interest payments for general obligation bonds issued in 2005 for a partial advance refunding of outstanding 1997 bonds, an advance refunding of outstanding 1999 bonds and for park acquisition and other capital improvements.

**Combining Balance Sheet**  
**Nonmajor Debt Service Funds**  
**December 31, 2006**

	<b>G. O. Bonds 1997</b>	<b>G. O. Bonds 1998</b>	<b>G. O. Bonds 2002</b>	<b>G. O. Bonds 2004</b>	<b>G. O. Bonds 2005</b>	<b>Total</b>
<b>ASSETS</b>						
<b>Current Assets:</b>						
Cash & Pooled Investments	\$ 30,961	\$ 1,209	\$ 5,861	\$ 65	\$ 2	\$ 38,098
<i>Receivables:</i>						
Accrued Interest & Penalties	511	4	39	24	-	578
<b>Total Assets</b>	<b>\$ 31,472</b>	<b>\$ 1,213</b>	<b>\$ 5,900</b>	<b>\$ 89</b>	<b>\$ 2</b>	<b>\$ 38,676</b>
<b>FUND BALANCES</b>						
Reserved for Debt Service	\$ 31,472	\$ 1,213	\$ 5,900	\$ 89	\$ 2	\$ 38,676
<b>Total Fund Balance</b>	<b>31,472</b>	<b>1,213</b>	<b>5,900</b>	<b>89</b>	<b>2</b>	<b>38,676</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 31,472</b>	<b>\$ 1,213</b>	<b>\$ 5,900</b>	<b>\$ 89</b>	<b>\$ 2</b>	<b>\$ 38,676</b>



**Combining Statement Of Revenues,  
Expenditures And Changes In Fund Balances  
Nonmajor Debt Service Funds  
For The Year Ended December 31, 2006**

	<b>G. O. Bonds 1997</b>	<b>G. O. Bonds 1998</b>	<b>G. O. Bonds 2002</b>	<b>G. O. Bonds 2004</b>	<b>G. O. Bonds 2005</b>	<b>Total</b>
<b>Revenues:</b>						
Miscellaneous Revenue	\$ 1,249	\$ 169	\$ 543	\$ 145	\$ -	\$ 2,106
<b>Total Revenues</b>	1,249	169	543	145	-	2,106
<b>Expenditures:</b>						
Debt Service:						
Principal	1,163,760	242,857	333,596	400,000	100,000	2,240,213
Interest & Fiscal Charges	113,421	19,109	403,626	422,299	862,945	1,821,400
<b>Total Expenditures</b>	1,277,181	261,966	737,222	822,299	962,945	4,061,613
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,275,932)	(261,797)	(736,679)	(822,154)	(962,945)	(4,059,507)
<b>Other Financing Sources (Uses)</b>						
Transfers In	1,276,893	261,966	736,914	822,468	962,947	4,061,188
<b>Total Other Financing Sources (Uses)</b>	1,276,893	261,966	736,914	822,468	962,947	4,061,188
Net Changes In Fund Balances	961	169	235	314	2	1,681
Fund Balances as of January 1	30,511	1,044	5,665	(225)	-	36,995
<b>Fund Balances as of December 31</b>	\$ 31,472	\$ 1,213	\$ 5,900	\$ 89	\$ 2	\$ 38,676

**G. O. Bonds 1997**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Miscellaneous Revenue	\$ 1,000	\$ 1,000	\$ 1,249	\$ 249
<b>Total Revenues</b>	1,000	1,000	1,249	249
<b>Expenditures:</b>				
Debt Service:				
Principal	1,163,765	1,163,765	1,163,760	5
Interest & Fiscal Charges	113,540	113,540	113,421	119
<b>Total Expenditures</b>	1,277,305	1,277,305	1,277,181	124
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,276,305)	(1,276,305)	(1,275,932)	373
<b>Other Financing Sources (Uses)</b>				
Transfers In	1,276,895	1,276,895	1,276,893	(2)
<b>Total Other Financing Sources (Uses)</b>	1,276,895	1,276,895	1,276,893	(2)
Net Changes In Fund Balances	590	590	961	371
Fund Balances as of January 1	30,592	30,511	30,511	-
<b>Fund Balances as of December 31</b>	\$ 31,182	\$ 31,101	\$ 31,472	\$ 371

**G. O. Bonds 1998**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Miscellaneous Revenue	\$ 75	\$ 75	\$ 169	\$ 94
<b>Total Revenues</b>	75	75	169	94
<b>Expenditures:</b>				
Debt Service:				
Principal	242,860	242,860	242,857	3
Interest & Fiscal Charges	24,300	24,300	19,109	5,191
<b>Total Expenditures</b>	267,160	267,160	261,966	5,194
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(267,085)	(267,085)	(261,797)	5,288
<b>Other Financing Sources (Uses)</b>				
Transfers In	267,160	267,160	261,966	(5,194)
<b>Total Other Financing Sources (Uses)</b>	267,160	267,160	261,966	(5,194)
Net Changes In Fund Balances	75	75	169	94
Fund Balances as of January 1	1,000	1,044	1,044	-
<b>Fund Balances as of December 31</b>	\$ 1,075	\$ 1,119	\$ 1,213	\$ 94

**G. O. Bonds 2002**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Miscellaneous Revenue	\$ 100	\$ 100	\$ 543	\$ 443
<b>Total Revenues</b>	100	100	543	443
<b>Expenditures:</b>				
Debt Service:				
Principal	333,600	333,600	333,596	4
Interest & Fiscal Charges	403,720	403,720	403,626	94
<b>Total Expenditures</b>	737,320	737,320	737,222	98
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(737,220)	(737,220)	(736,679)	541
<b>Other Financing Sources (Uses)</b>				
Transfers In	737,220	737,220	736,914	(306)
<b>Total Other Financing Sources (Uses)</b>	737,220	737,220	736,914	(306)
Net Changes In Fund Balances	-	-	235	235
Fund Balances as of January 1	5,710	5,665	5,665	-
<b>Fund Balances as of December 31</b>	\$ 5,710	\$ 5,665	\$ 5,900	\$ 235

**G. O. Bonds 2004**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Miscellaneous Revenue	\$ -	\$ -	\$ 145	\$ 145
<b>Total Revenues</b>	-	-	145	145
<b>Expenditures:</b>				
Debt Service:				
Principal	400,000	400,000	400,000	-
Interest & Fiscal Charges	422,400	422,400	422,299	101
<b>Total Expenditures</b>	822,400	822,400	822,299	101
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(822,400)	(822,400)	(822,154)	246
<b>Other Financing Sources (Uses)</b>				
Transfers In	822,400	822,400	822,468	68
<b>Total Other Financing Sources (Uses)</b>	822,400	822,400	822,468	68
Net Changes In Fund Balances	-	-	314	314
Fund Balances as of January 1	2,000	-	(225)	(225)
<b>Fund Balances as of December 31</b>	\$ 2,000	\$ -	\$ 89	\$ 89

**G. O. Bonds 2005**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Expenditures:</b>				
Debt Service:				
Principal	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Interest & Fiscal Charges	863,140	863,140	862,945	195
<b>Total Expenditures</b>	<b>963,140</b>	<b>963,140</b>	<b>962,945</b>	<b>195</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(963,140)</b>	<b>(963,140)</b>	<b>(962,945)</b>	<b>195</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	963,140	963,140	962,947	(193)
<b>Total Other Financing Sources (Uses)</b>	<b>963,140</b>	<b>963,140</b>	<b>962,947</b>	<b>(193)</b>
Net Changes In Fund Balances	-	-	2	2
<b>Fund Balances as of December 31</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2</b>	<b>\$ 2</b>

## NONMAJOR CAPITAL PROJECT FUNDS

Capital project funds are established to account for financial resources used for the acquisition of systems and equipment as well as the acquisition or construction of major capital facilities. All capital project funds are funded by bond proceeds, local option sales taxes and/or real estate excise taxes.

**County Buildings** – A fund established to acquire, construct and repair a broad range of capital projects for Thurston County.

**Evaluation and Treatment Triage Facility** – A fund established to account for the construction of a facility to treat persons acutely impacted by mental illness or substance abuse.

**Jail Capital Projects** – A fund that accounts for the planning and design of a community corrections and assessment center and for the construction of a minimum bed jail facility.

**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**December 31, 2006**

	County Buildings Fund	Evaluation & Treatment Triage Facility	Jail Capital Projects	Total
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash & Pooled Investments	\$ 8,031,169	\$ 1,429,239	\$ 9,766	\$ 9,470,174
<i>Receivables:</i>				
Accrued Interest & Penalties	108,973	30,511	143	139,627
Due from Other Funds	97,629	-	85,108	182,737
<b>Total Assets</b>	<b>\$ 8,237,771</b>	<b>\$ 1,459,750</b>	<b>\$ 95,017</b>	<b>\$ 9,792,538</b>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts Payable	\$ 62,864	\$ 108,718	\$ 65,332	\$ 236,914
Due to Other Funds	46,154	127	7,759	54,040
<b>Total Liabilities</b>	<b>109,018</b>	<b>108,845</b>	<b>73,091</b>	<b>290,954</b>
<b>FUND BALANCES</b>				
Unreserved - Undesignated	8,128,753	1,350,905	21,926	9,501,584
<b>Total Fund Balance</b>	<b>8,128,753</b>	<b>1,350,905</b>	<b>21,926</b>	<b>9,501,584</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 8,237,771</b>	<b>\$ 1,459,750</b>	<b>\$ 95,017</b>	<b>\$ 9,792,538</b>



**Combining Statement Of Revenues,  
Expenditures And Changes In Fund Balances  
Nonmajor Capital Projects Funds  
For The Year Ended December 31, 2006**

	County Buildings Fund	Evaluation & Treatment Triage Facility	Jail Capital Projects	Total
<b>Revenues:</b>				
Charges for Services	\$ 4,690	\$ -	\$ 20,246	\$ 24,936
Miscellaneous Revenue	2,433,272	61,828	947	2,496,047
<b>Total Revenues</b>	<b>2,437,962</b>	<b>61,828</b>	<b>21,193</b>	<b>2,520,983</b>
<b>Expenditures:</b>				
General Government	524,200	-	-	524,200
Health & Human Services	-	81,409	-	81,409
Public Safety	-	-	77,196	77,196
Utilities & Environment	74,813	-	-	74,813
Capital Outlay	2,834,282	54,253	164,863	3,053,398
<b>Total Expenditures</b>	<b>3,433,295</b>	<b>135,662</b>	<b>242,059</b>	<b>3,811,016</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(955,333)</b>	<b>(73,834)</b>	<b>(220,866)</b>	<b>(1,290,033)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	2,667,999	-	219,123	2,887,122
Transfers Out	(107,722)	-	-	(107,722)
<b>Total Other Financing Sources (Uses)</b>	<b>2,560,277</b>	<b>-</b>	<b>219,123</b>	<b>2,779,400</b>
Net Changes In Fund Balances	1,564,944	(73,834)	(1,743)	1,489,367
Fund Balances as of January 1	6,563,809	1,424,739	23,669	8,012,217
<b>Fund Balances as of December 31</b>	<b>\$ 8,128,753</b>	<b>\$ 1,350,905</b>	<b>\$ 21,926</b>	<b>\$ 9,501,584</b>

**County Buildings Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Charges for Services	\$ -	\$ -	\$ 4,690	\$ 4,690
Miscellaneous Revenue	86,962	86,962	2,433,272	2,346,310
<b>Total Revenues</b>	86,962	86,962	2,437,962	2,351,000
<b>Expenditures:</b>				
General Government	78,296	111,504	524,200	(412,696)
Utilities & Environment	75,000	75,000	74,813	187
Capital Outlay	9,276,751	9,183,962	2,834,282	6,349,680
<b>Total Expenditures</b>	9,430,047	9,370,466	3,433,295	5,937,171
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(9,343,085)	(9,283,504)	(955,333)	8,288,171
<b>Other Financing Sources (Uses)</b>				
Capital Lease Financing	-	2,200,000	-	(2,200,000)
Transfers In	4,045,320	4,078,528	2,667,999	(1,410,529)
Transfers Out	(14,933)	(107,722)	(107,722)	-
<b>Total Other Financing Sources (Uses)</b>	4,030,387	6,170,806	2,560,277	(3,610,529)
Net Changes In Fund Balances	(5,312,698)	(3,112,698)	1,564,944	4,677,642
Fund Balances as of January 1	5,371,964	6,563,809	6,563,809	-
<b>Fund Balances as of December 31</b>	\$ 59,266	\$ 3,451,111	\$ 8,128,753	\$ 4,677,642

**Evaluation & Treatment Triage Facility**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	<b>Original 2006 Budget</b>	<b>Final 2006 Budget</b>	<b>Actual 2006</b>	<b>Variance with Final Budget Positive or (Negative)</b>
<b>Revenues:</b>				
Miscellaneous Revenue	\$ 25,000	\$ 25,000	\$ 61,828	\$ 36,828
<b>Total Revenues</b>	<b>25,000</b>	<b>25,000</b>	<b>61,828</b>	<b>36,828</b>
<b>Expenditures:</b>				
Health & Human Services	21,200	21,200	81,409	(60,209)
Capital Outlay	765,600	765,600	54,253	711,347
<b>Total Expenditures</b>	<b>786,800</b>	<b>786,800</b>	<b>135,662</b>	<b>651,138</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(761,800)</b>	<b>(761,800)</b>	<b>(73,834)</b>	<b>687,966</b>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(30,000)	(30,000)	-	30,000
<b>Total Other Financing Sources (Uses)</b>	<b>(30,000)</b>	<b>(30,000)</b>	<b>-</b>	<b>30,000</b>
Net Changes In Fund Balances	(791,800)	(791,800)	(73,834)	717,966
Fund Balances as of January 1	1,300,000	1,424,739	1,424,739	-
<b>Fund Balances as of December 31</b>	<b>\$ 508,200</b>	<b>\$ 632,939</b>	<b>\$ 1,350,905</b>	<b>\$ 717,966</b>

**Jail Capital Projects**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**  
***For The Year Ended December 31, 2006***

	Original 2006 Budget	Final 2006 Budget	Actual 2006	Variance with Final Budget Positive or (Negative)
<b>Revenues:</b>				
Charges for Services	\$ -	\$ -	\$ 20,246	\$ 20,246
Miscellaneous Revenue	-	-	947	947
<b>Total Revenues</b>	-	-	21,193	21,193
<b>Expenditures:</b>				
Public Safety	81,043	81,043	77,196	3,847
Capital Outlay	876,720	876,720	164,863	711,857
<b>Total Expenditures</b>	957,763	957,763	242,059	715,704
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(957,763)	(957,763)	(220,866)	736,897
<b>Other Financing Sources (Uses)</b>				
Transfers In	957,763	957,763	219,123	(738,640)
<b>Total Other Financing Sources (Uses)</b>	957,763	957,763	219,123	(738,640)
Net Changes In Fund Balances	-	-	(1,743)	(1,743)
Fund Balances as of January 1	-	23,669	23,669	-
<b>Fund Balances as of December 31</b>	\$ -	\$ 23,669	\$ 21,926	\$ (1,743)

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## NONMAJOR ENTERPRISE FUNDS

Enterprise funds are established to account for the financing of goods and services provided by Thurston County to the County's residents and customers primarily through user charges on a cost reimbursement basis. All enterprise utilities and programs are funded by user fees and charges except for the Storm Water Utility which is funded by storm water tax assessments and except for Utility Planning which is funded by real estate excise taxes and interfund service payments.

**Boston Harbor Utility** – For funds established to account for the maintenance and operation of the Boston Harbor water and wastewater systems.

**Community Loan Programs** – For funds established to account for the operation of loan programs for Thurston County residents to upgrade and improve failing septic systems.

**Olympic View Utility** – For funds established to account for the maintenance and operation of the Olympic View wastewater system.

**Storm and Surface Water Utility** – For funds established to account for costs associated with storm water run-off within the utility's boundaries within the unincorporated sections of Thurston County.

**Tamoshan Utility** – For funds established to account for the maintenance and operation of the Tamoshan water and wastewater system and the wastewater system serving Beverly Beach.

**Combining Statement Of Net Assets**  
**Nonmajor Enterprise Funds**  
**December 31, 2006**

ASSETS	Boston Harbor Utility	Community Loan Programs	Olympic View Utility	Storm & Surface Water Utility	Tamoshan Utility	Utilities Planning	Total
<b>Current Assets:</b>							
Cash & Pooled Investments	\$ 134,558	\$ 370,039	\$ 43,462	\$ 1,404,679	\$ 14,563	\$ 11,683	\$ 1,978,984
<i>Receivables:</i>							
Special Assessment Receivables	29,000	-	1,200	61,496	3,000	-	94,696
Accrued Interest & Penalties	18,892	4,379	934	20,548	2,370	199	47,322
Customer Account Receivables	22,485	-	-	-	14,589	-	37,074
Due From Other Funds	161	-	-	8,945	-	-	9,106
Due From Other Government Units	236	-	-	103,476	-	-	103,712
<i>Restricted Assets:</i>							
Cash and Pooled Investments	157,603	-	34,503	-	256,734	-	448,840
Investments at Cost	961,314	-	-	-	-	-	961,314
<b>Long-Term Assets:</b>							
Deferred Charges	2,560	-	-	-	-	-	2,560
Community Loans Receivable	-	132,977	-	-	-	-	132,977
Special Assessment Receivables	84,749	-	16,845	-	1,145,771	-	1,247,365
Advances to Other Funds	-	-	-	45,000	-	-	45,000
Capital Assets	6,371,792	-	65,802	6,099,459	2,242,325	1,525	14,780,903
Accumulated Depreciation	(3,675,086)	-	(64,068)	(1,126,218)	(273,542)	(1,525)	(5,140,439)
<b>Total Assets</b>	<b>4,108,264</b>	<b>507,395</b>	<b>98,678</b>	<b>6,617,385</b>	<b>3,405,810</b>	<b>11,882</b>	<b>14,749,414</b>
<b>LIABILITIES</b>							
<b>Current Liabilities:</b>							
Accounts Payable	15,960	15	183	34,917	2,051	-	53,126
Notes Payable	85,138	29,602	5,822	-	87,823	-	208,385
Due To Other Funds	30,343	-	1,284	129,615	17,903	9,355	188,500
<i>Restricted Liabilities:</i>							
Lim.Tax G.O.Bond-Current Portion	110,000	-	-	-	-	-	110,000
<b>Long-Term Liabilities:</b>							
Limited G.O. Bonds Payable	409,302	-	-	-	-	-	409,302
Intergovernmental Loans & Contracts Payable	127,160	430,662	52,395	-	1,271,601	-	1,881,818
Advances From Other Funds	-	-	-	-	8,300	-	8,300
<b>Total Liabilities</b>	<b>777,903</b>	<b>460,279</b>	<b>59,684</b>	<b>164,532</b>	<b>1,387,678</b>	<b>9,355</b>	<b>2,859,431</b>
<b>NET ASSETS</b>							
Invested in Capital Assets, Net Of Related Debt	1,965,106	-	-	4,973,241	609,359	-	7,547,706
<b>Restricted For:</b>							
Debt Service	522,225	-	-	-	48,279	-	570,504
Unrestricted (Deficit)	843,030	47,116	38,994	1,479,612	1,360,494	2,527	3,771,773
<b>Total Net Assets</b>	<b>\$ 3,330,361</b>	<b>\$ 47,116</b>	<b>\$ 38,994</b>	<b>\$ 6,452,853</b>	<b>\$ 2,018,132</b>	<b>\$ 2,527</b>	<b>\$11,889,983</b>

**Combining Statement Of Revenues,  
Expenses And Changes In Fund Net Assets  
Nonmajor Enterprise Funds  
For The Year Ended December 31, 2006**

	Boston Harbor Utility	Community Loan Programs	Olympic View Utility	Storm & Surface Water Utility	Tamoshan Utility	Utilities Planning	Total
<b>Operating Revenues:</b>							
Charges for Services	\$ 259,490	\$ -	\$ 15,838	\$ 1,476,349	\$ 137,907	\$ -	\$ 1,889,584
Interfund Contributions	-	-	-	8,945	-	18,377	27,322
Miscellaneous	1,162	-	-	1,255	2,720	-	5,137
<b>Total Operating Revenues</b>	<b>260,652</b>	<b>-</b>	<b>15,838</b>	<b>1,486,549</b>	<b>140,627</b>	<b>18,377</b>	<b>1,922,043</b>
<b>Operating Expenses:</b>							
Salaries and Benefits	186,436	-	11,996	747,709	98,100	53,419	1,097,660
Other Supplies and Expenses	18,045	-	2,513	86,128	14,574	40	121,300
Contractual Services	27,441	772	1,203	127,805	26,156	4,707	188,084
Interfund Services and Charges	30,252	-	1,886	184,740	10,304	402	227,584
Depreciation/Amortization	306,155	-	1,734	248,546	44,561	-	600,996
<b>Total Operating Expenses</b>	<b>568,329</b>	<b>772</b>	<b>19,332</b>	<b>1,394,928</b>	<b>193,695</b>	<b>58,568</b>	<b>2,235,624</b>
<b>Operating Income (Loss)</b>	<b>(307,677)</b>	<b>(772)</b>	<b>(3,494)</b>	<b>91,621</b>	<b>(53,068)</b>	<b>(40,191)</b>	<b>(313,581)</b>
<b>Nonoperating Revenue (Expenses):</b>							
Interest Revenue	52,347	20,782	4,653	67,797	11,836	280	157,695
Other Nonoperating Revenue (Expense)	130,394	-	(424)	(8,490)	(3,579)	-	117,901
Interest Expense & Fiscal Charges	(33,988)	(14,510)	(3,202)	-	(1,632)	-	(53,332)
<b>Total Nonoperating Revenue (Expense)</b>	<b>148,753</b>	<b>6,272</b>	<b>1,027</b>	<b>59,307</b>	<b>6,625</b>	<b>280</b>	<b>222,264</b>
<b>Income Before Contributions and Transfers:</b>	<b>(158,924)</b>	<b>5,500</b>	<b>(2,467)</b>	<b>150,928</b>	<b>(46,443)</b>	<b>(39,911)</b>	<b>(91,317)</b>
Transfers In (Out)	-	-	-	-	-	40,000	40,000
<b>Change in Net Assets</b>	<b>(158,924)</b>	<b>5,500</b>	<b>(2,467)</b>	<b>150,928</b>	<b>(46,443)</b>	<b>89</b>	<b>(51,317)</b>
Net Assets as of January 1	3,489,285	41,616	41,461	6,301,925	2,064,575	2,438	11,941,300
<b>Net Assets as of December 31</b>	<b>\$ 3,330,361</b>	<b>\$ 47,116</b>	<b>\$ 38,994</b>	<b>\$ 6,452,853</b>	<b>\$ 2,018,132</b>	<b>\$ 2,527</b>	<b>\$ 11,889,983</b>



**Combining Statement Of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For The Year Ended December 31, 2006**  
**Page 1 of 2**

	<b>Boston Harbor Utility</b>	<b>Community Loan Programs</b>	<b>Olympic View Utility</b>	<b>Storm &amp; Surface Water Utility</b>	<b>Tamoshan Utility</b>	<b>Utilities Planning</b>	<b>Total</b>
<b>Cash Flows from</b>							
<b>Operating Activities:</b>							
Cash Received from Customers	\$ 259,764	\$ 1,614	\$ 15,838	\$ 1,477,604	\$ 139,089	\$ 18,377	\$ 1,912,286
Cash Paid for Goods & Services	(75,616)	(773)	(5,760)	(426,196)	(50,358)	(5,149)	(563,852)
Cash Paid to Employees	(163,926)	(1,614)	(11,168)	(658,396)	(83,018)	(44,084)	(962,206)
Net Cash Provided (Used)							
by Operating Activities	20,222	(773)	(1,090)	393,012	5,713	(30,856)	386,228
<b>Cash Flows from</b>							
<b>Noncapital Financing Activities:</b>							
Operating Transfers In	-	-	-	550,000	-	40,000	590,000
Operating Transfers Out	-	-	-	(550,000)	-	-	(550,000)
Grant Proceeds	19,607	-	-	115,177	-	-	134,784
Receipts On Community Loans	-	15,351	-	-	-	-	15,351
Payments On Community Loans	-	(20,051)	-	-	-	-	(20,051)
Tax Payments	(7,267)	-	(424)	(14,123)	(3,579)	-	(25,393)
Net Cash Provided (Used)							
by Noncapital Financing Activities	12,340	(4,700)	(424)	101,054	(3,579)	40,000	144,691
<b>Cash Flows from Capital &amp;</b>							
<b>Related Financing Activities:</b>							
Sales/Dispositions Of Capital Assets	(6,048)	-	-	-	-	-	(6,048)
Capital Asset Acquisitions	-	-	-	(706,067)	-	-	(706,067)
Bond/Loan Payments	(183,239)	-	(5,821)	(45,000)	(87,825)	-	(321,885)
Bond/Loan Proceeds	-	-	-	-	8,300	-	8,300
Grant Proceeds	117,996	-	-	-	-	-	117,996
Assessment Receipts	51,142	-	4,504	(17,335)	111,510	-	149,821
Interest Payments	(34,841)	(14,510)	(3,202)	-	(1,632)	-	(54,185)
Net Cash Provided (Used) by							
Capital & Related Financing Activities	(54,990)	(14,510)	(4,519)	(768,402)	30,353	-	(812,068)
<b>Cash Flows from</b>							
<b>Investing Activities:</b>							
Interest Receipts	57,401	18,753	4,242	59,727	10,682	247	151,052
Net Cash Provided (Used)							
by Investing Activities	57,401	18,753	4,242	59,727	10,682	247	151,052
<b>Net Increase (Decrease) in</b>							
<b>Cash &amp; Cash Equivalents</b>	34,973	(1,230)	(1,791)	(214,609)	43,169	9,391	(130,097)
Cash & Cash							
Equivalents as of January 1	1,218,502	371,269	79,756	1,619,288	228,128	2,292	3,519,235
<b>Cash &amp; Cash</b>							
<b>Equivalents as of December 31</b>	\$ 1,253,475	\$ 370,039	\$ 77,965	\$ 1,404,679	\$ 271,297	\$ 11,683	\$ 3,389,138

**Combining Statement Of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For The Year Ended December 31, 2006**  
**Page 2 of 2**

	Boston Harbor Utility	Community Loan Programs	Olympic View Utility	Storm & Surface Water Utility	Tamoshan Utility	Utilities Planning	Total
<b>Reconciliation of Operating Income</b>							
<b>To Net Cash Provided (Used)</b>							
<b>by Operating Income:</b>							
Operating Income	\$ (307,677)	\$ (772)	\$ (3,494)	\$ 91,621	\$ (53,068)	\$ (40,191)	\$ (313,581)
<b>Adjustments to Reconcile</b>							
<b>Operating Income to</b>							
<b>Net Cash Provided (Used)</b>							
<b>by Operating Activities:</b>							
Depreciation Expense	306,155	-	1,734	248,546	44,561	-	600,996
<b>(Increase) Decrease in:</b>							
Customer Account Receivables	(727)	-	-	-	(1,538)	-	(2,265)
Due from Other Funds	(161)	1,614	-	(8,945)	-	-	(7,492)
<b>Increase (Decrease) in:</b>							
Accounts Payable	122	(1)	(158)	(27,523)	676	-	(26,884)
Due to Other Funds	22,510	(1,614)	828	89,313	15,082	9,335	135,454
Due to Other Government Units	-	-	-	-	-	-	-
<b>Total Adjustments</b>	<b>327,899</b>	<b>(1)</b>	<b>2,404</b>	<b>301,391</b>	<b>58,781</b>	<b>9,335</b>	<b>699,809</b>
<b>Net Cash Provided (Used)</b>							
<b>by Operating Activities</b>	<b>\$ 20,222</b>	<b>\$ (773)</b>	<b>\$ (1,090)</b>	<b>\$ 393,012</b>	<b>\$ 5,713</b>	<b>\$ (30,856)</b>	<b>\$ 386,228</b>
<b>Noncash Investing, Capital, and</b>							
<b>Financing Activities:</b>							
Loss on Purchase/Sale of Fixed Assets	\$ -	\$ -	\$ -	\$ (99,168)	\$ -	\$ -	\$ (99,168)

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## INTERNAL SERVICE FUNDS

Internal service funds are established to account for the financing of goods and services provided by one department, agency, or government unit to other departments, agencies or other government units on a cost reimbursement basis. All internal service funds are funded by user fees and charges except for Communications which is funded primarily by sales and excise taxes.

**Central Services** – A fund established to use technology and building usage, maintenance and service charges to maintain, acquire and service equipment and facilities and to provide associated services including computer operations, micrographics, central mailing and custodial cleaning and maintenance services.

**Communications** – A fund that uses primarily sales and excise taxes to finance an intergovernmental agency that provides countywide emergency communication services within Thurston County.

**Enterprise Administration** – A fund established to use administrative, payroll and benefit charges to finance and to account for administrative, payroll and benefit costs for utility funds managed by the Department of Water & Waste Management.

**Enterprise Engineering** – A fund established to use charges for professional engineering and technical services to finance engineering and technical services provided to utility funds managed by the Department of Water & Waste Management.

**Equipment Rental and Revolving** – Funds established to use equipment usage and replacement charges to finance the maintenance, operation and acquisition of the County's vehicles and equipment.

**Insurance Risk Management** – A fund established to use risk service charges to finance the costs of insurance coverage for Thurston County.

**Benefits Administration** – A fund that accounts for and services employee benefit costs.

**Unemployment Compensation** – A self insured fund that accounts for and services unemployment claim settlements and decisions from former County employees.

**Combining Statement Of Net Assets**  
**Internal Service Funds**  
**December 31, 2006**  
**Page 1 of 2**

ASSETS	Central Services	Communi - cations	Enterprise Admin	Enterprise Engineering	Equipment Rental & Revolv.
<b>Current Assets:</b>					
Cash & Pooled Investments	\$ 955,879	\$ 2,632,128	\$ -	\$ 84,884	\$ 13,175,778
<i>Receivables:</i>					
Accrued Interest & Penalties	-	18,878	-	139	147,695
Customer Account Receivables	1,185	8,555	-	-	-
Due From Other Funds	49,435	197	594,005	52,544	176,747
Due From Other Government Units	-	9,573	-	-	19,542
Inventory	-	-	-	-	192,727
Prepayments	84,667	391,180	-	-	-
<b>Long-Term Assets:</b>					
Capital Assets	4,139,768	6,535,268	32,460	1,661	18,246,013
Accumulated Depreciation	(3,313,066)	(3,837,967)	(7,858)	(277)	(10,981,475)
<b>Total Assets</b>	<b>1,917,868</b>	<b>5,757,812</b>	<b>618,607</b>	<b>138,951</b>	<b>20,977,027</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts Payable	252,502	89,713	352,783	5,064	122,355
Notes Payable	8,480	234,792	5,257	-	-
Due To Other Funds	7,656	2,001	4,484	111,600	155,939
Lim.Tax G.O.Bond-Current Portion	-	125,951	-	-	-
Unearned Revenue	-	8,800	-	-	-
<b>Long-Term Liabilities:</b>					
Compensated Absences Payable	296,179	200,157	279,101	-	96,455
Claims and Judgments Payable	-	-	-	-	-
Intergovernmental Loans & Contracts Payable	9,378	505,681	15,449	-	-
<b>Total Liabilities</b>	<b>574,195</b>	<b>1,167,095</b>	<b>657,074</b>	<b>116,664</b>	<b>374,749</b>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net Of Related Debt	817,324	2,065,669	9,153	1,384	7,264,538
Unrestricted (Deficit)	526,349	2,525,048	(47,620)	20,903	13,337,740
<b>Total Net Assets</b>	<b>\$ 1,343,673</b>	<b>\$ 4,590,717</b>	<b>\$ (38,467)</b>	<b>\$ 22,287</b>	<b>\$ 20,602,278</b>

**Combining Statement Of Net Assets**  
**Internal Service Funds**  
**December 31, 2006**  
**Page 2 of 2**

ASSETS	Insurance Risk Management	Benefits Admin	Unempl. Comp.	Total
<b>Current Assets:</b>				
Cash & Pooled Investments	\$ 3,792,849	\$ 867,110	\$ 1,717,531	\$ 23,226,159
<i>Receivables:</i>				
Accrued Interest & Penalties	-	8,622	17,309	192,643
Customer Account Receivables	-	-	100,306	110,046
Due From Other Funds	-	-	-	872,928
Due From Other Government Units	-	-	-	29,115
Inventory	-	-	-	192,727
Prepayments	-	-	-	475,847
<b>Long-Term Assets:</b>				
Capital Assets	6,933	-	-	28,962,103
Accumulated Depreciation	(6,933)	-	-	(18,147,576)
<b>Total Assets</b>	3,792,849	875,732	1,835,146	35,913,992
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts Payable	32,062	1,242	-	855,721
Notes Payable	-	-	-	248,529
Due To Other Funds	-	-	-	281,680
Lim.Tax G.O.Bond-Current Portion	-	-	-	125,951
Unearned Revenue	-	-	-	8,800
<b>Long-Term Liabilities:</b>				
Compensated Absences Payable	44,862	4,504	7,626	928,884
Claims and Judgments Payable	3,367,586	-	-	3,367,586
Intergovernmental Loans & Contracts Payable	-	-	-	530,508
<b>Total Liabilities</b>	3,444,510	5,746	7,626	6,347,659
<b>NET ASSETS</b>				
Invested in Capital Assets, Net Of Related Debt	-	-	-	10,158,068
Unrestricted (Deficit)	348,339	869,986	1,827,520	19,408,265
<b>Total Net Assets</b>	\$ 348,339	\$ 869,986	\$ 1,827,520	\$ 29,566,333

**Combining Statement Of Revenues,  
Expenses And Changes In Fund Net Assets  
Internal Service Funds  
For The Year Ended December 31, 2006  
Page 1 of 2**

	Central Services	Communi - Cations	Enterprise Admin	Enterprise Engineering	Equipment Rental & Revolv.
<b>Operating Revenues:</b>					
Charges for Services	\$ 14,302	\$ 313,539	\$ 101	\$ 13,420	\$ -
Equipment Rental	-	-	-	-	5,265,201
Interfund Contributions	7,751,890	181,825	3,578,891	735,138	-
Miscellaneous	9,590	5,599	785	-	3,299
<b>Total Operating Revenues</b>	<b>7,775,782</b>	<b>500,963</b>	<b>3,579,777</b>	<b>748,558</b>	<b>5,268,500</b>
<b>Operating Expenses:</b>					
Salaries and Benefits	3,940,490	3,943,030	3,284,307	668,964	922,789
Other Supplies and Expenses	321,414	188,891	66,962	12,469	1,938,543
Contractual Services	3,606,482	721,308	21,130	10,048	85,605
Interfund Services and Charges	396,532	341,835	277,028	37,578	283,079
Depreciation/Amortization	177,789	508,651	3,144	277	1,776,124
Claims Payments	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>8,442,707</b>	<b>5,703,715</b>	<b>3,652,571</b>	<b>729,336</b>	<b>5,006,140</b>
<b>Operating Income (Loss)</b>	<b>(666,925)</b>	<b>(5,202,752)</b>	<b>(72,794)</b>	<b>19,222</b>	<b>262,360</b>
<b>Nonoperating Revenue (Expenses):</b>					
Interest Revenue	-	102,316	1,827	(810)	513,163
Other Nonoperating Revenue (Expense)	(29,332)	5,828,841	-	-	68,342
Interest Expense & Fiscal Charges	(880)	(59,065)	(566)	-	-
<b>Total Nonoperating Revenue (Expense)</b>	<b>(30,212)</b>	<b>5,872,092</b>	<b>1,261</b>	<b>(810)</b>	<b>581,505</b>
<b>Income Before Contributions and Transfers:</b>	<b>(697,137)</b>	<b>669,340</b>	<b>(71,533)</b>	<b>18,412</b>	<b>843,865</b>
Capital Contributions	145,409	59,509	-	-	61,439
Transfers In (Out)	2,164	-	-	-	155,777
<b>Change in Net Assets</b>	<b>(549,564)</b>	<b>728,849</b>	<b>(71,533)</b>	<b>18,412</b>	<b>1,061,081</b>
Net Assets as of January 1	1,893,237	3,861,868	33,066	3,875	19,541,197
<b>Net Assets as of December 31</b>	<b>\$ 1,343,673</b>	<b>\$ 4,590,717</b>	<b>\$ (38,467)</b>	<b>\$ 22,287</b>	<b>\$ 20,602,278</b>

**Combining Statement Of Revenues,  
Expenses And Changes In Fund Net Assets  
Internal Service Funds  
For The Year Ended December 31, 2006  
Page 2 of 2**

	Insurance Risk Management	Benefits Admin	Unempl. Comp.	Total
<b>Operating Revenues:</b>				
Charges for Services	\$ -	\$ -	\$ -	\$ 341,362
Equipment Rental	-	-	-	5,265,201
Interfund Contributions	2,378,701	211,173	390,792	15,228,410
Miscellaneous	41	-	-	19,314
<b>Total Operating Revenues</b>	<b>2,378,742</b>	<b>211,173</b>	<b>390,792</b>	<b>20,854,287</b>
<b>Operating Expenses:</b>				
Salaries and Benefits	258,535	120,574	147,897	13,286,586
Other Supplies and Expenses	17,330	4,762	-	2,550,371
Contractual Services	544,518	7,709	-	4,996,800
Interfund Services and Charges	79,394	-	-	1,415,446
Depreciation/Amortization	1,271	-	-	2,467,256
Claims Payments	1,008,863	-	-	1,008,863
<b>Total Operating Expenses</b>	<b>1,909,911</b>	<b>133,045</b>	<b>147,897</b>	<b>25,725,322</b>
<b>Operating Income (Loss)</b>	<b>468,831</b>	<b>78,128</b>	<b>242,895</b>	<b>(4,871,035)</b>
<b>Nonoperating Revenue (Expenses):</b>				
Interest Revenue	-	33,361	66,349	716,206
Other Nonoperating Revenue (Expense)	-	-	-	5,867,851
Interest Expense & Fiscal Charges	(379)	(379)	-	(61,269)
<b>Total Nonoperating Revenue (Expense)</b>	<b>(379)</b>	<b>32,982</b>	<b>66,349</b>	<b>6,522,788</b>
<b>Income Before Contributions and Transfers:</b>	<b>468,452</b>	<b>111,110</b>	<b>309,244</b>	<b>1,651,753</b>
Capital Contributions	-	-	-	266,357
Transfers In (Out)	-	-	-	157,941
<b>Change in Net Assets</b>	<b>468,452</b>	<b>111,110</b>	<b>309,244</b>	<b>2,076,051</b>
Net Assets as of January 1	(120,113)	758,876	1,518,276	27,490,282
<b>Net Assets as of December 31</b>	<b>\$ 348,339</b>	<b>\$ 869,986</b>	<b>\$ 1,827,520</b>	<b>\$ 29,566,333</b>



**Combining Statement Of Cash Flows**  
**Internal Service Funds**  
**For The Year Ended December 31, 2006**  
**Page 1 of 4**

	Central Services	Communi - Cations	Enterprise Admin	Enterprise Engineering	Equipment Rental & Revolv.
<b>Cash Flows from Operating Activities:</b>					
Cash Received from Customers	\$ 7,760,059	\$ 484,179	\$ 3,098,863	\$ 715,988	\$ 5,081,001
Cash Paid for Goods & Services	(4,267,932)	(1,613,274)	(32,274)	(55,031)	(2,238,485)
Cash Paid to Employees	(3,915,466)	(3,923,942)	(3,252,434)	(575,322)	(915,373)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(423,339)</b>	<b>(5,053,037)</b>	<b>(185,845)</b>	<b>85,635</b>	<b>1,927,143</b>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Operating Transfers In	87,386	-	-	-	305,777
Operating Transfers Out	(85,222)	-	-	-	(150,000)
Tax and Assessment Receipts	-	5,834,007	-	-	-
Insurance Recoveries	-	-	-	-	19,340
Tax Payments	(8,544)	-	-	-	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(6,380)</b>	<b>5,834,007</b>	<b>-</b>	<b>-</b>	<b>175,117</b>
<b>Cash Flows from Capital &amp; Related Financing Activities:</b>					
Sales/Dispositions Of Capital Assets	(19,629)	3,635	(26,639)	-	14,863
Capital Asset Acquisitions	(35,891)	(118,081)	(1,107)	(1,661)	(1,352,595)
Bond/Loan Payments	17,858	(413,486)	20,706	-	-
Contributed Capital	-	33,737	-	-	-
Interest Payments	(880)	(59,065)	(566)	-	-
<b>Net Cash Provided (Used) by Capital &amp; Related Financing Activities</b>	<b>(38,542)</b>	<b>(553,260)</b>	<b>(7,606)</b>	<b>(1,661)</b>	<b>(1,337,732)</b>
<b>Cash Flows from Investing Activities:</b>					
Interest Receipts	-	90,110	1,827	(644)	447,741
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>-</b>	<b>90,110</b>	<b>1,827</b>	<b>(644)</b>	<b>447,741</b>
<b>Net Increase (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(468,261)</b>	<b>317,820</b>	<b>(191,624)</b>	<b>83,330</b>	<b>1,212,269</b>
Cash & Cash Equivalents as of January 1	1,424,140	2,314,308	191,624	1,554	11,963,509
<b>Cash &amp; Cash Equivalents as of December 31</b>	<b>\$ 955,879</b>	<b>\$ 2,632,128</b>	<b>\$ -</b>	<b>\$ 84,884</b>	<b>\$ 13,175,778</b>

**Combining Statement Of Cash Flows**  
**Internal Service Funds**  
**For The Year Ended December 31, 2006**

**Page 2 of 4**

	Insurance Risk Management	Benefits Admin	Unempl. Comp.	Total
<b>Cash Flows from Operating Activities:</b>				
Cash Received from Customers	\$ 2,378,742	\$ 211,173	\$ 384,830	\$ 20,114,835
Cash Paid for Goods & Services	(1,798,053)	(11,255)	-	(10,016,304)
Cash Paid to Employees	(249,580)	(119,240)	(172,929)	(13,124,286)
Net Cash Provided (Used) by Operating Activities	331,109	80,678	211,901	(3,025,755)
<b>Cash Flows from Noncapital Financing Activities:</b>				
Operating Transfers In	-	-	-	393,163
Operating Transfers Out	-	-	-	(235,222)
Tax and Assessment Receipts	-	-	-	5,834,007
Insurance Recoveries	-	-	-	19,340
Tax Payments	-	-	-	(8,544)
Net Cash Provided (Used) by Noncapital Financing Activities	-	-	-	6,002,744
<b>Cash Flows from Capital &amp; Related Financing Activities:</b>				
Sales/Dispositions Of Capital Assets	-	-	-	(27,770)
Capital Asset Acquisitions	-	-	-	(1,509,335)
Bond/Loan Payments	-	-	-	(374,922)
Contributed Capital	-	-	-	33,737
Interest Payments	(379)	(379)	-	(61,269)
Net Cash Provided (Used) by Capital & Related Financing Activities	(379)	(379)	-	(1,939,559)
<b>Cash Flows from Investing Activities:</b>				
Interest Receipts	-	29,170	57,936	626,140
Net Cash Provided (Used) by Investing Activities	-	29,170	57,936	626,140
<b>Net Increase (Decrease) in Cash &amp; Cash Equivalents</b>	330,730	109,469	269,837	1,663,570
Cash & Cash Equivalents as of January 1	3,462,119	757,641	1,447,694	21,562,589
<b>Cash &amp; Cash Equivalents as of December 31</b>	\$ 3,792,849	\$ 867,110	\$ 1,717,531	\$ 23,226,159

**Combining Statement Of Cash Flows**  
**Internal Service Funds**  
**For The Year Ended December 31, 2006**  
**Page 3 of 4**

	Central Services	Communi - Cations	Enterprise Admin	Enterprise Engineering	Equipment Rental & Revolv.
<b>Reconciliation of Operating Income To</b>					
<b>Net Cash Provided (Used) by Operating Income:</b>					
Operating Income	\$ (666,925)	\$ (5,202,752)	\$ (72,794)	\$ 19,222	\$ 262,360
<b>Adjustments to Reconcile Operating Income to</b>					
<b>Net Cash Provided (Used) by Operating Activities:</b>					
Depreciation Expense	177,789	508,651	3,144	277	1,776,124
<b>(Increase) Decrease in:</b>					
Customer Account Receivables	3,099	(7,321)	-	-	-
Due from Other Funds	(21,239)	110	(480,914)	(32,570)	(167,957)
Due from Other Government Units	2,417	(9,573)	-	-	(19,542)
Inventories	-	-	-	-	(23,051)
Prepaid Expense	-	(375,730)	-	-	-
<b>Increase (Decrease) in:</b>					
Accounts Payable	79,689	12,736	332,846	5,064	(61,624)
Due to Other Funds	(23,193)	1,754	3,294	93,642	153,417
Claims and Judgments	-	-	-	-	-
Compensated Absences Payable	25,024	19,088	28,579	-	7,416
<b>Total Adjustments</b>	<b>243,586</b>	<b>149,715</b>	<b>(113,051)</b>	<b>66,413</b>	<b>1,664,783</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (423,339)</b>	<b>\$ (5,053,037)</b>	<b>\$ (185,845)</b>	<b>\$ 85,635</b>	<b>\$ 1,927,143</b>

**Noncash Investing, Capital, and**

**Financing Activities:**

Gain on Purchase/Sale Of Fixed Assets	\$ -	\$ 0	\$ -	\$ -	\$ 44,530
Contribution of Capital Assets	\$ 145,409	\$ 59,509	\$ -	\$ -	\$ 61,439

**Combining Statement Of Cash Flows**  
**Internal Service Funds**  
**For The Year Ended December 31, 2006**  
**Page 4 of 4**

	Insurance Risk Management	Benefits Admin	Unempl. Comp.	Total
<b>Reconciliation of Operating Income To</b>				
<b>Net Cash Provided (Used) by Operating Income:</b>				
Operating Income	\$ 468,831	\$ 78,128	\$ 242,895	\$ (4,871,035)
<b>Adjustments to Reconcile Operating Income to</b>				
<b>Net Cash Provided (Used) by Operating Activities:</b>				
Depreciation Expense	1,271	-	-	2,467,256
<b>(Increase) Decrease in:</b>				
Customer Account Receivables	-	-	(5,962)	(10,184)
Due from Other Funds	-	-	-	(702,570)
Due from Other Government Units	-	-	-	(26,698)
Inventories	-	-	-	(23,051)
Prepaid Expense	-	-	-	(375,730)
<b>Increase (Decrease) in:</b>				
Accounts Payable	(10,279)	1,216	-	359,648
Due to Other Funds	(255)	-	-	228,659
Claims and Judgments	(137,414)	-	-	(137,414)
Compensated Absences Payable	8,955	1,334	(25,032)	65,364
<b>Total Adjustments</b>	(137,722)	2,550	(30,994)	1,845,280
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 331,109</b>	<b>\$ 80,678</b>	<b>\$ 211,901</b>	<b>\$ (3,025,755)</b>

**Noncash Investing, Capital, and  
Financing Activities:**

Gain on Purchase/Sale Of Fixed Assets	\$ -	\$ -	\$ -	\$ 44,530
Contribution of Capital Assets	\$ -	\$ -	\$ -	266,357

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## FIDUCIARY FUNDS

Fiduciary funds are used to account for monies held by Thurston County as an agent or trustee. Amounts held for other governmental units are invested in Thurston County's Investment Pool. Amounts are also held for private parties within the Clerk's expendable trust fund. These amounts were reported in the Statement of Fiduciary Net Assets and Statement Changes in Fiduciary Net Assets.

The County also manages five other agency funds, as noted below, with deposits and activities that are held in suspense prior to transfer and distribution to other governmental units, private parties or the County.

**Payroll and Claims Clearing** – A fund used to process payroll and claims expenditures for County funds prior to disbursement to other private parties and governmental units.

**Refunded GO Bonds** – A fund used to account for refunded bonds in which the trustee remits monies to the County and the County then remits a portion of the balance to the fiscal agent for debt service payments.

**Taxes & Refunds Pending** – A fund used to hold primarily tax refunds prior to distribution to the appropriate party.

**Treasurer's Fiscal Agent** – Funds deposited with the County's fiscal agent for debt service payments.

**Treasurer's Trust** – A fund used to hold primarily advance and partial payments on taxes in suspense prior to distribution to the appropriate account.

**Combining Statement of Fiduciary Net Assets**  
**Agency Funds**  
**December 31, 2006**

ASSETS	Payroll & Claims Clearing	Refunded GO Bonds	Taxes and Refunds Pending	Treasurer's Fiscal Agent	Treasurer's Trust	Total
<b>Assets:</b>						
Cash & Pooled Investments	\$ 17,793,286	\$ -	\$ 112,490	\$ -	\$ -	\$ 17,905,776
Cash and Investments in Trust	-	-	-	-	491,744	491,744
Cash and Deposits with Fiscal Agent	-	-	-	175,000	-	175,000
Total Assets	\$ 17,793,286	\$ -	\$ 112,490	\$ 175,000	\$ 491,744	\$ 18,572,520
<b>LIABILITIES</b>						
<b>Liabilities:</b>						
Warrant Payable	\$ 15,563,039	\$ -	\$ -	\$ -	\$ -	\$ 15,563,039
Accounts Payable	292,821	-	112,490	-	-	405,311
Payroll Payable	1,937,426	-	-	-	-	1,937,426
Due to Other Governments	-	-	-	175,000	491,744	666,744
Total Liabilities	\$ 17,793,286	\$ -	\$ 112,490	\$ 175,000	\$ 491,744	\$ 18,572,520

**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For The Year Ended December 31, 2006**  
**Page 1 of 2**

	Balance January 1- Restated	Additions	Deductions	Balance December 31
<b><u>Payroll &amp; Claims Clearing</u></b>				
Cash, Cash Equivalents & Pooled Investments	\$ 15,276,924	\$ 686,508,441	\$ 683,992,079	\$ 17,793,286
Total Assets	\$ 15,276,924	\$ 686,508,441	\$ 683,992,079	\$ 17,793,286
Warrants Payable	13,345,320	503,565,880	501,348,161	15,563,039
Accounts Payable	193,184	91,225,244	91,125,607	292,821
Payroll Payable	1,738,420	91,717,317	91,518,311	1,937,426
Total Liabilities	\$ 15,276,924	\$ 686,508,441	\$ 683,992,079	\$ 17,793,286

<b><u>Refunded GO Bonds</u></b>				
Cash, Cash Equivalents & Pooled Investments	\$ 2,059,493	\$ 50,312	\$ 2,109,805	\$ -
Accrued Interest Receivables	15,215	14,778	29,993	-
Total Assets	\$ 2,074,708	\$ 65,090	\$ 2,139,798	\$ -
Notes Payable	95,000	-	95,000	-
Due to Other Government Units	1,979,708	156,779	2,136,487	-
Total Liabilities	\$ 2,074,708	\$ 156,779	\$ 2,231,487	\$ -

<b><u>Taxes &amp; Refunds Pending</u></b>				
Cash, Cash Equivalents & Pooled Investments	\$ 48,028	\$ 229,526,882	\$ 229,462,420	\$ 112,490
Total Assets	\$ 48,028	\$ 229,526,882	\$ 229,462,420	\$ 112,490
Warrants Payable	-	-	-	-
Accounts Payable	48,028	239,081,514	239,017,052	112,490
Total Liabilities	\$ 48,028	\$ 239,081,514	\$ 239,017,052	\$ 112,490



**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For The Year Ended December 31, 2006**  
**Page 2 of 2**

	Balance January 1- Restated	Additions	Deductions	Balance December 31
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**Treasurer's Fiscal Agent**

Cash, Cash Equivalents & Pooled Investments	\$ 110,064	\$ 31,408,319	\$ 31,343,383	\$ 175,000
Total Assets	<u>\$ 110,064</u>	<u>\$ 31,408,319</u>	<u>\$ 31,343,383</u>	<u>\$ 175,000</u>
Due to Other Government Units	110,064	31,408,319	31,343,383	175,000
Total Liabilities	<u>\$ 110,064</u>	<u>\$ 31,408,319</u>	<u>\$ 31,343,383</u>	<u>\$ 175,000</u>

**Treasurer's Trust**

Cash, Cash Equivalents & Pooled Investments	\$ 446,014	\$ 1,140,485	\$ 1,094,755	\$ 491,744
Total Assets	<u>\$ 446,014</u>	<u>\$ 1,140,485</u>	<u>\$ 1,094,755</u>	<u>\$ 491,744</u>
Due to Other Government Units	446,014	1,140,485	1,094,755	491,744
Total Liabilities	<u>\$ 446,014</u>	<u>\$ 1,140,485</u>	<u>\$ 1,094,755</u>	<u>\$ 491,744</u>

**Total Agency Funds**

Cash, Cash Equivalents & Pooled Investments	\$ 17,940,523	\$ 948,634,439	\$ 948,002,442	\$ 18,572,520
Accrued Interest Receivables	15,215	14,778	29,993	-
Total Assets	<u>\$ 17,955,738</u>	<u>\$ 948,649,217</u>	<u>\$ 948,032,435</u>	<u>\$ 18,572,520</u>
Warrants Payable	13,345,320	503,565,880	501,348,161	15,563,039
Accounts Payable	241,212	330,306,758	330,142,659	405,311
Payroll Payable	1,738,420	91,717,317	91,518,311	1,937,426
Notes Payable	95,000	-	95,000	-
Due to Other Government Units	2,535,786	32,705,583	34,574,625	666,744
Total Liabilities	<u>\$ 17,955,738</u>	<u>\$ 958,295,538</u>	<u>\$ 957,678,756</u>	<u>\$ 18,572,520</u>

Thurston County, Washington 2006

MCAG NO. 0170

THURSTON COUNTY

Schedule 16

**Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2006**

Grantor Pass-Through Grantor Program Title	CFDA #	Current Year Expenditures	Notes
<b>OFFICE OF NATIONAL DRUG CONTROL</b>			
<u>PASSED THRU Employment Security</u>			
NW HIDTA-High Intensity Drug Trafficking Area	07.000	\$25,300	Note 5
<b><u>TOTAL FOR OFFICE OF NATIONAL DRUG CONTROL</u></b>		<b><u>\$25,300</u></b>	
<b>OFFICE OF NATIONAL DRUG CONTROL POLICY</b>			
<u>PASSED THRU Wa State Patrol</u>			
Domestic Highway Interdiction Program Support	07.000	\$9,214	Note 4/5
<b><u>TOTAL FOR OFFICE OF NATIONAL DRUG CONTROL POLICY</u></b>		<b><u>\$9,214</u></b>	
<b>DEPARTMENT OF AGRICULTURE</b>			
<u>PASSED THRU Department of Social &amp; Health Services</u>			
Food Stamp Act of 1977	10.551	\$276	
<u>PASSED THRU Superintendent of Public Instruction</u>			
National School Breakfast Program	10.553	\$25,832	
<u>PASSED THRU Superintendent of Public Instruction</u>			
National School Lunch Program	10.555	\$368	Note 2/3
National School Lunch Program	10.555	\$34,040	
<b>TOTAL CFDA NUMBER</b>		<b>\$34,408</b>	
<u>PASSED THRU Department of Health</u>			
WIC-Special Supplemental Nutrition Program	10.557	\$330,432	
<b><u>TOTAL FOR DEPARTMENT OF AGRICULTURE</u></b>		<b><u>\$390,949</u></b>	
<b>DEPARTMENT OF DEFENSE</b>			
<u>PASSED THRU DIRECT</u>			
Military Forest Yield	12.999	\$135,761	Note 5
<b><u>TOTAL FOR DEPARTMENT OF DEFENSE</u></b>		<b><u>\$135,761</u></b>	
<b>DEPARTMENT OF JUSTICE</b>			
<u>PASSED THRU Juvenile Rehabilitation Admin</u>			
Juvenile Accountability Block Grant (JAIBG)	16.523	\$5,449	Note 2
Juvenile Accountability Block Grant (JAIBG)	16.523	\$10,720	Note 2

The Accompanying Notes To The Schedule Of Expenditures Of Federal Awards Are An Integral Part Of This Schedule.

Thurston County, Washington 2006

MCAG NO. 0170

**THURSTON COUNTY**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2006**

Schedule 16

Grantor Pass-Through Grantor Program Title	CFDA #	Current Year Expenditures	Notes
<b>TOTAL CFDA NUMBER</b>		<b>\$16,169</b>	
<u>PASSED THRU Office of Financial Management</u> National Criminal History Improvement Program	16.554	\$17,855	Note 2
<u>PASSED THRU Community Trade &amp; Economic Development</u> Crime Victim Assistance (VOCA)	16.575	\$152,322	Note 2
<u>PASSED THRU Community Trade &amp; Economic Development</u> Edward Byrne Memorial Grant	16.579	\$28,689	Note 4
<u>PASSED THRU Office of Justice Programs</u> Drug Court Discretionary Grant	16.585	\$107,550	
<u>PASSED THRU Community Trade &amp; Economic Development</u> Violence Against Women Formula Grant (STOP)	16.588	\$7,848	Note 2
Violence Against Women Formula Grant (STOP)	16.588	\$27,253	Note 2
Violence Against Women Formula Grant (STOP)	16.588	\$10,400	Note 4
<b>TOTAL CFDA NUMBER</b>		<b>\$45,501</b>	
<u>PASSED THRU Community Trade &amp; Economic Development</u> Residential Substance Abuse Treatment	16.593	\$54,843	Note 2
Residential Substance Abuse Treatment	16.593	\$24,996	Note 2
<b>TOTAL CFDA NUMBER</b>		<b>\$79,839</b>	
<u>PASSED THRU DIRECT</u> Community Capacity Development (Weed/Seed)	16.595	\$181,641	
Community Capacity Development (Weed/Seed)	16.595	\$51,284	
<b>TOTAL CFDA NUMBER</b>		<b>\$232,925</b>	
<u>PASSED THRU Office of Justice Programs</u> Criminal Alien Assistance (SCAPP)	16.606	\$59,461	
<u>PASSED THRU Association of Sheriffs &amp; Police Chiefs</u> Public Safety Partnership & Community Policing	16.710	\$40,220	
Public Safety Partnership & Community Policing	16.710	\$2,049	
<b>TOTAL CFDA NUMBER</b>		<b>\$42,268</b>	
<u>PASSED THRU Community Trade &amp; Economic Development</u> Justice Assistance Grant	16.738	\$30,644	Note 4
<u>PASSED THRU DIRECT</u> Justice Assistance Grant	16.738	\$27,100	
Justice Assistance Grant	16.738	\$30,203	Note 2
<b>TOTAL CFDA NUMBER</b>		<b>\$87,947</b>	
<u>PASSED THRU Community Trade &amp; Economic Development</u> Paul Coverdell Forensic Sciences Grant	16.742	\$37,285	

The Accompanying Notes To The Schedule Of Expenditures Of Federal Awards Are An Integral Part Of This Schedule.

Thurston County, Washington 2006

MCAG NO. 0170

THURSTON COUNTY

Schedule 16

**Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2006**

Grantor Pass-Through Grantor Program Title	CFDA #	Current Year Expenditures	Notes
<b><u>TOTAL FOR DEPARTMENT OF JUSTICE</u></b>		<b><u>\$907,810</u></b>	
<b>DEPARTMENT OF LABOR</b>			
<u>PASSED THRU Employment Security Department</u>			
Employment Svc Wagner-Peyser Funded Activities	17.207	\$33,324	
Employment Svc Wagner-Peyser Funded Activities	17.207	\$14,591	
<b>TOTAL CFDA NUMBER</b>		<b>\$47,915</b>	
<u>PASSED THRU King County Workforce Development Council</u>			
Senior Community Svce Employment Program 06	17.235	\$12,998	
Senior Community Svce Employment Program 05	17.235	\$35,229	
<b>TOTAL CFDA NUMBER</b>		<b>\$48,227</b>	
<u>PASSED THRU Employment Security Department</u>			
WIA Adult Program Shared Costs	17.258	\$292,976	
WIA Adult Program FY07	17.258	\$518,766	
WIA Adult Program FY06	17.258	\$637,908	
<b>TOTAL CFDA NUMBER</b>		<b>\$1,449,650</b>	
<u>PASSED THRU Employment Security Department</u>			
WIA Youth Activities PY05	17.259	\$819,320	
WIA Youth Activities PY06	17.259	\$509,477	
WIA Youth Activities Shared Costs	17.259	\$292,976	Note 4
<b>TOTAL CFDA NUMBER</b>		<b>\$1,621,773</b>	
<u>PASSED THRU Employment Security Department</u>			
WIA Dislocated Worker-Additional Assistance 06	17.260	\$35,265	
WIA Dislocated Worker-Weyerhaeuser/Simpson	17.260	\$357,327	
WIA Dislocated Worker-Shared Costs	17.260	\$292,976	Note 4
WIA Dislocated Worker-Weyerhaeuser Pulp Mill	17.260	\$110,667	
WIA Dislocated Worker-Qualex/Simpson	17.260	\$73,564	
WIA Dislocated Worker FY07	17.260	\$729,848	
WIA Dislocated Worker FY06	17.260	\$963,468	
WIA Dislocated Worker-Additional Assistance 05	17.260	\$231,265	
<b>TOTAL CFDA NUMBER</b>		<b>\$2,794,378</b>	
<u>PASSED THRU Community Transportatin Assoc of America</u>			
WIA Pilots, Demonstrations, & Research Projects	17.261	\$63,576	
<u>PASSED THRU DIRECT</u>			
Homeless Veterans Reintegration Project	17.805	\$3,890	
<b><u>TOTAL FOR DEPARTMENT OF LABOR</u></b>		<b><u>\$6,029,409</u></b>	

The Accompanying Notes To The Schedule Of Expenditures Of Federal Awards Are An Integral Part Of This Schedule. .



Thurston County, Washington 2006

MCAG NO. 0170

THURSTON COUNTY

Schedule 16

**Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2006**

Grantor Pass-Through Grantor Program Title	CFDA #	Current Year Expenditures	Notes
<b>DEPARTMENT OF THE INTERIOR</b>			
<u>PASSED THRU Fish &amp; Wildlife Service</u> Fish & Wildlife Management Assistance	15.608	\$31,768	Note 2
<u>PASSED THRU Fish &amp; Wildlife Service</u> Restoration of Lackamas Creek	15.FFB	\$50,000	Note 5
<b>TOTAL FOR DEPARTMENT OF THE INTERIOR</b>		<b>\$81,768</b>	
<b>Housing &amp; Urban Development</b>			
<u>PASSED THRU Community Trade &amp; Economic Development</u> Community Development Block Grant-Devoe	14.228	\$282,783	
Community Development Block Grant-Public Svce	14.228	\$125,837	
Community Development Block Grant-Rehab	14.228	\$139,822	
Community Development Block Grant-Mud Bay	14.228	\$415,972	
<u>PASSED THRU DIRECT</u> Community Development Block Grants-HOME 05	14.228	\$740,141	
Community Development Block Grants-HOME 06	14.228	\$47,923	
Community Development Block Grants-HOME 04	14.228	\$86,752	
Community Development Block Grants-HOME 03	14.228	\$83,865	
<b>TOTAL CFDA NUMBER</b>		<b>\$1,923,095</b>	
<b>TOTAL FOR Housing &amp; Urban Development</b>		<b>\$1,923,095</b>	
<b>FEDERAL HIGHWAY ADMINISTRATION</b>			
<u>PASSED THRU Department of Transportation</u> Highway Planning & Construction	20.205	\$210,800	
Highway Planning & Construction	20.205	\$20,692	
Highway Planning & Construction	20.205	\$117,750	
Highway Planning & Construction	20.205	\$141,852	
Highway Planning & Construction	20.205	\$5,028	
Highway Planning & Construction	20.205	\$8,103	
Highway Planning & Construction	20.205	\$713,301	
Highway Planning & Construction	20.205	\$13,350	
Highway Planning & Construction	20.205	\$978,927	
<b>TOTAL CFDA NUMBER</b>		<b>\$2,209,803</b>	
<b>TOTAL FOR FEDERAL HIGHWAY ADMINISTRATION</b>		<b>\$2,209,803</b>	
<b>Nat'l Highway Safety Administration</b>			
<u>PASSED THRU State Traffic Safety Commission</u> State & Community Highway Safety	20.600	\$927	Note 4

The Accompanying Notes To The Schedule Of Expenditures Of Federal Awards Are An Integral Part Of This Schedule.

Thurston County, Washington 2006

MCAG NO. 0170

**THURSTON COUNTY**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2006**

Schedule 16

Grantor Pass-Through Grantor Program Title	CFDA #	Current Year Expenditures	Notes
<u>PASSED THRU State Traffic Safety Commission</u> Occupant Protection (Click It/Ticket)	20.602	\$5,434	Note 4
<u>PASSED THRU State Traffic Safety Commission</u> Portable Breath Testing	20.604	\$2,757	Note 4/5
Smart Trailer Grant	20.604	\$11,268	Note 4/5
<b>TOTAL CFDA NUMBER</b>		<b>\$14,025</b>	
<b><u>TOTAL FOR Nat'l Highway Safety Administration</u></b>		<b><u>\$20,386</u></b>	
<b>GENERAL SERVICES ADMINISTRATION</b>			
<u>PASSED THRU Office of the Secretary of State</u> Help America Vote Act (HAVA)	39.011	\$98,233	
<b><u>TOTAL FOR GENERAL SERVICES ADMINISTRATION</u></b>		<b><u>\$98,233</u></b>	
<b>ENVIRONMENTAL PROTECTION AGENCY</b>			
<u>PASSED THRU Department of Health</u> Capitalization Grant for Drinking Water	66.468	\$12,750	
<u>PASSED THRU Public Works Board</u> Capitalization Grant for Drinking Water	66.468	\$86,217	
<b>TOTAL CFDA NUMBER</b>		<b>\$98,967</b>	
<u>PASSED THRU Department of Health</u> Beach Monitoring & Notification Program	66.472	\$4,237	
<b><u>TOTAL FOR ENVIRONMENTAL PROTECTION AGENCY</u></b>		<b><u>\$103,204</u></b>	
<b>DEPARTMENT OF EDUCATION</b>			
<u>PASSED THRU Employment Security Department</u> Vocational Education-Basic Grants to States	84.048	\$49,322	
Vocational Education-Basic Grants to States	84.048	\$51,131	
<b>TOTAL CFDA NUMBER</b>		<b>\$100,452</b>	
<u>PASSED THRU North Thurston Public Schools</u> Safe & Drug Free Schools	84.184	\$19,055	
Safe & Drug Free Schools	84.184	\$115,000	Note 4
Safe & Drug Free Schools	84.184	\$379,224	Note 4
<b>TOTAL CFDA NUMBER</b>		<b>\$513,279</b>	
<b><u>TOTAL FOR DEPARTMENT OF EDUCATION</u></b>		<b><u>\$613,732</u></b>	
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
<u>PASSED THRU Wa State Military Department</u> State Domestic Preparedness Equipment Support	97.004	\$21,747	

*The Accompanying Notes To The Schedule Of Expenditures Of Federal Awards Are An Integral Part Of This Schedule.*

Thurston County, Washington 2006

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THURSTON COUNTY

Schedule 16

**Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2006**

Grantor Pass-Through Grantor Program Title	CFDA #	Current Year Expenditures	Notes
State Domestic Preparedness Equipment Support	97.004	\$677,459	
<b>TOTAL CFDA NUMBER</b>		<b>\$699,206</b>	
<u>PASSED THRU Wa State Military Department</u> Preparedness Technical Assistance Program	97.007	\$447,673	
<u>PASSED THRU Wa State Military Department</u> Emergency Management Performance Grant	97.042	\$64,984	
<u>PASSED THRU Wa State Military Department</u> Homeland Security Grant Program	97.067	\$56,491	
Homeland Security Grant Program	97.067	\$141,321	
Homeland Security Grant Program	97.067	\$10,697	
<b>TOTAL CFDA NUMBER</b>		<b>\$208,510</b>	
<u>PASSED THRU Wa State Military Department</u> Buffer Zone Protection Plan (BZPP)	97.078	\$47,479	
Buffer Zone Protection Plan (BZPP)	97.078	\$44,202	Note 2
<b>TOTAL CFDA NUMBER</b>		<b>\$91,681</b>	
<b><u>TOTAL FOR DEPARTMENT OF HOMELAND SECURITY</u></b>		<b><u>\$1,512,053</u></b>	
<b>ELECTION ASSISTANCE COMMISSION</b>			
<u>PASSED THRU Office of the Secretary of State</u> Help America Vote Act (HAVA)	90.401	\$3,864	
<b><u>TOTAL FOR ELECTION ASSISTANCE COMMISSION</u></b>		<b><u>\$3,864</u></b>	
<b>Health &amp; Human Services</b>			
<u>PASSED THRU Department of Social &amp; Health Services</u> Assistance in Transition from Homelessness	93.150	\$43,251	
<u>PASSED THRU Department of Social &amp; Health Services</u> Family Planning Services Title X	93.217	\$161,082	
<u>PASSED THRU Department of Health</u> Immunization Grants	93.268	\$69,647	
Immunization Grants	93.268	\$1,051,523	Note 3
<b>TOTAL CFDA NUMBER</b>		<b>\$1,121,170</b>	
<u>PASSED THRU Department of Health</u> Disease Control & Prevention Investigation-STEPS	93.283	\$430,273	
Disease Control & Prevention Investigation-BT	93.283	\$583,612	
<b>TOTAL CFDA NUMBER</b>		<b>\$1,013,885</b>	

The Accompanying Notes To The Schedule Of Expenditures Of Federal Awards Are An Integral Part Of This Schedule.

Thurston County, Washington 2006

MCAG NO. 0170

**THURSTON COUNTY**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2006**

Schedule 16

Grantor Pass-Through Grantor Program Title	CFDA #	Current Year Expenditures	Notes
<u>PASSED THRU Community Trade &amp; Economic Development</u>			
Temporary Assistance to Needy Families 06	93.558	\$203,267	
Temporary Assistance to Needy Families 05	93.558	\$267,528	
<b>TOTAL CFDA NUMBER</b>		<b>\$470,795</b>	
<u>PASSED THRU Department of Social &amp; Health Services</u>			
IVD Child Support	93.563	\$310,674	Note 4
Child Support Enforcement	93.563	\$529,533	
Child Support Enforcement-Title IV	93.563	\$96,637	
Child Support Enforcement	93.563	\$29,545	
<b>TOTAL CFDA NUMBER</b>		<b>\$966,389</b>	
<u>PASSED THRU Department of Health</u>			
Child Care & Development Block Grant	93.575	\$37,634	
<u>PASSED THRU United Way</u>			
Early Learning Fund	93.577	\$71,500	Note 4
<u>PASSED THRU Wa Council Prevention of Child Abuse</u>			
Community Base Child Abuse Prevention Grant	93.590	\$42,555	Note 4
<u>PASSED THRU Department of Social &amp; Health Services</u>			
Medical Assistance Program	93.778	\$81,317	
Medical Assistance Program	93.778	\$666,431	
<b>TOTAL CFDA NUMBER</b>		<b>\$747,748</b>	
<u>PASSED THRU Department of Health</u>			
HIV Care Formula Grant	93.917	\$146,580	
<u>PASSED THRU Clark County CDC</u>			
HIV Prevention	93.940	\$62,913	Note 4
<u>PASSED THRU Department of Social &amp; Health Services</u>			
Prevention & Treatment of Substance Abuse	93.959	\$161,427	
Prevention & Treatment of Substance Abuse	93.959	\$853,437	
<b>TOTAL CFDA NUMBER</b>		<b>\$1,014,864</b>	
<u>PASSED THRU Department of Health</u>			
Preventative Health & Health Services Block Grant	93.991	\$12,514	
<u>PASSED THRU Department of Health</u>			
Maternal & Child Health Services Block Grant	93.994	\$139,682	
<b><u>TOTAL FOR Health &amp; Human Services</u></b>		<b><u>\$6,052,563</u></b>	

The Accompanying Notes To The Schedule Of Expenditures Of Federal Awards Are An Integral Part Of This Schedule.



Thurston County, Washington 2006

MCAG NO. 0170

Schedule 16

**THURSTON COUNTY**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2006**

Grantor Pass-Through Grantor Program Title	CFDA #	Current Year Expenditures	Notes
<b>OFFICE OF THE SURGEON GENERAL</b>			
<u>PASSED THRU DIRECT</u>			
Medical Reserve Corps Small Grant Program	93.008	\$53,125	
<b><u>TOTAL FOR OFFICE OF THE SURGEON GENERAL</u></b>		<b><u>\$53,125</u></b>	
<b><u>TOTAL FEDERAL ASSISTANCE</u></b>		<b><u>\$20,170,269</u></b>	

*The Accompanying Notes To The Schedule Of Expenditures Of Federal Awards Are An Integral Part Of This Schedule.*

Thurston County, Washington 2006

MCAG NO. 0170

**THURSTON COUNTY**  
**Schedule of Expenditures of State Awards**  
**For the Year Ended December 31, 2006**

Schedule 16

Grantor Program Title	Current Year Expenditures	Notes
<b>ADMINISTRATIVE OFFICE OF THE COURTS</b>		
Becca Bill	\$156,616	
Court Appointed Special Advocate (CASA)	\$31,883	
<b>TOTAL FOR ADMINISTRATIVE OFFICE OF THE COURTS</b>	<b>\$188,499</b>	
<b>Community, Trade &amp; Economic Development</b>		
Growth Management Competitive Grant	\$23,305	
Innovation Zone	\$10,000	
Re-Employment Support PY06	\$32,284	
Re-Employment Support PY05	\$23,683	
<b>TOTAL FOR Community, Trade &amp; Economic Development</b>	<b>\$89,271</b>	
<b>COUNTY ROAD ADMIN BOARD</b>		
County Arterial Preservation Program (CAPP)	\$460,941	Note 4
<b>TOTAL FOR COUNTY ROAD ADMIN BOARD</b>	<b>\$460,941</b>	
<b>County Road Admin Board-Rural Arterial Program</b>		
61197 Skookumchuck Road	\$11,319	
61321 Rich Road	\$10,399	
<b>TOTAL FOR County Road Admin Board-Rural Arterial Program</b>	<b>\$21,718</b>	
<b>DEPARTMENT OF ECOLOGY</b>		
Black Lake Eurasian Watermilfoil Control	\$8,146	Note 2
Solid Waster CPG	\$38,904	
Coordinated Prevention Grant	\$143,744	
Henderson Shellfish Response	\$11,297	
Site Hazard Assessment	\$92,503	
Well Delegation	\$46,095	
Deschutes River/Budd Inlet TMDL	\$8,960	
Local Toxics Controls Account	\$116,198	
Litter Program	\$30,307	
High Ground Water Flood Haz Mapping (FCAAP)	\$30,304	
<b>TOTAL FOR DEPARTMENT OF ECOLOGY</b>	<b>\$526,458</b>	
<b>DEPARTMENT OF HEALTH</b>		
EMS & Trauma Grant	\$6,000	
EMS & Trauma Grant	\$6,000	
Oral Health	\$41,227	

The Accompanying Notes To The Schedule Of Expenditures Of State And Local Awards Are An Integral Part Of This Schedule.

Thurston County, Washington 2006

MCAG NO. 0170

**THURSTON COUNTY**  
**Schedule of Expenditures of State Awards**  
**For the Year Ended December 31, 2006**

Schedule 16

Grantor Program Title	Current Year Expenditures	Notes
Vaccine in Lieu of Cash	\$266,550	Note 3
Learning Collaborative	\$4,000	
Family Plannin	\$73,300	
Local Capacity Fund	\$269,120	
Tobacco Prevention	\$17,616	
Second Hand Smoke	\$10,972	Note 4
OSS Planning & Database	\$17,709	
Woodland Creek TMDL	\$54,774	
Recreational Shellfish	\$1,099	
Electronic Death Registration System	\$3,985	
Drinking Water Group B	\$49,400	
Secondhand Smoke	\$15,072	
<b>TOTAL FOR DEPARTMENT OF HEALTH</b>	<b>\$836,824</b>	
<b>Department of Social &amp; Health Services</b>		
IVD Child Support	\$56,218	
Child Support Enforcement Program	\$239,690	
Juvenile Rehabilitation Admin (JRA) HB3900	\$105,351	
Workfirst Offenders 06	\$10,497	Note 4
Workfirst Offenders 07	\$15,028	Note 4
Workfirst Soft Skills 05	\$14,914	Note 4
Workfirst Soft Skills 06	\$18,634	Note 4
Workfirst Offenders 05	\$4,165	Note 4
Evidenc Based Prevention	\$5,537	
Developmental Disabilities	\$2,999,880	
Chemical Dependency	\$2,025,895	
Nurse Family Partnership	\$41,360	
Family Policy Council Network	\$69,851	
Expanded Community Services	\$75,024	
Jail Proviso	\$218,042	
Consolidated Integrated	\$5,234,453	
Early Intervention	\$48,152	
Crisis Stabilization	\$87,609	
<b>TOTAL FOR Department of Social &amp; Health Services</b>	<b>\$11,270,301</b>	
<b>EMPLOYMENT SECURITY DEPARTMENT</b>		
Offender Services 07	\$18,732	
Offender Services 06	\$19,145	
<b>TOTAL FOR EMPLOYMENT SECURITY DEPARTMENT</b>	<b>\$37,876</b>	
<b>HIGHER EDUCATION COORDINATING BOARD</b>		
Work Study Program	\$2,607	Note 4
Work Study Program	\$818	Note 4

The Accompanying Notes To The Schedule Of Expenditures Of State And Local Awards Are An Integral Part Of This Schedule.

Thurston County, Washington 2006

MCAG NO. 0170

**THURSTON COUNTY**  
**Schedule of Expenditures of State Awards**  
**For the Year Ended December 31, 2006**

Schedule 16

Grantor Program Title	Current Year Expenditures	Notes
<b>TOTAL FOR HIGHER EDUCATION COORDINATING BOARD</b>	<b>\$3,425</b>	
<b>JUVENILE REHABILITATION ADMINISTRATION</b>		
Special Sex Offender Disposition Alternative	\$187,449	
Chemical Dependency Disposition Alternative	\$53,143	
Community Juvenile Accountability Act	\$131,847	
Diagnostic Bed Days	\$20,886	
Special Desposition Alternative	\$2,820	
Consolidated Services	\$225,806	
<b>TOTAL FOR JUVENILE REHABILITATION ADMINISTRATION</b>	<b>\$621,951</b>	
<b>STATE TREASURER</b>		
Reimburse 1/2 Prosecuting Attorney's Salary	\$61,506	
<b>TOTAL FOR STATE TREASURER</b>	<b>\$61,506</b>	
<b>TRAFFIC SAFETY COMMISSION</b>		
School Zone Funds	\$7,000	Note 2/4
<b>TOTAL FOR TRAFFIC SAFETY COMMISSION</b>	<b>\$7,000</b>	
<b>TRANSPORTATION IMPROVEMENT BOARD</b>		
61330 Duterrow Road	\$266,446	
61308 Pacific Ave/Kinwood Street	\$25,036	
61192 Yelm Hwy	\$203,956	
<b>TOTAL FOR TRANSPORTATION IMPROVEMENT BOARD</b>	<b>\$495,438</b>	
<b>WA STATE MILITARY DEPARTMENT</b>		
Emergency Management Program Assistance	\$35,423	
<b>TOTAL FOR WA STATE MILITARY DEPARTMENT</b>	<b>\$35,423</b>	
<b>TOTAL STATE ASSISTANCE</b>	<b>\$14,656,632</b>	

The Accompanying Notes To The Schedule Of Expenditures Of State And Local Awards Are An Integral Part Of This Schedule.



**THURSTON COUNTY**  
**Notes to the Schedule of Expenditures of**  
**Federal, State, and Local Awards**  
**For the Year Ended December 31, 2006**

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**NOTE 1 – BASIS OF ACCOUNTING**

The Schedule of Financial Assistance is prepared on the same basis of accounting as Thurston County's financial statements. Thurston County uses the accrual basis of accounting for all funds except the government types and agency funds, which use the modified accrual basis of accounting.

**NOTE 2 – PROGRAM COSTS**

The amounts shown as current year expenditures represent only the federal and state portion of the costs. Actual program costs, including Thurston County's portion may be more than shown.

**NOTE 3 – NONCASH AWARDS**

The amount of vaccines reported on this schedule is the value of vaccines distributed by the County during the current year and priced as prescribed by the Washington State Department of Health.

The amount of food commodities reported on this schedule is the value of the commodities distributed by the County during the current year and priced as prescribed by the Washington State Superintendent of Public Instruction.

**NOTE 4 – NOT AVAILABLE (N/A)**

The County was unable to obtain other identification numbers.

**NOTE 5 – CFDA NUMBER**

Per contractual agreement for Northwest HIDTA Drug Court Development Initiative, ONDCP does not use CFDA numbers. Per contractual agreement for Domestic Highway Interdiction Program and Domestic Cannabis Eradication Program, Washington State Patrol does not use CFDA numbers. In addition, the Department of Justice does not use a CFDA number for Military Forest Yield payments. The CFDA number for the restoration of Lackamas Creek was given to us by Fish & Wildlife. CFDA number 20.604 was discontinued after October 1, 2006.

## **Statistical Section**

The Thurston County Comprehensive Annual Financial Report includes statistical information to show the government's overall financial health.

### **Financial Trends**

Schedules 1-4 explain the County's financial management and health.

### **Revenue Capacity**

Schedules 5-8 illustrate the County's largest revenue source, property tax.

### **Debt Capacity**

Schedules 9-13 contain information on the County's current level of outstanding debt and ability to issue debt in the future. Thurston County does not issue pledged revenue debt.

### **Demographic and Economic Information**

Schedules 14-15 show the economic and demographic environment of Thurston County.

### **Operating Information**

Schedules 16-18 incorporates services the County provides and capital asset and infrastructure information.

Sources: Previous comprehensive and annual financial reports, budget workload indicators, and as noted on schedules.

Entity wide information is presented for all years that entity wide information is available, which starts in 2002.

# **Net Assets By Category** **Last Five Years** **Schedule 1**

	2002	2003	2004	2005	2006
<b>Governmental Activities:</b>					
Cash & Investments	\$ 84,610,949	\$ 93,673,570	\$ 105,514,535	\$ 111,407,011	\$ 120,835,588
Other Current Assets	11,285,937	12,642,251	19,424,002	21,278,419	25,354,832
Capital Assets, Net	376,486,824	373,383,270	386,943,155	391,980,904	395,970,372
Other Long Term Assets	532,683	945,064	-	510,071	510,071
<b>Total Assets</b>	<b>472,916,393</b>	<b>480,644,155</b>	<b>511,881,692</b>	<b>525,176,405</b>	<b>542,670,863</b>
Current Liabilities	6,377,753	7,354,687	6,362,825	9,290,631	13,300,272
Long-Term Bonds & Contracts Payable	34,640,299	32,003,840	42,726,487	41,218,504	37,757,234
Other Long Term Liabilities	8,435,584	8,293,886	8,986,237	9,481,706	9,801,998
<b>Total Liabilities</b>	<b>49,453,636</b>	<b>47,652,413</b>	<b>58,075,549</b>	<b>59,990,841</b>	<b>60,859,504</b>
Investment in Capital Assets, Net of Related Debt	341,688,727	339,570,786	352,042,233	351,892,755	351,868,678
Restricted Net Assets	64,048,027	70,692,383	87,351,122	93,610,956	111,379,265
Unrestricted	17,726,003	22,728,573	14,412,788	19,681,853	18,563,416
<b>Total Net Assets</b>	<b>423,462,757</b>	<b>432,991,742</b>	<b>453,806,143</b>	<b>465,185,564</b>	<b>481,811,359</b>
<b>Proprietary Activities:</b>					
Cash & Investments	31,623,332	31,045,389	29,977,255	28,854,394	10,756,142
Other Current Assets	1,864,467	1,183,146	1,857,185	3,025,968	2,949,835
Capital Assets, Net	29,709,110	33,011,819	32,637,114	33,538,899	51,871,335
Other Long Term Assets	5,362,804	6,696,067	6,383,858	5,847,858	5,060,823
<b>Total Assets</b>	<b>68,559,713</b>	<b>71,936,421</b>	<b>70,855,412</b>	<b>71,267,119</b>	<b>70,638,135</b>
Current Liabilities	1,263,543	1,443,735	1,502,795	1,695,605	2,008,690
Long-Term Bonds & Contracts Payable	14,322,437	14,792,455	14,310,746	13,671,996	12,876,483
Accumulated Landfill Closure Costs	22,873,108	22,254,500	21,623,779	21,157,351	20,708,258
Other Long Term Liabilities	228,840	365,000	30,000	30,000	38,300
<b>Total Liabilities</b>	<b>38,687,928</b>	<b>38,855,690</b>	<b>37,467,320</b>	<b>36,554,952</b>	<b>35,631,731</b>
Investment in Capital Assets, Net of Related Debt	11,319,538	13,409,717	12,408,331	19,788,003	20,358,678
Restricted Net Assets	(1,447,653)	18,694,153	4,936,086	4,860,017	5,643,212
Unrestricted	19,999,900	976,861	16,043,675	10,064,147	9,004,514
<b>Total Net Assets</b>	<b>29,871,785</b>	<b>33,080,731</b>	<b>33,388,092</b>	<b>34,712,167</b>	<b>35,006,404</b>
<b>Total Primary Government:</b>					
Investment in Capital Assets, Net of Related Debt	353,008,265	352,980,503	364,450,564	371,680,758	372,227,356
Restricted Net Assets	62,600,374	89,386,536	92,287,208	98,470,973	117,022,477
Unrestricted	37,725,903	23,705,434	30,456,463	29,746,000	27,567,930
<b>Total Net Assets</b>	<b>\$ 453,334,542</b>	<b>\$ 466,072,473</b>	<b>\$ 487,194,235</b>	<b>\$ 499,897,731</b>	<b>\$ 516,817,763</b>

## Changes in Net Assets Last Five Years Schedule 2

	2002	2003	2004	2005	2006
<b>Governmental Activities:</b>					
<i>Expenses (Net of Indirect Expenses):</i>					
General Government	\$ 8,872,772	\$ 7,729,613	\$ 9,012,729	\$ 9,110,756	\$ 9,906,700
Culture & Recreation	2,444,790	2,012,956	2,415,435	2,764,226	3,032,683
Economic Environment	13,161,330	14,107,884	14,645,370	12,209,087	14,204,195
Health & Human Services	26,205,973	30,867,847	32,846,130	38,095,014	43,346,401
Public Safety	50,057,524	45,304,472	49,584,500	51,031,012	55,514,228
Transportation	23,163,128	25,125,598	20,166,417	21,187,304	22,354,754
Utilities & Environment	1,388,082	1,382,660	1,550,457	1,328,754	1,593,881
Interest and Fiscal Charges	1,607,743	1,561,608	1,546,419	1,895,531	1,826,956
<b>Total Expenses</b>	<b>126,901,342</b>	<b>128,092,638</b>	<b>131,767,457</b>	<b>137,621,684</b>	<b>151,779,798</b>
<i>Program Revenues:</i>					
Charges for Services	15,917,361	17,752,910	18,719,420	18,640,578	20,747,902
Operating Grants	34,167,007	35,957,385	36,780,251	35,888,390	39,764,951
Capital Grants	2,614,344	2,836,121	3,828,515	4,327,526	5,815,999
<b>Total Program Revenues</b>	<b>52,698,712</b>	<b>56,546,416</b>	<b>59,328,186</b>	<b>58,856,494</b>	<b>66,328,852</b>
<b>Total Net Expense</b>	<b>(74,202,630)</b>	<b>(71,546,222)</b>	<b>(72,439,271)</b>	<b>(78,765,190)</b>	<b>(85,450,946)</b>
<i>General Revenues &amp; Other Items:</i>					
Taxes	77,286,257	81,141,816	82,263,513	88,684,559	91,775,978
Other General Revenues	4,177,370	2,923,716	2,874,783	4,392,286	7,497,710
Special Items, Transfers & Adjustments	726,710	(2,990,325)	8,115,376	(2,932,234)	2,803,053
<b>Total General Revenues &amp; Other Items</b>	<b>82,190,337</b>	<b>81,075,207</b>	<b>93,253,672</b>	<b>90,144,611</b>	<b>102,076,741</b>
<b>Change in Net Assets</b>	<b>7,987,707</b>	<b>9,528,985</b>	<b>20,814,401</b>	<b>11,379,421</b>	<b>16,625,795</b>
<b>Proprietary Activities:</b>					
<i>Expenses (Net of Indirect Expenses):</i>					
Solid Waste	13,307,547	13,368,506	13,343,861	13,822,220	16,150,450
Grand Mound	1,169,620	1,291,520	1,242,287	1,243,500	1,311,225
Other	2,003,277	1,906,017	2,043,037	2,014,244	2,375,838
<b>Total Expenses</b>	<b>16,480,444</b>	<b>16,566,043</b>	<b>16,629,185</b>	<b>17,079,964</b>	<b>19,837,513</b>
<i>Program Revenues:</i>					
Charges for Services	14,090,816	14,854,171	13,843,777	15,612,269	18,139,718
Operating Grants	323,438	114,927	186,400	272,826	284,458
Capital Grants	199,428	1,606,132	7,606	326,469	977,843
<b>Total Program Revenues</b>	<b>14,613,682</b>	<b>16,575,230</b>	<b>14,037,783</b>	<b>16,211,564</b>	<b>19,402,019</b>
<b>Total Net Expense</b>	<b>(1,866,762)</b>	<b>9,187</b>	<b>(2,591,402)</b>	<b>(868,400)</b>	<b>(435,494)</b>
<i>General Revenues &amp; Other Items:</i>					
Other General Revenues	1,764,591	1,395,773	2,615,422	2,379,852	942,755
Special Items, Transfers & Adjustments	(1,779,801)	1,803,986	283,341	(187,377)	(213,024)
<b>Total General Revenues &amp; Other Items</b>	<b>(15,210)</b>	<b>3,199,759</b>	<b>2,898,763</b>	<b>2,192,475</b>	<b>729,731</b>
<b>Change in Net Assets</b>	<b>(1,881,972)</b>	<b>3,208,946</b>	<b>307,361</b>	<b>1,324,075</b>	<b>294,237</b>
<b>Total Change In Net Assets</b>	<b>\$ 6,105,735</b>	<b>\$ 12,737,931</b>	<b>\$ 21,121,762</b>	<b>\$ 12,703,496</b>	<b>\$ 16,920,032</b>



**Fund Balances, Governmental Funds**  
**Last Five Years**  
**Schedule 3**

	2002	2003	2004	2005	2006
<b>Primary Government:</b>					
<b>Total Assets</b>	\$ 79,513,242	\$ 87,998,637	\$ 97,390,936	\$ 103,874,460	\$ 114,888,751
Total Liabilities	\$ 11,126,413	\$ 10,344,072	\$ 9,471,379	\$ 10,115,258	\$ 13,417,423
Total Fund Balance	68,386,829	77,654,565	87,919,557	93,759,202	101,471,328
<b>Total Liabilities &amp; Fund Balance</b>	<b>\$ 79,513,242</b>	<b>\$ 87,998,637</b>	<b>\$ 97,390,936</b>	<b>\$ 103,874,460</b>	<b>\$ 114,888,751</b>
<b>General Fund:</b>					
Cash & Investments	\$ 6,523,959	\$ 7,560,201	\$ 6,043,226	\$ 6,794,584	\$ 6,391,539
Other Current Assets	4,667,894	6,897,740	5,422,410	5,693,656	5,757,256
<b>Assets</b>	<b>\$ 11,191,853</b>	<b>\$ 14,457,941</b>	<b>\$ 11,465,636</b>	<b>\$ 12,488,240</b>	<b>\$ 12,148,795</b>
Current Liabilities	\$ 4,457,389	\$ 4,815,520	\$ 3,410,964	\$ 3,452,496	\$ 3,721,879
<b>Liabilities</b>	<b>4,457,389</b>	<b>4,815,520</b>	<b>3,410,964</b>	<b>3,452,496</b>	<b>3,721,879</b>
Reserved	-	365,000	-	-	-
Unreserved	6,734,464	9,277,421	8,054,672	9,035,744	8,426,916
<b>Fund Balance</b>	<b>6,734,464</b>	<b>9,642,421</b>	<b>8,054,672</b>	<b>9,035,744</b>	<b>8,426,916</b>
<b>Liabilities &amp; Fund Balance</b>	<b>\$ 11,191,853</b>	<b>\$ 14,457,941</b>	<b>\$ 11,465,636</b>	<b>\$ 12,488,240</b>	<b>\$ 12,148,795</b>
<b>All Other Governmental Funds:</b>					
Cash & Investments	\$ 61,175,304	\$ 68,096,660	\$ 79,028,789	\$ 83,049,838	\$ 91,217,890
Other Current Assets	7,146,085	5,444,036	6,896,511	8,336,382	11,522,066
<b>Assets</b>	<b>\$ 68,321,389</b>	<b>\$ 73,540,696</b>	<b>\$ 85,925,300</b>	<b>\$ 91,386,220</b>	<b>\$ 102,739,956</b>
Current Liabilities	\$ 6,669,024	\$ 5,528,552	\$ 6,060,415	\$ 6,662,762	\$ 9,695,544
<b>Liabilities</b>	<b>6,669,024</b>	<b>5,528,552</b>	<b>6,060,415</b>	<b>6,662,762</b>	<b>9,695,544</b>
Reserved	3,823,680	38,464	36,048	36,995	38,676
Unreserved:					
Special Revenue Funds	49,568,468	55,802,115	67,675,417	76,674,246	83,504,155
Capital Projects Funds	8,260,217	12,171,565	12,153,420	8,012,217	9,501,584
<b>Fund Balance</b>	<b>61,652,365</b>	<b>68,012,144</b>	<b>79,864,885</b>	<b>84,723,458</b>	<b>93,044,412</b>
<b>Liabilities &amp; Fund Balance</b>	<b>\$ 68,321,389</b>	<b>\$ 73,540,696</b>	<b>\$ 85,925,300</b>	<b>\$ 91,386,220</b>	<b>\$ 102,739,956</b>

**Changes in Fund Balances, Governmental Funds**  
**Last Five Years**  
**Schedule 4**  
**Page 1 of 2**

	2002	2003	2004	2005	2006
<b>Primary Government:</b>					
Total Revenues	\$ 130,347,814	\$ 138,164,771	\$ 146,399,608	\$ 153,727,614	\$ 169,805,222
Total Expenditures	141,816,378	132,699,562	146,637,200	151,771,066	162,244,634
Excess (Def.) of Rev. Over Exp.	(11,468,564)	5,465,209	(237,592)	1,956,548	7,560,588
Total Other Fin. Sources (Uses)	12,621,924	1,438,379	11,068,849	3,883,097	278,091
Net Changes In Fund Balances	1,153,360	6,903,588	10,831,257	5,839,645	7,838,679
Fund Balances - January 1	67,233,469	68,386,829	77,654,565	87,919,557	93,759,202
Prior Period Adjustments	-	2,364,148	(566,265)	-	(126,553)
Fund Balances - December 31	\$ 68,386,829	\$ 77,654,565	\$ 87,919,557	\$ 93,759,202	\$ 101,471,328
<b>General Fund:</b>					
Taxes	\$ 35,487,434	\$ 37,946,816	\$ 39,826,994	\$ 42,949,405	\$ 44,656,072
Intergovernmental	6,895,398	6,134,566	6,547,600	6,778,542	7,203,261
Charges for Services	5,403,038	6,276,448	5,647,916	6,221,662	6,626,095
Other Revenues	3,431,308	3,226,309	3,174,344	3,605,007	4,549,413
<b>Total Revenues</b>	<b>51,217,178</b>	<b>53,584,139</b>	<b>55,196,854</b>	<b>59,554,616</b>	<b>63,034,841</b>
General Government	9,594,708	9,646,849	10,181,157	9,938,200	11,042,656
Public Safety	40,088,344	41,044,092	42,868,351	45,807,175	49,931,770
Culture/Rec., Econ. Env. & Health Serv.	765,399	787,827	708,471	848,015	764,323
Transportation, Utilities & Environment	465,621	405,763	428,079	452,173	472,130
Capital Outlay	261,142	138,393	122,908	414,581	297,698
Debt Service:					
Principal	162,873	145,538	24,088	27,939	30,771
Interest & Fiscal Charges	20,357	13,664	8,902	8,736	11,481
<b>Total Expenditures</b>	<b>51,358,444</b>	<b>52,182,126</b>	<b>54,341,956</b>	<b>57,496,819</b>	<b>62,550,829</b>
<b>Excess (Def.) of Rev. Over Exp.</b>	<b>(141,266)</b>	<b>1,402,013</b>	<b>854,898</b>	<b>2,057,797</b>	<b>484,012</b>
Transfers In/Out	2,184,424	(1,336,594)	(1,265,351)	(1,088,178)	(778,161)
Other Financing Sources (Uses)	437,515	224,198	79,334	11,453	75,729
<b>Total Other Fin. Sources (Uses)</b>	<b>2,621,939</b>	<b>(1,112,396)</b>	<b>(1,186,017)</b>	<b>(1,076,725)</b>	<b>(702,432)</b>
<b>Net Changes In Fund Balances</b>	<b>2,480,673</b>	<b>289,617</b>	<b>(331,119)</b>	<b>981,072</b>	<b>(218,420)</b>
Fund Balances - January 1	4,253,791	6,734,464	9,642,421	8,054,672	9,035,744
Prior Period Adjustments	-	2,618,340	(1,256,630)	-	(390,408)
<b>Fund Balances - December 31</b>	<b>\$ 6,734,464</b>	<b>\$ 9,642,421</b>	<b>\$ 8,054,672</b>	<b>\$ 9,035,744</b>	<b>\$ 8,426,916</b>

**Changes in Fund Balances, Governmental Funds**  
**Last Five Years**  
**Schedule 4**  
**Page 2 of 2**

	2002	2003	2004	2005	2006
<b>All Other Governmental Funds:</b>					
Taxes	\$ 28,388,956	\$ 29,790,250	\$ 33,202,568	\$ 37,006,605	\$ 37,663,674
Intergovernmental	38,933,354	42,086,577	44,899,565	43,442,079	48,934,510
Charges for Services	5,490,024	6,314,374	6,614,851	6,880,225	7,800,476
Licenses & Permits	3,135,665	3,945,177	3,984,175	3,365,388	3,559,027
Other Revenues	3,182,637	2,444,254	2,501,595	3,478,701	8,812,694
<b>Total Revenues</b>	<b>79,130,636</b>	<b>84,580,632</b>	<b>91,202,754</b>	<b>94,172,998</b>	<b>106,770,381</b>
General Government	2,932,112	2,401,967	2,152,889	1,148,869	1,415,657
Culture & Recreation	1,806,456	1,539,905	1,692,396	1,881,713	2,140,728
Economic Environment	12,063,672	13,510,046	13,721,583	11,958,743	13,715,646
Health & Human Services	30,215,637	30,987,117	31,957,912	37,889,404	42,970,710
Public Safety	1,302,573	1,924,584	3,486,025	4,575,262	4,589,981
Transportation	18,440,962	16,356,086	15,277,864	15,928,964	17,025,187
Utilities & Environment	902,895	990,874	1,104,564	1,232,437	1,198,527
Capital Outlay	10,865,951	9,642,207	19,701,914	15,552,300	12,468,730
Debt Service:					
Principal	10,340,290	1,616,706	1,662,580	2,002,748	2,307,455
Interest & Fiscal Charges	1,587,386	1,547,944	1,537,517	2,103,807	1,861,184
<b>Total Expenditures</b>	<b>90,457,934</b>	<b>80,517,436</b>	<b>92,295,244</b>	<b>94,274,247</b>	<b>99,693,805</b>
<b>Excess (Def.) of Rev. Over Exp.</b>	<b>(11,327,298)</b>	<b>4,063,196</b>	<b>(1,092,490)</b>	<b>(101,249)</b>	<b>7,076,576</b>
Bond Proceeds	10,535,820	-	10,937,244	3,196,100	-
Transfers In/Out	(1,983,848)	2,135,748	1,317,622	1,184,254	833,244
Other Financing Sources (Uses)	1,448,013	415,027	-	579,468	147,279
<b>Total Other Fin. Sources (Uses)</b>	<b>9,999,985</b>	<b>2,550,775</b>	<b>12,254,866</b>	<b>4,959,822</b>	<b>980,523</b>
<b>Net Changes In Fund Balances</b>	<b>(1,327,313)</b>	<b>6,613,971</b>	<b>11,162,376</b>	<b>4,858,573</b>	<b>8,057,099</b>
Fund Balances - January 1	62,979,678	61,652,365	68,012,144	79,864,885	84,723,458
Prior Period Adjustments	-	(254,192)	690,365	-	263,855
<b>Fund Balances - December 31</b>	<b>\$ 61,652,365</b>	<b>\$ 68,012,144</b>	<b>\$ 79,864,885</b>	<b>\$ 84,723,458</b>	<b>\$ 93,044,412</b>
<b>Debt Service as % of Governmental</b>					
<b>Non-Capital Expenditures</b>	10.21%	2.78%	2.62%	3.15%	2.90%

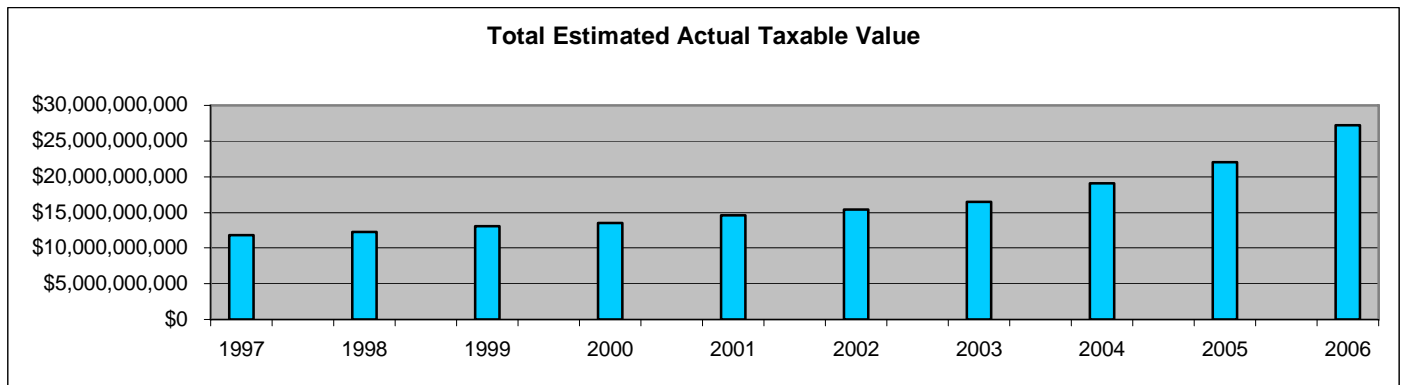
**Property Tax Revenue Base Information  
Last Ten Years  
Schedule 5**

<b>Fiscal Year Ended June 30</b>	<b>Assessed Residential Property (1)</b>	<b>Assessed Commercial Property (1)</b>	<b>Less: Tax Exempt Property</b>	<b>Total Taxable Assessed Value (2)</b>	<b>Total Estimated Actual Taxable Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
1997	N/A	N/A	\$ 2,016,279,965	\$10,938,043,310	\$11,845,522,206	92.34%
1998	N/A	N/A	\$ 2,111,866,878	\$11,133,308,564	\$12,302,496,749	90.50%
1999	N/A	N/A	\$ 2,148,209,883	\$11,453,971,805	\$13,106,370,921	87.39%
2000	N/A	N/A	\$ 2,254,228,239	\$12,207,783,715	\$13,504,319,864	90.40%
2001	N/A	N/A	\$ 2,309,771,757	\$13,037,972,080	\$14,616,393,055	89.20%
2002	\$ 10,183,275,215	\$ 6,366,517,152	\$ 2,403,266,094	\$14,146,526,273	\$15,415,161,583	91.77%
2003	\$ 10,851,974,250	\$ 7,074,863,187	\$ 2,575,544,952	\$15,351,292,485	\$16,512,221,448	92.97%
2004	\$ 12,297,312,190	\$ 8,050,599,808	\$ 3,042,968,100	\$17,304,943,898	\$19,052,585,828	90.83%
2005	\$ 14,422,424,035	\$ 8,752,772,579	\$ 3,244,396,063	\$19,930,800,551	\$22,008,389,994	90.56%
2006	\$ 17,265,240,859	\$ 9,772,280,875	\$ 3,563,046,779	\$23,474,474,955	\$27,232,569,553	86.20%

Source: Thurston County Assessor

(1) Breakdown of residential & commercial not available 1997-2001

(2) See Schedule 7 for direct tax rate



**Property Tax Construction Activity  
Last Ten Years  
Schedule 6**

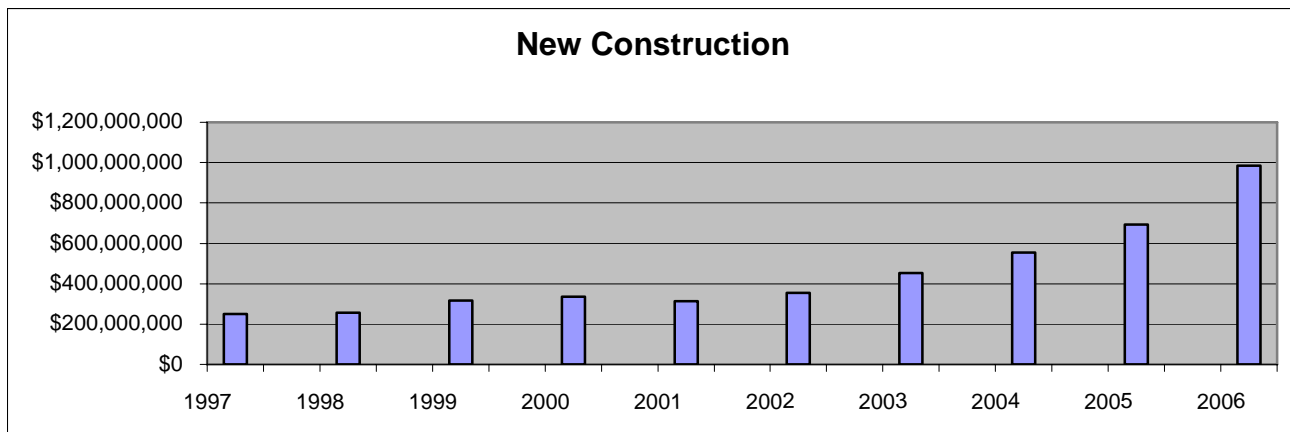
Fiscal Year	New Construction	Nontaxable Property (1)	Property Value		
			Commercial (2) (3)	Residential (3)	Total
1997	\$248,984,582	\$2,016,279,965	\$2,470,979,299	\$8,467,064,011	\$10,938,043,310
1998	\$256,069,825	\$2,111,866,878	\$2,485,628,123	\$8,647,680,441	\$11,133,308,564
1999	\$317,639,763	\$2,148,209,883	\$2,630,789,495	\$8,823,182,310	\$11,453,971,805
2000	\$335,760,178	\$2,254,228,239	\$3,797,759,938	\$8,410,023,777	\$12,207,783,715
2001	\$313,835,627	\$2,309,771,757	\$4,139,967,270	\$8,898,004,810	\$13,037,972,080
2002	\$354,691,502	\$2,403,266,094	\$4,387,424,609	\$9,759,101,664	\$14,146,526,273
2003	\$452,479,167	\$2,575,544,952	\$4,751,551,360	\$10,599,741,125	\$15,351,292,485
2004	\$554,921,298	\$3,042,968,100	\$5,367,260,258	\$11,937,683,640	\$17,304,943,898
2005	\$692,144,235	\$3,244,396,063	\$5,939,585,269	\$13,991,215,282	\$19,930,800,551
2006	\$984,715,178	\$3,563,046,779	\$6,710,410,602	\$16,764,064,353	\$23,474,474,955

Source: Thurston County Assessor

(1) Nontaxable property for 2003 adjusted

(2) Commercial property value includes agriculture and forest

(3) 2000 and 2001 commercial and residential property values are adjusted



**Revenue Rate Information (Per \$1,000 of Assessed Value)**  
**Property Tax Levy Rate - Direct & Overlapping**  
**Last Ten Years**  
**By Year Taxes Are Payable**  
**Schedule 7**

Fiscal Year	County Funds (1)	County Funds (2)	Total County Funds (3)	Local School District	State of Washington	Fire District	Cemetery District	Port of Olympia	Cities & Towns	Timber-Land Library	Public Utility District	Totals (4)
1997	1.78	2.38	4.16	4.98	3.63	1.76	0.09	0.18	3.51	0.47	0.00	18.78
1998	1.74	2.36	4.10	4.94	3.44	1.73	0.09	0.22	3.36	0.47	0.00	18.35
1999	1.77	2.40	4.17	5.27	3.38	1.75	0.09	0.22	3.64	0.49	0.00	19.01
2000	1.80	2.61	4.41	5.60	3.38	1.76	0.05	0.29	3.72	0.50	0.02	19.73
2001	1.77	2.57	4.34	5.27	3.13	1.72	0.08	0.28	3.68	0.50	0.00	19.00
2002	1.72	2.51	4.23	5.16	3.03	1.72	0.09	0.28	3.53	0.49	0.00	18.53
2003	1.65	2.38	4.03	4.93	2.88	1.72	0.09	0.27	3.44	0.48	0.01	17.85
2004	1.59	2.31	3.90	5.01	2.78	1.59	0.08	0.25	3.29	0.47	0.01	17.38
2005	1.48	2.15	3.63	4.79	2.79	1.64	0.08	0.22	3.00	0.45	0.01	16.61
2006	1.21	1.74	2.95	4.12	2.33	1.36	0.06	0.19	2.30	0.39	0.01	13.71

Source: Thurston County Assessor and Thurston County Treasurer

(1) Includes County General fund, Mental Health, Developmental Disabilities, and Veterans levies.

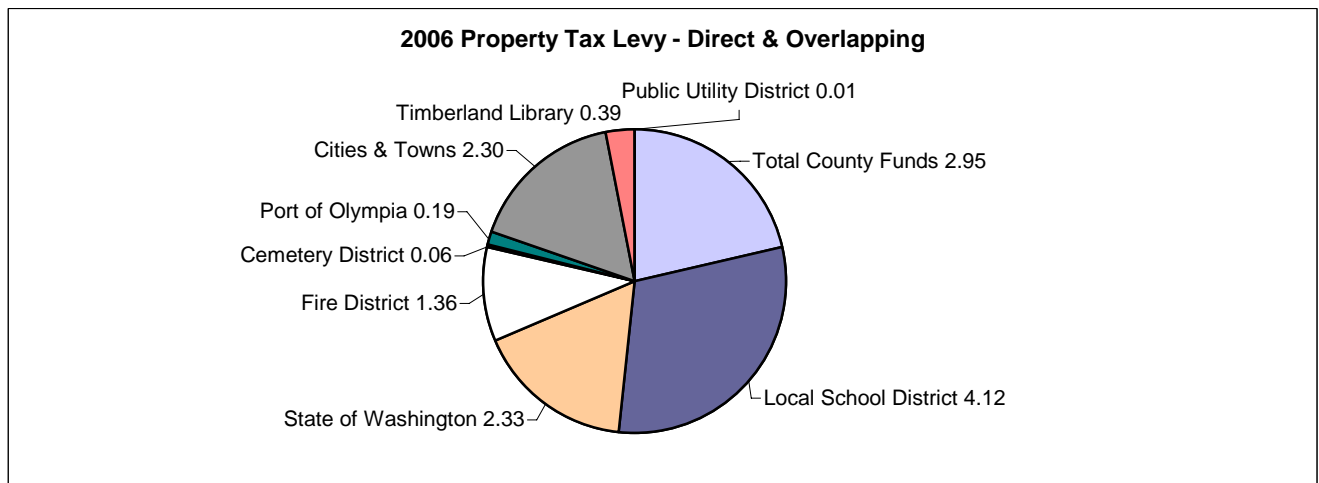
(2) Includes County Road District, Medic One and Land Conservation Futures levies.

(3) Total County Funds = Total Direct Tax Rate

(4) Totals shown are greater than the levy possible on any one parcel (A city levy is not imposed on unincorporated parcels and likewise, County Road, Fire District and Cemetery Districts are not levied on incorporated parcels.)

The table is based on a weighted average calculation using assessed value, levy rates, and total tax levied.

The levy rate is weighted proportionately by the relative tax levy of each district.



# Principal Property Tax Payer Information

## Current and Ten Years Ago

### Schedule 8

Taxpayer	Nature of Business	2006		1997	
		Taxable Assessed Value	% of Total Taxable Assessed Value	Taxable Assessed Value	% of Total Taxable Assessed Value
Puget Sound Energy/Elec/Gas	Utility	\$ 164,862,442	0.70%	\$ 152,625,388	1.40%
Vine Street Investors-Conduit LLC	Property Managements	156,693,150	0.67%	25,183,000	0.23%
Target Corporation	Retail Sales	90,490,944	0.39%	-	0.00%
CDC Properties 11 LLC	Real Estate/Developer	67,871,350	0.29%	-	0.00%
Home Depot	Retail Sales	61,933,080	0.26%	-	0.00%
Panorama City Inc.	Retirement Ctr-Health Care	61,461,863	0.26%	43,725,240	0.40%
Quest Corp	Telecommunications	58,611,239	0.25%	67,347,325	0.62%
Vine Street Investors LLC	Property Management	49,402,950	0.21%	18,567,200	0.17%
Kaufman Development LP	Real Estate/Developer	49,089,150	0.21%	14,828,000	0.14%
Olympia Mall Co.	Retail Shopping Mall	40,306,535	0.17%	32,155,200	0.29%
Walter W. Cox	Real Estate/Developer	38,948,400	0.17%	12,960,760	0.12%
Amcor Pet Packaging NA	Manufacturer	37,133,756	0.16%	-	0.00%
Capital Development Co.	Real Estate/Developer	33,506,118	0.14%	50,362,691	0.46%
Northwest Pipeline Corp.	Natural Gas Distribution	29,779,343	0.13%	10,668,920	0.10%
PF I \$ II Olympia West Center LLC	Property Management	29,007,850	0.12%	-	0.00%
Capital Medical Center	Health Services	28,051,100	0.12%	25,976,300	0.24%
RSS Management Inc	Real Estate/Developer	27,973,750	0.12%	-	0.00%
Costco Wholesale Corp	Retail Sales	27,637,891	0.12%	-	0.00%
Olympia Industrial Park Assoc LLC	Property Management	27,509,000	0.12%	-	0.00%
Weyerhaeuser Co.	Timber Products	27,168,044	0.12%	23,329,934	0.21%
Group Health Cooperative	Health Services	24,176,037	0.10%	19,827,777	0.18%
E. De Tray	Real Estate/Developer	24,131,595	0.10%	-	0.00%
Fred Meyer Inc.	Retail Sales	23,567,420	0.10%	-	0.00%
Lacey Market Square I and II LLC	Property Management	22,989,250	0.10%	-	0.00%
Wal-Mart Stores Inc	Retail Sales	22,236,585	0.09%	-	0.00%
Ocean Front-Cambridge LLC	Real Estate/Developer	22,059,200	0.09%	14,398,700	0.13%
Property Development Associates	Real Estate/Developer	21,599,750	0.09%	-	0.00%
Holland Holdings I Somerset Hill LLC	Real Estate/Developer	21,426,650	0.09%	-	0.00%
Weyerhaeuser Vicwood Partner	Timber Products	20,516,550	0.09%	19,526,900	0.18%
BNSF-Burlington Northern	Railroad/Utility	20,029,470	0.09%	13,790,726	0.13%
		<u>\$ 1,330,170,462</u>	<u>5.67%</u>	<u>\$ 545,274,061</u>	<u>5.00%</u>
<b>Total County Assessed Value is</b>		<b>\$ 23,474,474,955</b>		<b>\$ 10,938,043,310</b>	

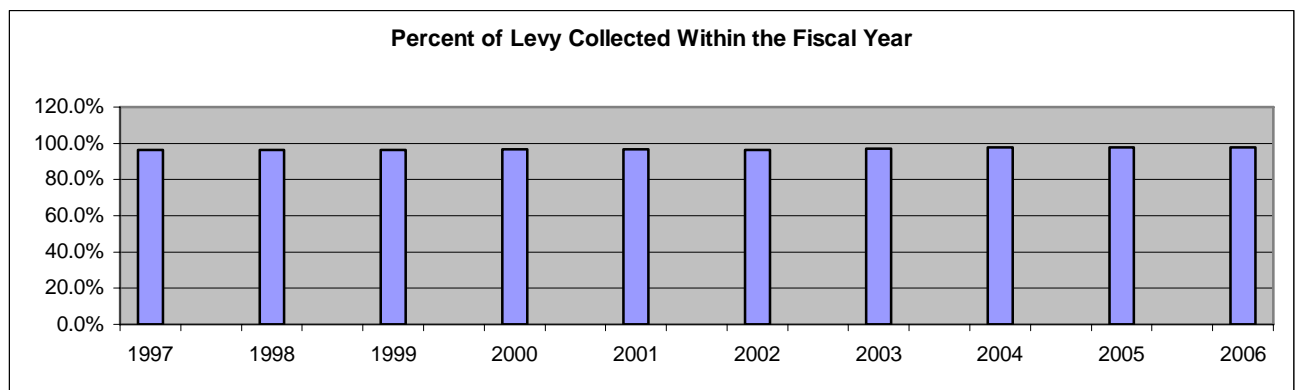
**Property Tax Levies and Collections Information**  
**Last Ten Years**  
**Schedule 9**

Fiscal Year Ended Dec 31,	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy (2)		Amount	Percentage of Levy
1997	\$ 33,255,890	\$ 32,046,213	96.4%	\$ 1,038,988	\$ 33,085,201	99.5%
1998	\$ 34,851,641	\$ 33,604,797	96.4%	\$ 1,552,550	\$ 35,157,347	100.9%
1999	\$ 36,102,918	\$ 34,735,607	96.2%	\$ 1,121,754	\$ 35,857,361	99.3%
2000	\$ 39,729,591	\$ 38,417,951	96.7%	\$ 1,082,232	\$ 39,500,183	99.4%
2001	\$ 41,441,550	\$ 40,123,022	96.8%	\$ 1,176,368	\$ 41,299,390	99.7%
2002	\$ 42,910,569	\$ 41,365,902	96.4%	\$ 1,262,000	\$ 42,627,902	99.3%
2003	\$ 44,539,818	\$ 43,201,855	97.0%	\$ 1,511,802	\$ 44,713,657	100.4%
2004	\$ 47,002,993	\$ 45,941,853	97.7%	\$ 1,189,892	\$ 47,131,745	100.3% (2)
2005	\$ 49,371,918	\$ 48,213,465	97.7%	\$ 1,217,875	\$ 49,431,340	100.1%
2006	\$ 51,925,796	\$ 50,710,182	97.7%	\$ 1,069,806	\$ 51,779,988	99.7%

Source: Thurston County Assessor, Thurston County Treasurer

(1) Includes County General Fund, Roads, Veteran's, Medic One, Conservation Futures,  
Tax Refund, and Mental Health Tax Levies

(2) 2004 Collected percent corrected to 97.7%

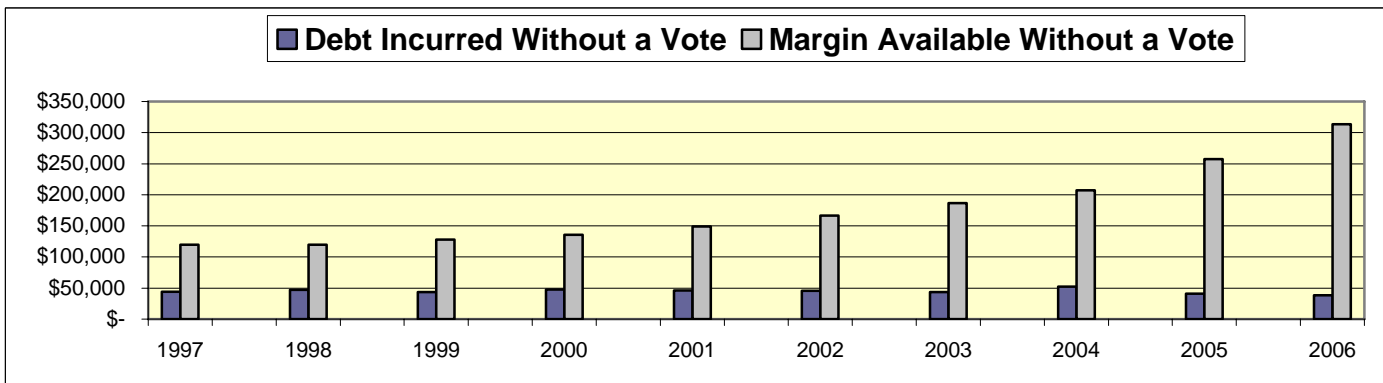




**Debt Limit Information**  
**Legal Debt Margin Information**  
**Last 10 Years**  
**Schedule 10**  
*(in thousands of dollars)*

		Debt Limit Without a Vote					Debt Limit With a Vote					
				Debt Incurred Without a Vote					Debt Incurred Without a Vote			
					Margin Available					Margin Available		
				Liabilities					Debt Incurred with a Vote	Liabilities		
Year	Total Property Value	Legal Limit at 1.5%	Net of Assets	Amount	%	Legal Limit at 2.5%				Net of Assets	Amount	%
1997	\$ 10,938,043	\$ 164,071	\$ 44,233	\$ 119,838	73.0%	\$ 273,451		\$ -	\$ 44,233	\$ 229,218	83.8%	
1998	11,133,309	167,000	47,242	119,758	71.7%	278,333		-	47,242	231,091	83.0%	
1999	11,453,972	171,810	43,882	127,928	74.5%	286,349		-	43,882	242,467	84.7%	
2000	12,207,784	183,117	47,672	135,445	74.0%	305,195		-	47,672	257,523	84.4%	
2001	13,037,972	195,570	46,283	149,287	76.3%	325,949		-	46,283	279,666	85.8%	
2002	14,146,526	212,198	45,524	166,674	78.5%	353,663		-	45,524	308,139	87.1%	
2003	15,351,292	230,269	43,789	186,480	81.0%	383,782		-	43,789	339,993	88.6%	
2004	17,304,944	259,574	52,597	206,977	79.7%	432,624		-	52,597	380,027	87.8%	
2005	19,930,801	298,962	41,349	257,613	86.2%	498,270		-	41,349	456,921	91.7%	
2006	\$ 23,474,475	\$ 352,117	\$ 38,576	\$ 313,541	89.0%	\$ 586,862		\$ -	\$ 38,576	\$ 548,286	93.4%	

Source: Thurston County Treasurer



**Total Outstanding Debt Information**  
**Ratios of Outstanding Debt by Type**  
**Last 10 Years**  
**Schedule 11**  
*(in thousands of dollars)*

Fiscal Year	<u>Governmental-Type Activities</u>			<u>Business-Type Activities</u>			<u>Primary Government</u>		
	General Obligation Bonds	Inter-Governmental Loans	Capital Leases	General Obligation Bonds	Inter-Governmental Loans	Capital Leases	Total	% of Personal Income (1)	Per Capita Income (2)
1997	\$ 29,510	\$ -	\$ 65	\$ 15,642	\$ 1,538	\$ 21	\$ 46,776	0.96%	\$ 237
1998	\$ 32,500	\$ -	\$ 101	\$ 15,621	\$ 1,490	\$ 3	\$ 49,715	0.96%	\$ 249
1999	\$ 29,364	\$ -	\$ 92	\$ 15,462	\$ 1,406	\$ -	\$ 46,324	0.85%	\$ 229
2000	\$ 34,249	\$ 450	\$ 447	\$ 14,010	\$ 1,625	\$ -	\$ 50,781	0.83%	\$ 249
2001	\$ 32,826	\$ 500	\$ 336	\$ 13,767	\$ 1,489	\$ -	\$ 48,918	0.75%	\$ 233
2002	\$ 33,134	\$ 474	\$ 258	\$ 13,500	\$ 1,920	\$ -	\$ 49,286	0.74%	\$ 232
2003	\$ 31,541	\$ 447	\$ 115	\$ 13,250	\$ 4,040	\$ -	\$ 49,393	0.72%	\$ 230
2004	\$ 40,899	\$ 421	\$ 147	\$ 12,718	\$ 3,657	\$ -	\$ 57,842	0.80%	\$ 265
2005	\$ 41,686	\$ 1,359	\$ 156	\$ 11,875	\$ 2,317	\$ -	\$ 57,393	N/A	\$ 256
2006	\$ 39,219	\$ 1,109	\$ 249	\$ 11,470	\$ 2,204	\$ -	\$ 54,251	N/A	\$ 235

(1) Represents County debt as a percentage of total personal income. Personal income is from the Bureau of Economic Analysis and is extracted from Schedule 14.

(2) Represents the per capita portion of County Debt. County total population is from the Thurston County Regional Planning Council and is extracted from Schedule 14.

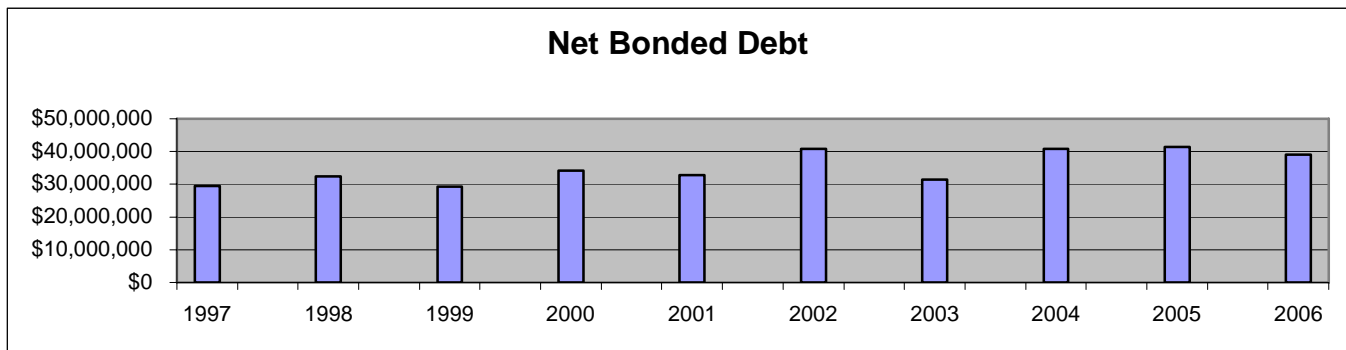
**Ratio of Net General Obligation Bonded Debt to Assessed Value  
Last Ten Years  
Schedule 12**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Total Estimated Actual Taxable Value (2)</b>	<b>Gross G.O. Bonded Debt (3)</b>	<b>Less Debt Service Fund</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
1997	197,600	\$ 11,845,522,206	\$29,510,000	\$109,285	\$29,400,715	0.248%	149
1998	199,700	\$ 12,302,496,749	\$32,500,350	\$13,237	\$32,487,113	0.264%	163
1999	202,700	\$ 13,106,370,921	\$29,364,350	\$14,288	\$29,350,062	0.224%	145
2000	204,300	\$ 13,504,319,864	\$34,248,998	\$18,672	\$34,230,326	0.253%	168
2001	210,200	\$ 14,616,393,055	\$32,826,140	\$23,485	\$32,802,655	0.224%	156
2002	212,300	\$ 15,415,161,583	\$40,898,570	\$70,331	\$40,828,239	0.265%	192
2003	214,800	\$ 16,512,221,448	\$31,541,427	\$38,381	\$31,503,046	0.191%	147
2004	218,500	\$ 19,052,585,828	\$40,898,570	\$35,896	\$40,862,674	0.214%	187
2005	224,100	\$ 22,008,389,994	\$41,370,713	\$36,833	\$41,333,880	0.188%	184
2006	231,100	\$ 27,232,569,553	\$39,092,856	\$36,833	\$39,056,023	0.143%	169

(1) Source: Thurston County Regional Planning

(2) Source: County Assessor

(3) Excludes Grand Mound proprietary debt



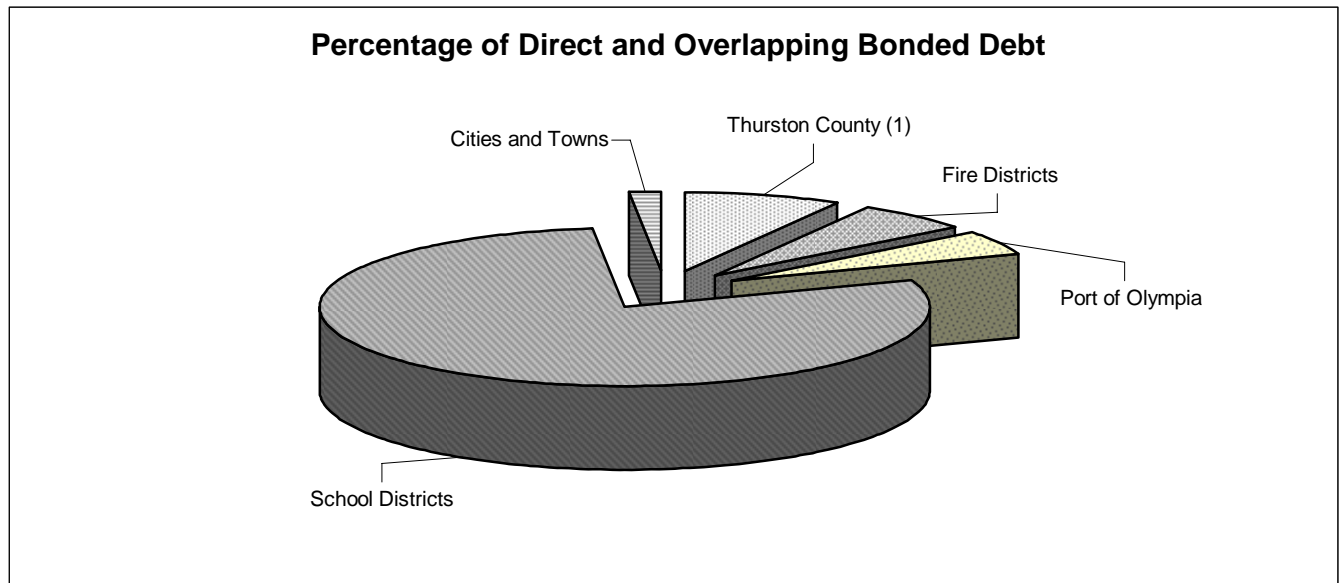
**Computation Of Direct And Overlapping Bonded Debt  
General Obligation Bonds  
December 31, 2006  
Schedule 13**

<b>Jurisdiction</b>	<b>G.O. Bonded Debt Outstanding</b>	<b>Percentage Applicable to Thurston County (2)</b>	<b>Amount Applicable To Thurston County</b>
Direct:			
Thurston County (1)	<u>\$39,092,856</u>	100%	<u>\$39,092,856</u>
Overlapping:			
Fire Districts	27,744,110	100%	27,744,110
Port of Olympia	22,895,000	100%	22,895,000
School Districts	365,715,364	100%	365,715,364
Cities and Towns	8,353,407	100%	8,353,407
Total Overlapping	<u>424,707,881</u>	100%	<u>424,707,881</u>
Total	<u><u>\$463,800,737</u></u>		<u><u>\$463,800,737</u></u>

Source: Thurston County Treasurer

(1) Excluding general obligation bonds reported in the proprietary funds.

(2) Percentage of overlap is based on percentage of jurisdiction included within Thurston County



## Demographic and Economic Information

### Last 10 Years

### Schedule 14

Year	Unincorporated Population	Incorporated Population	Total Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (1)	Median Age (1)	K-12 School Enrollment (4)	College Enrollment (Head Count) (1)	Unemploy- ment Rate (1) (3)
1997	113,130	84,470	197,600	\$ 4,862,003	\$ 27,743	33.6	37,181	10,094	5.10%
1998	113,815	85,885	199,700	\$ 5,204,165	\$ 29,062	33.6	37,752	10,591	4.90%
1999	114,375	88,325	202,700	\$ 5,464,334	\$ 29,591	33.6	38,031	10,718	4.60%
2000	115,350	88,950	204,300	\$ 6,092,972	\$ 31,660	36.5	37,786	10,699	5.00%
2001	116,300	93,900	210,200	\$ 6,488,224	\$ 32,357	36.5	35,760	10,895	5.70%
2002	117,935	94,365	212,300	\$ 6,649,451	\$ 32,033	36.5	37,945	10,922	5.80%
2003	119,475	95,325	214,800	\$ 6,857,955	\$ 31,841	36.5	38,102	11,362	5.70%
2004	122,265	96,235	218,500	\$ 7,229,582	\$ 32,180	36.5	38,477	11,926	5.20%
2005	126,450	97,650	224,100	\$ 7,723,566	n/a	37.9	39,176	11,654	5.00%
2006	131,805	99,295	231,100	n/a	n/a	37.9	38,984	12,164	4.70%

(1) Thurston County Regional Planning Council, The Profile

\*Per capita income adjusted for inflation

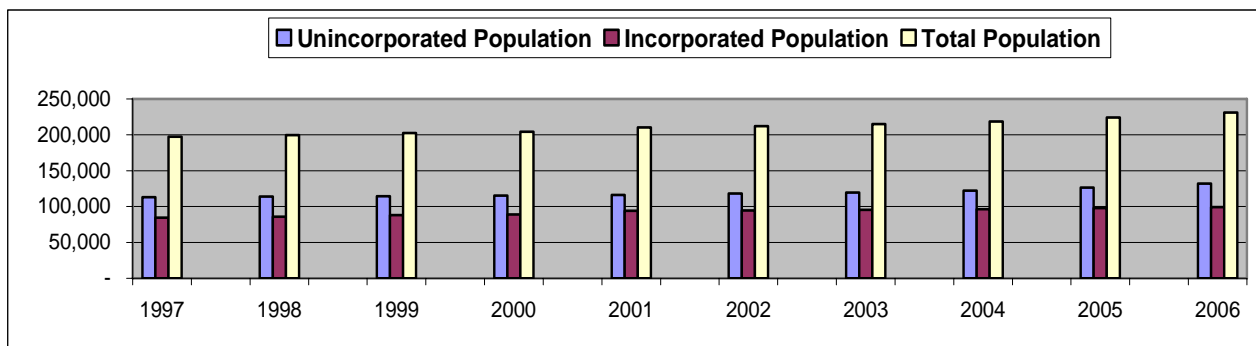
\*Median Age reported every 5 years.

\*College Head count is fall of the previous year. Includes both full and part-time students enrolled at campuses located in Thurston County

(2) Bureau of Economic Analysis

(3) Washington State Employment Security Department

(4) Washington State Superintendent of Public Instruction



**Principal Employers  
Current Year and 10 Years Ago  
Schedule 15**

**Top Ten Employers for 2006 (1) (2)**

<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
State Government, Including Education	26,800	1	22.65%
Local Government, Including Education	17,700	2	14.96%
Providence St. Peter Hospital	2,300	3	1.94%
Tribal Government	1,144	4	0.97%
Federal Government	1,000	5	0.85%
Safeway Stores	825	6	0.70%
Group Health Cooperative	700	7	0.59%
Capital Medical Center	450	8	0.38%
Panorama	360	9	0.30%
St. Martin's University	350	10	0.30%
Totals	<u>51,629</u>		<u>43.64%</u>
Total Employed (4)	118,300		

**Top Ten Employers for 1997 (3)**

<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
State Government, Including Education	23,364	1	24.41%
Local Government, Including Education	9,700	2	10.14%
Providence St. Peter Hospital	2,100	3	2.19%
Federal Government	1,000	4	1.05%
Group Health Cooperative	556	5	0.58%
Capital Medical Center	550	6	0.57%
Safeway Stores	507	7	0.53%
Memorial Clinic	410	8	0.43%
Haggen Top Food and Drug Stores	361	9	0.38%
Fred Meyer	328	10	0.34%
Totals	<u>38,876</u>		<u>40.62%</u>
Total Employed (4)	95,700		

(1) Source 2006: The Economic Development Council of Thurston County

(2) Source for Government Employment 2006: Employment Security Department, Workforce Explorer, MSA

(3) Source 1997: Thurston Regional Planning, The Profile

(4) Total Employed: Washington State Employment Security Department

**Government Employment Information**  
**Authorized Thurston County Positions by Function**  
**Last 10 Years**  
**Schedule 16**  
**Page 1 of 2**

Function/Program	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>General Government</b>										
Assessor	39.25	38.25	38.25	38.25	38.25	38.00	36.00	36.00	37.00	37.00
Auditor	39.00	39.00	41.00	41.00	39.00	37.00	37.00	37.00	40.00	40.00
Commissioners/County Admin	11.07	11.07	11.07	11.07	11.57	11.57	11.00	11.00	11.00	11.00
Treasurer	11.94	11.81	11.81	11.89	11.35	11.35	11.42	11.42	10.92	10.92
Human Resources	12.40	12.40	12.33	12.26	10.70	13.57	12.55	12.10	11.10	12.60
Other General Gov Programs (3)	9.24	9.37	9.37	9.30	11.65	11.65	11.73	11.73	12.73	12.78
Central Services & Facilities (1)	56.00	60.00	60.00	61.75	60.75	60.75	61.75	58.00	58.00	58.00
<b>Total FTE</b>	<b>178.90</b>	<b>181.90</b>	<b>183.83</b>	<b>185.52</b>	<b>183.27</b>	<b>183.89</b>	<b>181.45</b>	<b>177.25</b>	<b>180.75</b>	<b>182.30</b>
<b>Public Safety</b>										
Clerk	32.50	35.50	35.50	35.50	35.50	37.50	36.50	35.50	36.50	37.50
Superior Court	29.50	33.00	33.00	34.00	34.00	34.00	34.00	35.00	35.20	35.70
District Court	27.75	28.75	29.00	29.00	29.00	29.00	28.00	29.00	30.00	30.00
Juvenile Probation	52.00	60.00	62.00	62.00	62.00	62.00	61.00	61.00	60.00	59.00
Prosecuting Attorney	56.14	58.14	59.14	60.14	62.14	65.45	68.45	67.45	65.45	66.45
Sheriff	102.50	108.50	108.50	108.50	111.00	116.00	110.00	110.00	110.00	112.00
Corrections	79.00	86.00	88.00	95.00	95.00	95.00	98.20	98.20	98.65	99.17
Coroner	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Assigned Counsel	5.10	8.50	8.50	8.50	8.25	9.25	9.25	9.25	16.63	20.63
Other Public Safety Programs (4)	5.00	6.00	9.00	9.00	10.25	9.25	9.25	11.25	10.10	11.33
Communications (1)	40.00	40.50	40.50	40.50	45.25	45.75	51.25	51.75	52.25	55.75
<b>Total FTE</b>	<b>434.49</b>	<b>469.89</b>	<b>478.14</b>	<b>487.14</b>	<b>497.39</b>	<b>508.20</b>	<b>510.90</b>	<b>513.40</b>	<b>519.78</b>	<b>532.53</b>
<b>Culture &amp; Recreation</b>										
Cooperative Extension	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	2.50	2.50
Fair	2.80	3.20	3.20	3.20	3.45	3.45	3.45	4.45	3.70	3.70
Parks & Recreation	13.75	14.75	14.75	14.75	15.00	15.00	15.00	15.00	12.00	13.75
<b>Total FTE</b>	<b>20.05</b>	<b>21.45</b>	<b>21.45</b>	<b>21.45</b>	<b>21.95</b>	<b>21.95</b>	<b>21.95</b>	<b>22.95</b>	<b>18.20</b>	<b>19.95</b>
<b>Health &amp; Human Services</b>										
Medic One & Reserve	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00
Social Services	17.07	20.97	19.97	16.35	16.72	16.72	18.31	15.50	15.75	15.75
Public Health	92.23	91.98	90.68	90.68	94.26	100.63	103.31	103.90	108.20	106.30
<b>Total FTE</b>	<b>114.30</b>	<b>117.95</b>	<b>115.65</b>	<b>112.03</b>	<b>116.98</b>	<b>123.35</b>	<b>127.62</b>	<b>125.40</b>	<b>129.95</b>	<b>128.05</b>

**Government Employment Information**  
**Authorized Thurston County Positions by Function**  
**Last 10 Years**  
**Schedule 16**  
**Page 2 of 2**

Function/Program	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Transportation</b>										
GeoData	7.00	7.00	7.00	6.00	6.00	7.00	8.00	7.00	7.00	8.00
County Roads	89.90	91.75	90.23	93.13	93.13	108.50	102.76	100.65	105.79	108.24
Roads Development Review	9.60	9.60	9.60	9.47	9.47	9.83	9.27	9.39	9.32	9.21
Roads Construction in Progress	12.00	12.15	13.67	12.90	12.90	10.17	13.47	23.82	15.75	17.35
ER&R Maintenance (1)	14.00	14.00	14.00	13.00	13.00	13.00	13.00	13.00	13.00	12.70
<b>Total FTE</b>	<b>132.50</b>	<b>134.50</b>	<b>134.50</b>	<b>134.50</b>	<b>134.50</b>	<b>148.50</b>	<b>146.50</b>	<b>153.86</b>	<b>150.86</b>	<b>155.50</b>
<b>Economic Environment</b>										
Veterans	0.37	0.37	0.44	0.44	0.31	0.31	0.18	0.63	0.63	0.63
Development Services	46.50	48.25	48.25	48.25	48.75	49.75	53.75	57.75	58.00	62.00
Pacific Mountain	32.00	38.00	41.00	41.00	40.00	40.00	41.00	41.00	34.00	30.60
Office of Program & Budget Dev.	11.50	9.00	9.25	9.25	9.75	8.75	7.25	5.25	5.05	6.05
<b>Total FTE</b>	<b>90.37</b>	<b>95.62</b>	<b>98.94</b>	<b>98.94</b>	<b>98.81</b>	<b>98.81</b>	<b>102.18</b>	<b>104.63</b>	<b>97.68</b>	<b>99.28</b>
<b>Utilities &amp; Environment</b>										
Water & Waste Mgt. Admin (2)	45.05	46.05	46.05	45.80	44.80	45.80	46.80	46.80	47.80	47.80
Noxious Weed Control	4.50	4.50	4.50	4.25	3.25	2.75	2.75	2.75	3.25	3.25
<b>Total FTE</b>	<b>49.55</b>	<b>50.55</b>	<b>50.55</b>	<b>50.05</b>	<b>48.05</b>	<b>48.55</b>	<b>49.55</b>	<b>49.55</b>	<b>51.05</b>	<b>51.05</b>
<b>Budgeted FTE Count</b>	<b>1020.16</b>	<b>1071.86</b>	<b>1083.06</b>	<b>1089.63</b>	<b>1100.95</b>	<b>1133.25</b>	<b>1140.15</b>	<b>1147.04</b>	<b>1148.27</b>	<b>1168.66</b>

(1) Internal Service Funds

(2) Enterprise Funds

(3) Other General Government Programs Include the following Internal Service Funds: Unemployment, Insurance Risk, and Benefits Admin. Also includes Non-Dept., Treasurer's M&amp;O, Investment Admin., and Special Projects.

(4) Other Public Safety Programs Include: Civil Service, Family Court-Clerk, Family Court-Superior Court, Victim Advocate Program, Sheriff's Special Programs, Prisoner's Concession and Jail Capital Projects



**Operating Indicators  
By Function/Program  
Last 10 Years  
Schedule 17  
Page 1 of 2**

<b>Function/Program</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>General Government</b>										
General Elections										
Registered Voters	116,514	119,604	119,016	126,680	132,072	133,582	127,138	137,742	136,918	134,876
Votes Cast	70,708	79,202	74,204	98,610	58,131	73,859	49,949	113,996	76,423	85,011
% of Registered Voters Voting	60.69%	66.22%	62.35%	77.84%	44.01%	55.29%	39.29%	82.76%	55.82%	63.03%
<b>Public Safety</b>										
Sheriff's Office										
Jail Population (average)	391	447	469	428	463	446	488	473	496	504
Total Persons Booked	n/a	n/a	7,981	5,443	4,831	6,581	6,531	5,821	6,213	6,297
Citations (tickets) Issued	n/a	n/a	9,373	7,223	5,327	5,666	7,151	6,046	5,682	6,324
Juvenile Probation										
Average Caseload (monthly)	n/a	n/a	65	75	60	57	55	41	45	40
Population in Detention (ave)	n/a	n/a	60	53	49	45	45	38	45	43
Courts										
District Court Filings	n/a	n/a	28,490	29,019	25,656	38,094	39,863	37,161	32,193	36,886
District Court Proceedings	n/a	n/a	29,504	28,727	32,020	30,900	34,492	37,966	49,877	38,067
Superior Court Filings (1)	n/a	n/a	11,431	11,724	11,939	12,101	13,404	13,283	13,047	13,528
Superior Court Proceedings (1)	n/a	n/a	34,524	35,930	35,291	36,270	36,514	35,585	36,612	37,861
Communications										
911 Calls In	n/a	n/a	114,275	118,673	122,854	123,385	140,010	148,713	148,957	147,478
<b>Culture and Recreation</b>										
County Fair Attendance	36,091	37,468	36,473	36,419	37,857	36,152	32,827	31,240	34,529	35,213
Parks Attendance (7)	n/a	n/a	268,198	295,568	290,439	310,000	320,000	373,334	433,525	691,212
<b>Health &amp; Human Services</b>										
Public Health										
Laboratory Water Tests (4)	n/a	n/a	9,387	9,111	9,028	7,693	8,226	10,777	10,319	9,768
Persons Served/Reached (2) (4)	n/a	n/a	27,982	15,209	17,736	18,497	28,193	24,510	23,569	20,210
Social Services Cases (3) (4)	n/a	n/a	6,545	6,726	7,273	7,228	7,690	7,913	8,661	9,455
Medic One Responses	n/a	n/a	17,106	17,610	19,876	19,894	19,595	20,545	20,600	22,743

**Operating Indicators  
By Function/Program  
Last 10 Years  
Schedule 17  
Page 2 of 2**

<b>Function/Program</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Roads and Trans Services</b>										
Litter Ctrl-Shoulder Miles	1,614	2,544	2,082	2,143	1,493	1,590	1,823	1,520	1,622	1,161
Litter Control-lbs of Litter	99,120	165,270	152,476	73,220	130,500	154,350	167,985	151,865	165,720	141,111
Striping Roads (Ctr Line Mles)	n/a	n/a	n/a	n/a	n/a	1,230.0	1,202.2	1,447.5	1,450.4	1,455.3
Paving-Overlay Miles	18	39	37	26	28	22	22	20	8	5
Paving-Chip Seal Miles	48	85	76	76	74	77	70	68	50	28
<b>Economic Environment</b>										
Building Permits										
Permits Issued	2,974	3,189	2,904	2,896	3,233	3,347	3,868	3,882	3,312	3,328
Value of Bldg (000's Omitted)	130,302	142,791	154,471	150,790	196,827	261,162	279,009	334,485	298,370	298,955
<b>Utilities &amp; Environment</b>										
Waste & Rec Cntr Customers	n/a	n/a	179,194	182,170	184,373	193,591	203,270	213,433	224,198	250,167
Recycling (tons) (5)	n/a	n/a	2,890	3,249	3,140	3,296	11,399	13,355	13,065	14,025
New Utility Connect, actuals (6)	n/a	n/a	8	10	9	64	6	8	8	35

Source: Thurston County Offices and Departments

(1) The Clerk's Office is the record keeper for all Superior Court cases which include cases for juvenile's. Outreach(not available for 2000).

(3) Social Services cases include Developmental Disabilities, Mental Health, and Substance Abuse cases.

(4) Public Health 2006 projections. Actuals not available

(5) 1997-2006 Include Recycling Drop Boxes and Waste and Recovery Center (WARC) Public Recycling Area, but excludes residential curbside collection. 2003-2006 also include WARC Pickline.

(6) Utility connections include sewer and water.

(7) Parks attendance increased in 2006 because of the opening of the Regional Athletic Complex

**Capital Asset Information**  
**Capital Asset and Infrastructure by Function/Program**  
**Last 10 Years**  
**Schedule 18**

Function/Program	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
	(2)	(1) (2)	(2)					(3)	(4)	(5)
<b>General Government</b>										
Building Usage/Cnty Owned (sq ft)	25,236	25,236	25,236	25,236	25,236	25,236	25,901	25,901	92,126	92,916
<b>Public Safety</b>										
Building Usage/Cnty Owned (sq ft)	116,982	107,434	172,652	172,652	172,652	172,652	174,154	174,154	187,290	186,291
Sheriff's Vehicles	90	95	94	95	95	96	96	94	94	97
Sheriff's Boats	4	4	4	4	4	4	4	4	4	4
Sheriff's Special Purpose Vehicles	5	5	5	6	6	6	6	6	6	7
<b>Culture &amp; Recreation</b>										
Building Usage/Cnty Owned (sq ft)	96,941	95,669	95,669	95,669	95,669	95,669	95,669	95,669	95,769	95,769
Parks	25	24	26	25	25	25	25	25	26	33
Parks Acres	3,026	2,706	2,773	2,773	2,773	2,773	2,773	2,773	2,804	2,709
<b>Health &amp; Human Services</b>										
Building Usage/Cnty Owned (sq ft)	23,209	23,209	27,405	27,405	27,405	27,405	32,960	32,960	33,260	33,260
<b>Roads and Transportation</b>										
Building Usage/Cnty Owned (sq ft)	136,779	137,110	138,706	138,706	138,706	138,706	138,371	65,673	65,278	64,487
Paved Roads (in miles)	967	968	972	979	982	991	992	1,000	1,004	1,005
Unpaved Roads (in miles)	46	48	45	42	41	40	39	36	36	35
<b>Economic Environment</b>										
Building Usage/Cnty Owned (sq ft)	10,385	10,054	9,504	9,504	9,504	9,504	9,086	9,086	9,086	9,086
<b>Utilities &amp; Environment</b>										
Building Usage/Cnty Owned (sq ft)	4,782	4,782	4,782	4,782	4,782	4,782	4,744	4,744	4,744	4,744
Water Mains (in feet)	39,720	39,720	82,720	82,720	82,720	82,720	82,720	82,720	82,720	82,720
Storage Capacity (in gallons)	560,400	560,400	1,060,400	1,060,400	1,060,400	1,060,400	1,060,400	1,060,400	1,060,400	1,060,400
Sewer Mains (in feet)	45,070	45,070	80,270	80,270	80,270	80,270	80,270	80,270	80,270	80,270
Treatment Capacity (gallons per day)	104,000	104,000	484,000	484,000	484,000	484,000	484,000	484,000	484,000	484,000
Treat. Devices-Stormwater Sewers	2	4	7	11	15	20	24	26	29	32
Ponds Maintained	3	7	12	16	20	25	29	32	35	38

Source: Thurston County Offices and Departments

(1) New Juvenile Detention Building opened in 1999

(2) Miles of paved and unpaved roads for years 1998-2000 are revised

(3) Roads Boulevard Building sold.

(4) Mottman Building purchased. Assigned to General Government Fund occupancy. Vacant while restoring building.

(5) Parks increased by 7 in 2006 because of the addition of Parks for Trails but acreage decreased because the ORV park was transferred to Grays Harbor County