



## TABLE OF CONTENTS

December 31, 2001

### INTRODUCTORY SECTION

---

|                                                                       |     |
|-----------------------------------------------------------------------|-----|
| Letter of Transmittal.....                                            | I   |
| Certificate of Achievement for Excellence in Financial Reporting..... | II  |
| Elected Officials.....                                                | III |
| Organizational Structure.....                                         | IV  |

### FINANCIAL SECTION

---

|                               |          |
|-------------------------------|----------|
| <b>Auditor's Opinion.....</b> | <b>1</b> |
|-------------------------------|----------|

#### **General Purpose Financial Statements**

|                                                                                                                                                                                 |    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| Combined Balance Sheet – All Fund Types, Account Groups<br>and Discretely Presented Component Units.....                                                                        | 2  |
| Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All<br>Governmental Fund Types, Expendable Trust Funds and Discretely Presented Component Unit..... | 6  |
| Combined Statement of Revenues, Expenditures and Changes in Fund Balances<br>Budget and Actual – General, Special Revenue, Debt Service and Capital Project Funds.....          | 9  |
| Combined Statement of Revenues, Expenses and Changes in Fund Equity – All Proprietary<br>Fund Types, Nonexpendable Trust Fund and Discretely Presented Component Units.....     | 14 |
| Combined Statement of Cash Flows – All Proprietary Fund Types, Nonexpendable Trust<br>Fund and Discretely Presented Component Units.....                                        | 16 |
| Notes To Financial Statements:                                                                                                                                                  |    |
| Note 1 – Summary of Significant Accounting Policies.....                                                                                                                        | 21 |
| Note 2 – Stewardship, Compliance and Accountability.....                                                                                                                        | 27 |
| Note 3 – Cash and Investments.....                                                                                                                                              | 29 |
| Note 4 – Restricted Accounts.....                                                                                                                                               | 30 |
| Note 5 – Fixed Assets.....                                                                                                                                                      | 31 |
| Note 6 – Long-Term Debt.....                                                                                                                                                    | 33 |
| Note 7 – Commitments.....                                                                                                                                                       | 38 |
| Note 8 – Reserved Fund Balances and Changes In Contributed Capital.....                                                                                                         | 39 |
| Note 9 – Interfund Transactions.....                                                                                                                                            | 41 |
| Note 10 – Segment Information.....                                                                                                                                              | 43 |
| Note 11 – Discretely Presented Component Units.....                                                                                                                             | 43 |
| Note 12 – Joint Ventures.....                                                                                                                                                   | 45 |
| Note 13 – Risk Management.....                                                                                                                                                  | 46 |
| Note 14 – Post-Employment Health Care Benefits.....                                                                                                                             | 47 |
| Note 15 – Employee Retirement Systems and Plans.....                                                                                                                            | 47 |
| Note 16 – Contingencies.....                                                                                                                                                    | 49 |
| Note 17 – Subsequent Events.....                                                                                                                                                | 50 |

**General Fund**

Fund Description..... 51  
Comparative Balance Sheet..... 52  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual ..... 53  
Schedule of Expenditures and Other Financing Uses by Department – Budget and Actual ..... 54

**Special Revenue Funds**

Fund Descriptions ..... 55  
Combining Balance Sheet..... 58  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances ..... 64  
Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:  
    Veterans Relief..... 70  
    Geographical Information System ..... 71  
    Auditor’s Maintenance and Operation..... 72  
    Criminal Justice ..... 73  
    Vehicle License Fee..... 74  
    Conservation Futures ..... 75  
    Arts Commission..... 76  
    Dispute Resolution Center..... 77  
    County Fair ..... 78  
    Puget Sound Behavioral Health..... 79  
    Human Services ..... 80  
    Marine Services ..... 81  
    Drug Investigation ..... 82  
    Real Estate Excise Tax River Improvement..... 83  
    911 System ..... 84  
    Antiprofitteering Revolving ..... 85  
    Housing Repair Programs..... 86  
    Community Development..... 87  
    Emergency Management Grants ..... 88  
    Endangered Species Act..... 89  
    Parks Sales Tax..... 90  
    Roads ..... 91  
    Paths and Trails..... 92  
    Surface Water Management..... 93  
    Community Action Agency..... 94  
    Stadium and Convention Facilities ..... 95

**Debt Service Funds**

Fund Descriptions ..... 97  
Combining Balance Sheet..... 98  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances ..... 100  
Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:  
    1992 General Obligation Limited Tax Bond..... 102  
    1992 General Obligation Limited Tax Refunding Bond..... 103  
    1994 General Obligation Limited Tax Bond..... 104  
    1997 General Obligation Limited Tax Refunding Bond..... 105  
    1997B General Obligation Limited Tax Bond ..... 106  
    1999 General Obligation Limited Tax Bond..... 107  
    2000 General Obligation Limited Tax Bond..... 108  
    Consolidated Road Improvement District Bond ..... 109

**Capital Project Funds**

Fund Descriptions .....111  
Combining Balance Sheet.....112  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....114  
Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:  
    Public Works Construction .....116  
    Road Improvement Districts Construction .....117  
    Real Estate Excise Tax County Improvement.....118  
    % For Arts Construction .....119  
    Administration Building and Facilities .....120  
    Permanent Jail Construction .....121  
    Parks Construction .....122  
    Parking Facility.....123  
    950 Building Acquisition .....124

**Enterprise Funds**

Fund Descriptions .....125  
Combining Balance Sheet.....126  
Combining Statement of Revenues, Expenses and Changes in Fund Equity.....130  
Combining Statement of Cash Flows .....132

**Internal Service Funds**

Fund Descriptions .....137  
Combining Balance Sheet.....138  
Combining Statement of Revenues, Expenses and Changes in Fund Equity.....140  
Combining Statement of Cash Flows .....142

**Trust and Agency Funds**

Fund Descriptions .....147  
Combining Balance Sheet – Trust and Agency Funds.....151  
Combining Balance Sheet – Expendable Trust Funds .....152  
Combining Statement of Revenues, Expenditures and Changes in Fund  
    Balances – Expendable Trust Funds .....154  
Statement of Revenues, Expenses and Changes in Fund  
    Balance – Recreation Association Nonexpendable Trust Fund .....156  
Statement of Cash Flows – Recreation Association Nonexpendable Trust Fund.....156  
Combining Statement of Changes in Assets and Liabilities – Agency Funds.....158

**General Fixed Asset Account Group**

Description .....161  
Schedule of General Fixed Assets by Source .....162  
Schedule of General Fixed Assets by Activity .....163  
Schedule of Changes in General Fixed Assets by Function and Activity .....164

## Discretely Presented Component Units

|                                                                                                       |     |
|-------------------------------------------------------------------------------------------------------|-----|
| Fund Descriptions .....                                                                               | 167 |
| Combining Balance Sheet.....                                                                          | 168 |
| Statement of Revenues, Expenditures and Changes in<br>Fund Balance – Governmental Fund Type .....     | 170 |
| Combining Statement of Revenues, Expenses and Changes in<br>Fund Equity – Proprietary Fund Type ..... | 171 |
| Combining Statement of Cash Flows – Proprietary Fund Type .....                                       | 172 |

## STATISTICAL SECTION

---

|                                                                                                                                            |     |
|--------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Table 1 – General Government Revenues by Source, Last Ten Fiscal Years .....                                                               | 173 |
| Table 2 – General Governmental Expenditures by Function, Last Ten Fiscal Years .....                                                       | 174 |
| Table 3 – Property Tax Levies and Collections, Last Ten Fiscal Years.....                                                                  | 175 |
| Table 4 – Assessed and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years .....                                             | 176 |
| Table 5 – Property Tax Rates – Direct and Overlapping Governments, Last Ten Fiscal Years.....                                              | 177 |
| Table 6 – Special Assessment Billings and Collections, Last Ten Fiscal Years:<br>Utility Local Improvement Districts .....                 | 178 |
| Road Improvement Districts .....                                                                                                           | 178 |
| Table 7 – Ratio of Net General Bonded Debt to Assessed Value and Net Bonded<br>Debt Per Capita, Last Ten Fiscal Years .....                | 179 |
| Table 8 – Computation of Legal Debt Margin.....                                                                                            | 180 |
| Table 9 – Computation of Direct and Overlapping Debt.....                                                                                  | 181 |
| Table 10 – Ratio of Annual Debt Service Expenditures for General Bonded Debt<br>to Total General Expenditures, Last Ten Fiscal Years ..... | 182 |
| Table 11 – Revenue Bond Coverage for Sewer Revenue Bonds, Last Ten Fiscal Years .....                                                      | 183 |
| Table 12 – Demographic Statistics, Last Ten Fiscal Years.....                                                                              | 184 |
| Table 13 – Property Value, Construction, and Bank Deposits, Last Ten Fiscal Years.....                                                     | 185 |
| Table 14 – Principal Taxpayers.....                                                                                                        | 186 |
| Table 15 – Miscellaneous Statistics .....                                                                                                  | 187 |
| Table 16 – Sewer Utility Customer Statistics .....                                                                                         | 189 |