



Statement of Net Assets
At December 31, 2005
Page 1 of 2

ASSETS	Governmental Activities	Business-Type Activities	Total
Cash And Cash Equivalents	\$ 207,003,166	\$ 6,407,220	\$ 213,410,386
Cash With Trustee	2,922,030	-	2,922,030
Investments	25,156,026	18,865,950	44,021,976
Assessments Receivable	21,046	-	21,046
Sales Taxes Receivable	10,088,841	-	10,088,841
Property Taxes Receivable	15,521,077	-	15,521,077
Accounts Receivable, Net	16,457,564	4,056,677	20,514,241
Accrued Interest And Penalties	105,085	78,824	183,909
Internal Balances	(696,584)	696,584	-
Due From Other Governments	16,884,296	536,321	17,420,617
Inventory, At Cost	1,869,795	595,464	2,465,259
Prepaid Items	532,210	-	532,210
Unamortized Debt Expense	334,977	-	334,977
Restricted Assets:			
Cash And Cash Equivalents	-	3,168,954	3,168,954
Investments	-	50,718,958	50,718,958
Cash With Trustee	-	137,462	137,462
Accrued Interest And Penalties	-	905,262	905,262
Due From Other Governments	-	201,400	201,400
Contracts Receivable	-	231,544	231,544
Assessments Receivable	-	11,627,406	11,627,406
Unamortized Debt Expense	-	416,297	416,297
Landfill Closure Receivable	-	816,928	816,928
Capital Assets, Not Being Depreciated:			
Land And Land Rights	84,218,273	47,447,177	131,665,450
Avigation Rights	-	562,300	562,300
Construction In Progress	141,459,637	25,096,441	166,556,078
Capital Assets, Net Of Accumulated Depreciation:			
Buildings And System	132,878,124	56,982,488	189,860,612
Improvements Other Than Buildings	12,985,400	10,764,966	23,750,366
Machinery And Equipment	45,094,092	32,751,872	77,845,964
Infrastructure	273,823,404	228,126,970	501,950,374
Other Assets:			
Equity Interest In Joint Ventures	870,000	-	870,000
TOTAL ASSETS	\$ 987,528,459	\$ 501,193,465	\$ 1,488,721,924

See Accompanying Notes To Financial Statements



Statement of Net Assets
At December 31, 2005
Page 2 of 2

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
LIABILITIES			
Vouchers And Accounts Payable	\$ 25,859,112	\$ 6,330,279	\$ 32,189,391
Due To Other Governments	4,036,827	-	4,036,827
Accrued Wages and Benefits Payable	7,934,043	362,985	8,297,028
Accrued Interest Payable	294,666	629,813	924,479
Other Accrued Liabilities	2,147,397	159,235	2,306,632
Estimated Claim Settlements	11,323,478	-	11,323,478
Unearned Revenues	1,445,968	152,080	1,598,048
Noncurrent Liabilities:			
Due Within One Year	25,471,991	3,055,446	28,527,437
Due In More Than One Year	49,933,498	49,180,175	99,113,673
TOTAL LIABILITIES	<u>128,446,980</u>	<u>59,870,013</u>	<u>188,316,993</u>
NET ASSETS			
Invested In Capital Assets, Net Of Related Debt	632,996,499	371,875,464	1,004,871,963
Restricted For:			
Capital Projects	81,530,422	21,334,683	102,865,105
Debt Service	1,129,676	18,226,963	19,356,639
Public Safety	6,336,439	-	6,336,439
Human Services	6,461,450	-	6,461,450
Transportation	10,440,932	-	10,440,932
Physical Environment	21,511,318	-	21,511,318
Other Purposes	8,370,337	3,764,950	12,135,287
Unrestricted	90,304,406	26,121,392	116,425,798
TOTAL NET ASSETS	<u>\$ 859,081,479</u>	<u>\$ 441,323,452</u>	<u>\$ 1,300,404,931</u>

See Accompanying Notes To Financial Statements



Statement of Activities
For the Year Ended December 31, 2005

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 38,424,307	\$ 14,233,685	\$ 7,207,955	\$ 50,000	\$ (16,932,667)	\$ –	\$ (16,932,667)
Public Safety	118,725,560	5,061,904	24,414,152	225,246	(89,024,258)	–	(89,024,258)
Physical Environment	31,396,627	14,245,677	488,747	33,537	(16,628,666)	–	(16,628,666)
Transportation	64,561,330	1,278,822	14,975,230	5,522,463	(42,784,815)	–	(42,784,815)
Legal And Judicial	61,354,996	11,835,945	9,094,744	40,800	(40,383,507)	–	(40,383,507)
Economic Environment	18,284,170	11,506,210	16,805,956	–	10,027,996	–	10,027,996
Health And Human Services	85,741,688	706,253	81,715,902	–	(3,319,533)	–	(3,319,533)
Culture And Recreation	10,241,296	1,773,115	1,338,863	422,775	(6,706,543)	–	(6,706,543)
Interest On Long-Term Debt	1,489,202	–	–	–	(1,489,202)	–	(1,489,202)
Total Governmental Activities	430,219,176	60,641,611	156,041,549	6,294,821	(207,241,195)	–	(207,241,195)
Business-Type Activities							
Sewer Utility	30,259,176	28,478,640	–	13,556,584	–	11,776,048	11,776,048
Solid Waste Landfill Reserve	39,758	109,251	–	–	–	69,493	69,493
Solid Waste Management	4,204,233	2,974,632	258,533	–	–	(971,068)	(971,068)
Airport	539,308	384,936	–	49,725	–	(104,647)	(104,647)
Ferry Services	2,457,447	1,659,237	383,495	1,714,333	–	1,299,618	1,299,618
Golf Course	1,765,642	1,530,378	–	–	–	(235,264)	(235,264)
Water Utility	91,655	–	–	–	–	(91,655)	(91,655)
Total Business-Type Activities	39,357,219	35,137,074	642,028	15,320,642	–	11,742,525	11,742,525
Total Government	\$ 469,576,395	\$ 95,778,685	\$ 156,683,577	\$ 21,615,463	(207,241,195)	11,742,525	(195,498,670)
General Revenues:							
Taxes:							
Property Taxes					139,159,435	–	139,159,435
Sales Taxes					55,303,037	–	55,303,037
Excise And Other Taxes					26,877,868	285,728	27,163,596
Grants And Contributions Not Restricted For Specific Programs					492,688	–	492,688
Unrestricted Investment Earnings					8,498,505	556,772	9,055,277
Gain On Sale Of Capital Assets					540,153	–	540,153
Transfers					177,452	(177,452)	–
Total General Revenues And Transfers					231,049,138	665,048	231,714,186
Change In Net Assets					23,807,943	12,407,573	36,215,516
Net Assets - Beginning Of Year					835,273,536	428,915,879	1,264,189,415
Net Assets - End Of Year					\$ 859,081,479	\$ 441,323,452	\$ 1,300,404,931

See Accompanying Notes To Financial Statements



**Governmental Funds
Balance Sheet
At December 31, 2005**

	General Fund	Human Services	Roads	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash In Treasury Pool	\$ 32,953,882	\$ 5,067,832	\$ 12,983,414	\$ 102,073,586	\$ 153,078,714
Cash With Trustee	-	-	3,592	2,918,438	2,922,030
Investments	-	-	167,400	24,988,626	25,156,026
Assessments Receivable	-	-	21,046	-	21,046
Sales Tax Receivable	9,580,550	-	-	508,291	10,088,841
Property Tax Receivable	13,412,658	49,479	1,903,365	155,575	15,521,077
Accounts Receivable, Net	3,191,588	1,612,433	52,572	5,703,982	10,560,575
Accrued Interest And Penalties	-	-	1,839	103,246	105,085
Due From Other Funds	221,458	129,446	221,389	8,271,288	8,843,581
Due From Other Governments	3,042,115	8,093,297	271,551	5,466,236	16,873,199
Interfund Loans Receivable	1,254,000	-	-	-	1,254,000
Inventory, At Cost	179,243	-	-	98,126	277,369
Advances To Other Funds	3,150,000	-	-	-	3,150,000
TOTAL ASSETS	\$ 66,985,494	\$ 14,952,487	\$ 15,626,168	\$ 150,287,394	\$ 247,851,543
LIABILITIES AND FUND BALANCES					
Liabilities					
Vouchers And Accounts Payable	\$ 4,446,973	\$ 5,016,303	\$ 578,293	\$ 12,169,243	\$ 22,210,812
Due To Other Funds	2,834,922	228,858	1,104,458	6,364,746	10,532,984
Due To Other Governments	10,605	3,945,660	17	2,657	3,958,939
Accrued Wages And Benefits Payable	5,339,017	440,156	665,626	868,975	7,313,774
Deferred Revenues	23,777,853	116,592	1,946,953	2,673,602	28,515,000
Interfund Loans Payable	-	-	-	1,254,000	1,254,000
Other Current Liabilities	2,147,397	-	-	-	2,147,397
Advances From Other Funds	-	-	-	2,991,000	2,991,000
Total Liabilities	38,556,767	9,747,569	4,295,347	26,324,223	78,923,906
Fund Balances					
Reserved For Advances To Other Funds	3,150,000	-	-	-	3,150,000
Reserved For Inventory	179,243	-	-	98,126	277,369
Reserved For Continuing Appropriations	-	-	-	49,584,773	49,584,773
Reserved For Debt Service	-	-	-	1,129,676	1,129,676
Reserved For Other Purposes	347,863	-	-	-	347,863
Unreserved Reported In:					
General Fund	24,751,621	-	-	-	24,751,621
Special Revenue Funds	-	5,204,918	11,330,821	73,679,115	90,214,854
Capital Project Funds	-	-	-	(528,519)	(528,519)
Total Fund Balances	28,428,727	5,204,918	11,330,821	123,963,171	168,927,637
TOTAL LIABILITIES AND FUND BALANCES	\$ 66,985,494	\$ 14,952,487	\$ 15,626,168	\$ 150,287,394	\$ 247,851,543

See Accompanying Notes To Financial Statements



**Reconciliation Of The Balance Sheet Of Governmental Funds
To The Statement Of Net Assets**
At December 31, 2005

Total Fund Balances Of Governmental Funds \$ 168,927,637

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Capital assets:

Land	\$ 84,006,833	
Construction in progress	140,941,998	
Infrastructure	329,909,659	
Buildings & improvements	180,063,232	
Machinery and equipment	26,616,804	
Accumulated depreciation	<u>(98,265,946)</u>	
Total capital assets (net of accumulated depreciation)		663,272,580

Equity interest in Cheney Stadium joint venture 870,000

Internal Service Funds are used to charge individual funds for the cost of certain activities such as equipment and vehicle rental, information services, facilities management, radio communications, general services, self insurance and workers compensation. The statement of net assets includes assets, liabilities, and net assets of Internal Service Funds in governmental activities. 67,062,863

Certain receivables for county taxes and other revenues will be collected after year-end, and will not be available soon enough after year-end to pay for the current period expenditures. Accordingly these receivables are either reported as revenue when received or are reported as deferred revenue in the funds. 32,821,011

Certain liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds as follows:

Bonds payable	\$ (56,222,232)	
Contracts and loans payable	(1,323,900)	
Accrued interest payable	(294,666)	
Compensated absences	<u>(16,031,814)</u>	
Total long-term liabilities		<u>(73,872,612)</u>

Net Assets Of Governmental Activities \$ 859,081,479

See Accompanying Notes To Financial Statements



Governmental Funds
Statement Of Revenues, Expenditures And Changes In Fund Balances
For The Year Ended December 31, 2005

	General Fund	Human Services	Roads	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	\$ 97,524,935	\$ 1,147,325	\$ 38,634,799	\$ 3,573,560	\$ 140,880,619
Sales And Use Taxes	49,588,821	-	-	4,851,449	54,440,270
Excise And Other Taxes	2,930,983	11,178	485,906	23,449,801	26,877,868
Licenses And Permits	8,882,175	-	265,337	-	9,147,512
Intergovernmental Revenues	29,536,965	66,756,914	13,422,560	40,964,645	150,681,084
Charges For Services	33,120,457	998	1,121,124	20,815,185	55,057,764
Fines And Forfeits	4,664,922	-	-	1,627,628	6,292,550
Interest And Penalties	7,628,563	-	26,409	561,297	8,216,269
Miscellaneous	2,060,868	538,617	236,389	2,187,343	5,023,217
TOTAL REVENUES	235,938,689	68,455,032	54,192,524	98,030,908	456,617,153
EXPENDITURES					
Current:					
General Government	33,876,769	-	-	4,150,287	38,027,056
Public Safety	104,227,673	-	-	11,203,727	115,431,400
Physical Environment	15,446,846	-	-	17,876,144	33,322,990
Legal And Judicial	61,160,955	-	-	-	61,160,955
Transportation	-	-	39,219,539	1,770,271	40,989,810
Economic Environment	1,491,391	-	-	17,094,285	18,585,676
Health And Human Services	3,202,800	70,444,816	-	12,739,054	86,386,670
Culture And Recreation	6,758,676	-	-	2,629,941	9,388,617
Capital Projects:					
General Government	-	-	-	2,492,288	2,492,288
Public Safety	-	-	-	3,326,363	3,326,363
Legal And Judicial	-	-	-	267,771	267,771
Transportation	-	-	-	30,436,215	30,436,215
Economic Environment	-	-	-	200,000	200,000
Health And Human Services	-	-	-	405,606	405,606
Culture And Recreation	-	-	-	11,095,782	11,095,782
Debt Service:					
Principal Retirement	-	-	-	3,215,615	3,215,615
Interest And Fiscal Charges	-	-	-	2,251,571	2,251,571
TOTAL EXPENDITURES	226,165,110	70,444,816	39,219,539	121,154,920	456,984,385
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9,773,579	(1,989,784)	14,972,985	(23,124,012)	(367,232)
OTHER FINANCING SOURCES (USES)					
Sale Of Capital Assets	319,260	2,896	240,715	29,469	592,340
Transfers In	1,336,060	106,290	223,985	40,204,906	41,871,241
General Obligation Bonds Issued	-	-	-	9,364,342	9,364,342
Refunding Bonds Issued	-	-	-	32,915,000	32,915,000
Premium On Refunding Bonds	-	-	-	2,437,655	2,437,655
General Long-Term Debt - Contracts	-	-	-	1,323,900	1,323,900
Refunding Proceeds Sent To Trustee	-	-	-	(35,003,726)	(35,003,726)
Transfers Out	(11,519,057)	(1,922,138)	(16,820,413)	(12,372,971)	(42,634,579)
TOTAL OTHER FINANCING SOURCES (USES)	(9,863,737)	(1,812,952)	(16,355,713)	38,898,575	10,866,173
NET CHANGE IN FUND BALANCES	(90,158)	(3,802,736)	(1,382,728)	15,774,563	10,498,941
FUND BALANCES - Beginning Of Year	28,516,464	9,007,654	12,713,549	108,192,601	158,430,268
Change In Reserves	2,421	-	-	(3,993)	(1,572)
FUND BALANCES - End Of Year	\$ 28,428,727	\$ 5,204,918	\$ 11,330,821	\$ 123,963,171	\$ 168,927,637

See Accompanying Notes To 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, 2005

Net Change in Fund Balances - Total Governmental Funds	\$ 10,498,941
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays in governmental fund statements exceeded depreciation for the current period.	24,958,269
The decrease in net assets from various miscellaneous capital asset transactions (i.e., sales, trade-ins, and donations) is not reported in governmental funds.	(6,470,446)
Changes in investments in a joint venture are not reported in governmental fund statements.	271,130
Certain portions of county taxes and other revenue that do not provide current financial resources are either reported as revenue when received or reported as deferred revenues in governmental fund statements, but recognized currently as revenue in entity-wide statements. Current year changes in such revenues are included as a change of net assets in the statement of activities.	(902,939)
Governmental funds report the issuance of long-term debt; the repayment of the principal on long-term debt; and related items occurring when debt is first issued (such as issuance costs, premiums, and/or discounts) as increases or decreases in total governmental fund balances. Issuing and repaying long-term debt have no effect on government-wide net assets. Further, the related debt issuance items are deferred and amortized in the statement of activities. This amount represents the net effect of such differences in the treatment of long-term debt and related items.	(7,513,128)
Changes in certain accrued assets and liabilities are included in the statement of activities. Such changes do not require the use of current financial resources and, therefore, are not included in the change in governmental fund balances.	(27,831)
<i>Internal Service Funds</i> are used by management to charge the costs of certain activities to individual funds. The net revenue of such activity is not included in the change in governmental fund balances.	<u>2,993,947</u>
Change in Net Assets of Governmental Activities	<u><u>\$ 23,807,943</u></u>

See Accompanying Notes To Financial Statements



General Fund
Statement of Revenues, Expenditures And Changes In Fund Balance
Budget (GAAP Basis) And Actual
For The Year Ended December 31, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 96,942,350	\$ 96,942,350	\$ 97,524,935	\$ 582,585
Sales And Use Taxes	47,000,000	47,415,000	49,588,821	2,173,821
Excise And Other Taxes	2,181,000	2,181,000	2,930,983	749,983
Licenses And Permits	7,242,430	7,642,430	8,882,175	1,239,745
Intergovernmental Revenues	26,672,550	30,064,822	29,536,965	(527,857)
Charges For Services	32,076,620	33,655,886	33,120,457	(535,429)
Fines And Forfeits	5,235,000	4,735,000	4,664,922	(70,078)
Interest	7,650,070	8,390,070	7,628,563	(761,507)
Miscellaneous	1,801,690	1,971,167	2,060,868	89,701
TOTAL REVENUES	<u>226,801,710</u>	<u>232,997,725</u>	<u>235,938,689</u>	<u>2,940,964</u>
EXPENDITURES				
General Government	33,195,690	34,369,968	33,876,769	493,199
Public Safety	103,815,110	104,965,084	104,227,673	737,411
Physical Environment	15,522,080	15,548,885	15,446,846	102,039
Legal And Judicial	60,526,940	61,448,098	61,160,955	287,143
Economic Environment	1,541,222	1,621,722	1,491,391	130,331
Health And Human Services	3,220,980	3,220,980	3,202,800	18,180
Culture And Recreation	6,835,738	6,846,975	6,758,676	88,299
TOTAL EXPENDITURES	<u>224,657,760</u>	<u>228,021,712</u>	<u>226,165,110</u>	<u>1,856,602</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2,143,950</u>	<u>4,976,013</u>	<u>9,773,579</u>	<u>4,797,566</u>
OTHER FINANCING SOURCES (USES)				
Sale Of Capital Assets	426,450	469,850	319,260	(150,590)
Transfers In	1,686,980	1,686,980	1,336,060	(350,920)
Transfers Out	(8,666,380)	(11,541,843)	(11,519,057)	22,786
TOTAL OTHER FINANCING SOURCES (USES)	<u>(6,552,950)</u>	<u>(9,385,013)</u>	<u>(9,863,737)</u>	<u>(478,724)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (4,409,000)</u>	<u>\$ (4,409,000)</u>	<u>(90,158)</u>	<u>\$ 4,318,842</u>
FUND BALANCE - Beginning Of Year			28,516,464	
Change In Reserves			2,421	
FUND BALANCE - End Of Year			<u>\$ 28,518,885</u>	

See Accompanying Notes To Financial Statements



Human Services Special Revenue Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance
Budget (GAAP Basis) And Actual
 For The Year Ended December 31, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 1,124,750	\$ 1,124,750	\$ 1,147,325	\$ 22,575
Excise And Other Taxes	-	-	11,178	11,178
Intergovernmental Revenues	91,250,020	76,776,631	66,756,914	(10,019,717)
Charges For Services	2,070	2,070	998	(1,072)
Miscellaneous	756,140	756,140	538,617	(217,523)
TOTAL REVENUES	93,132,980	78,659,591	68,455,032	(10,204,559)
EXPENDITURES				
Mental And Physical Health	92,181,780	76,202,391	70,444,816	5,757,575
TOTAL EXPENDITURES	92,181,780	76,202,391	70,444,816	5,757,575
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	951,200	2,457,200	(1,989,784)	(4,446,984)
OTHER FINANCING SOURCES (USES)				
Sale Of Capital Assets	-	-	2,896	2,896
Transfers In	106,290	106,290	106,290	-
Transfers Out	(1,088,490)	(2,563,490)	(1,922,138)	641,352
TOTAL OTHER FINANCING SOURCES (USES)	(982,200)	(2,457,200)	(1,812,952)	644,248
NET CHANGE IN FUND BALANCE	\$ (31,000)	\$ -	(3,802,736)	\$ (3,802,736)
FUND BALANCE - Beginning Of Year			9,007,654	
FUND BALANCE - End Of Year			\$ 5,204,918	

See Accompanying Notes To Financial Statements



Roads Special Revenue Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance
Budget (GAAP Basis) And Actual
 For The Year Ended December 31, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 38,400,790	\$ 38,400,790	\$ 38,634,799	\$ 234,009
Excise And Other Taxes	388,500	388,500	485,906	97,406
Licenses And Permits	73,100	73,100	265,337	192,237
Intergovernmental Revenues	14,473,030	14,473,030	13,422,560	(1,050,470)
Charges For Services	953,000	953,000	1,121,124	168,124
Interest	26,000	26,000	26,409	409
Miscellaneous	34,000	34,000	236,389	202,389
TOTAL REVENUES	<u>54,348,420</u>	<u>54,348,420</u>	<u>54,192,524</u>	<u>(155,896)</u>
EXPENDITURES				
Transportation	43,852,120	43,852,120	39,219,539	4,632,581
TOTAL EXPENDITURES	<u>43,852,120</u>	<u>43,852,120</u>	<u>39,219,539</u>	<u>4,632,581</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>10,496,300</u>	<u>10,496,300</u>	<u>14,972,985</u>	<u>4,476,685</u>
OTHER FINANCING SOURCES (USES)				
Sale Of Capital Assets	232,400	232,400	240,715	8,315
Transfers In	-	-	223,985	223,985
Transfers Out	(19,139,430)	(19,139,430)	(16,820,413)	2,319,017
TOTAL OTHER FINANCING SOURCES (USES)	<u>(18,907,030)</u>	<u>(18,907,030)</u>	<u>(16,355,713)</u>	<u>2,551,317</u>
NET CHANGE IN FUND BALANCE	<u>\$ (8,410,730)</u>	<u>\$ (8,410,730)</u>	<u>(1,382,728)</u>	<u>\$ 7,028,002</u>
FUND BALANCE - Beginning Of Year			<u>12,713,549</u>	
FUND BALANCE - End Of Year			<u>\$ 11,330,821</u>	

See Accompanying Notes To Financial Statements



Proprietary Funds
Statement Of Net Assets
 At December 31, 2005
 Page 1 of 2

	<u>Sewer Utility</u>	<u>Chambers Bay Golf Course</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
ASSETS					
Current Assets					
Unrestricted:					
Cash In Treasury Pool	\$ 2,242,240	\$ -	\$ 4,164,980	\$ 6,407,220	\$ 53,924,452
Investments	12,739,700	-	6,126,250	18,865,950	-
Accounts Receivable, Net	3,646,300	-	410,377	4,056,677	162,686
Due From Other Funds	227,403	-	87,500	314,903	1,847,542
Accrued Interest And Penalties	65,343	-	13,481	78,824	-
Due From Other Governments	524,809	-	11,512	536,321	11,097
Inventory, At Cost	577,392	-	18,072	595,464	1,592,426
Prepaid Expense	-	-	-	-	532,210
Restricted:					
Cash In Treasury Pool	2,306,659	10,290	852,005	3,168,954	-
Cash With Trustee	-	-	137,462	137,462	-
Investments	22,228,863	17,200,000	11,290,095	50,718,958	-
Accrued Interest And Penalties	887,228	1,969	16,065	905,262	-
Assessments Receivable, Current	702,736	-	-	702,736	-
Contracts Receivable	231,544	-	-	231,544	-
Due From Other Funds	338,716	-	-	338,716	-
Due From Other Governments	201,400	-	-	201,400	-
Total Current Assets	46,920,333	17,212,259	23,127,799	87,260,391	58,070,413
Noncurrent Assets					
Restricted:					
Assessments Receivable, Deferred	10,924,670	-	-	10,924,670	-
Advances To Other Funds	489,000	-	-	489,000	-
Unamortized Debt Expense	62,773	353,524	-	416,297	-
Landfill Postclosure Charges	-	-	816,928	816,928	-
Total Noncurrent Restricted Assets	11,476,443	353,524	816,928	12,646,895	-
Capital Assets:					
Land And Land Rights	42,035,224	-	5,411,953	47,447,177	211,440
Buildings And Systems	85,079,294	-	3,812,476	88,891,770	459,115
Improvements Other Than Buildings	7,709,113	-	5,052,344	12,761,457	-
Machinery And Equipment	25,028,810	-	20,391,219	45,420,029	51,307,597
Infrastructure	341,799,168	-	-	341,799,168	-
Construction Work In Progress	16,463,370	5,138,642	3,494,429	25,096,441	517,639
Avigation Rights	-	-	562,300	562,300	-
Accumulated Depreciation	(150,604,802)	-	(9,641,326)	(160,246,128)	(25,309,441)
Total Capital Assets, Net	367,510,177	5,138,642	29,083,395	401,732,214	27,186,350
Total Noncurrent Assets	378,986,620	5,492,166	29,900,323	414,379,109	27,186,350
TOTAL ASSETS	\$ 425,906,953	\$ 22,704,425	\$ 53,028,122	\$ 501,639,500	\$ 85,256,763

See Accompanying Notes To Financial Statements



**Proprietary Funds
Statement Of Net Assets
At December 31, 2005
Page 2 of 2**

	Sewer Utility	Chambers Bay Golf Course	Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
LIABILITIES					
Current Liabilities					
Liabilities Payable From Unrestricted Assets:					
Vouchers And Accounts Payable	\$ 2,757,904	\$ -	\$ 519,546	\$ 3,277,450	\$ 3,648,300
Due To Other Funds	360,570	-	214,846	575,416	180,696
Due To Other Governments	-	-	185,234	185,234	77,888
Accrued Wages And Benefits Payable	782,636	-	190,356	972,992	1,675,786
Other Accrued Liabilities	-	-	18,244	18,244	-
Estimated Claims Settlements	-	-	-	-	11,323,478
Deferred Revenue	-	-	-	-	17,676
Liabilities Payable From Restricted Assets:					
Vouchers And Accounts Payable	45,270	1,767,285	1,240,274	3,052,829	-
Due To Other Funds	52,404	1,389	1,853	55,646	-
Due To Other Governments	-	-	352,900	352,900	-
Accrued Interest Payable	405,372	224,441	-	629,813	-
Current Portion Of Bonds Payable	1,895,000	-	-	1,895,000	-
Unearned Revenue	152,080	-	-	152,080	-
Accrued Wages And Benefits Payable	-	12,226	79	12,305	-
Other Accrued Liabilities	-	-	140,991	140,991	-
Total Current Liabilities	6,451,236	2,005,341	2,864,323	11,320,900	16,923,824
Noncurrent Liabilities					
Liabilities Payable From Unrestricted Assets:					
Advances From Other Funds	-	-	648,000	648,000	-
Compensated Absences	167,586	-	66,306	233,892	437,049
Due To Other Governments	-	-	1,111,403	1,111,403	-
Liabilities Payable From Restricted Assets:					
Compensated Absences	-	8,017	-	8,017	-
Bonds Payable, Net Of Premium/Discount	18,463,708	20,691,067	-	39,154,775	-
Landfill Postclosure Liabilities	-	-	5,848,888	5,848,888	-
Due To Other Governments	-	-	2,823,200	2,823,200	-
Total Noncurrent Liabilities	18,631,294	20,699,084	10,497,797	49,828,175	437,049
TOTAL LIABILITIES	25,082,530	22,704,425	13,362,120	61,149,075	17,360,873
NET ASSETS					
Invested In Capital Assets, Net Of Related Debt	347,070,906	-	24,804,558	371,875,464	27,186,350
Restricted For:					
Capital Projects	19,572,063	-	1,762,620	21,334,683	-
Debt Service	18,226,963	-	-	18,226,963	-
Reserve For Landfill Expenses	-	-	3,764,950	3,764,950	-
Unrestricted	15,954,491	-	9,333,874	25,288,365	40,709,540
TOTAL NET ASSETS	\$ 400,824,423	\$ -	\$ 39,666,002	440,490,425	\$ 67,895,890
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds				833,027	
Net assets of business-type activities				\$ 441,323,452	

See Accompanying Notes To Financial Statements



Proprietary Funds
Statement Of Revenues, Expenses And Changes In Fund Net Assets
For The Year Ended December 31, 2005

	Sewer Utility	Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
OPERATING REVENUES				
Charges For Services	\$ 26,398,169	\$ 6,498,520	\$ 32,896,689	\$ 51,829,234
Miscellaneous	549,891	5,568	555,459	-
TOTAL OPERATING REVENUES	26,948,060	6,504,088	33,452,148	51,829,234
OPERATING EXPENSES				
Sewage Transmission	3,475,639	-	3,475,639	-
Sewage Treatment And Disposal	6,091,303	-	6,091,303	-
Personal Services	-	2,202,016	2,202,016	17,557,322
Materials And Supplies	1,056,722	630,165	1,686,887	10,549,614
System Support Service	7,790,284	5,456,945	13,247,229	11,196,250
Depreciation And Amortization	11,119,950	816,514	11,936,464	4,515,966
Insurance, Claims Settlements And Other Charges	-	-	-	5,940,146
TOTAL OPERATING EXPENSES	29,533,898	9,105,640	38,639,538	49,759,298
OPERATING INCOME (LOSS)	(2,585,838)	(2,601,552)	(5,187,390)	2,069,936
NONOPERATING REVENUES (EXPENSES)				
Interest Income	1,950,273	329,032	2,279,305	10,639
Interest Expense	(842,394)	(39,539)	(881,933)	-
Operating Grants	-	501,686	501,686	140,301
Taxes	-	285,728	285,728	-
Intergovernmental Revenue	-	140,342	140,342	-
Gain (Loss) On Sale Of Capital Assets	(14,704)	(26,370)	(41,074)	83,701
TOTAL NONOPERATING REVENUES (EXPENSES)	1,093,175	1,190,879	2,284,054	234,641
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(1,492,663)	(1,410,673)	(2,903,336)	2,304,577
Capital Contributions	13,556,584	1,764,058	15,320,642	-
Transfers In	-	186,730	186,730	1,044,848
Transfers Out	(246,762)	(117,420)	(364,182)	(104,058)
CHANGE IN NET ASSETS	11,817,159	422,695	12,239,854	3,245,367
NET ASSETS - Beginning of Year	389,007,264	39,243,307		64,650,523
NET ASSETS - End Of Year	\$ 400,824,423	\$ 39,666,002		\$ 67,895,890
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds			167,719	
Change in net assets of business-type activities per the Statement Of Activities			<u>\$ 12,407,573</u>	

See Accompanying Notes To Financial Statements



**Proprietary Funds
Statement Of Cash Flows**
For The Year Ended December 31, 2005
Page 1 of 2

	Sewer Utility	Chambers Bay Golf Course	Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received From Customers	\$ 25,954,065	\$ -	\$ 6,535,279	\$ 32,489,344	\$ 2,168,759
Cash Received - Interfund Services Provided	479,088	-	106,964	586,052	50,019,377
Cash Paid To Suppliers - Goods And Services	(6,824,620)	-	(5,303,335)	(12,127,955)	(18,175,604)
Cash Paid To Employees - Services And Benefits	(8,126,662)	-	(2,175,736)	(10,302,398)	(17,411,297)
Cash Paid - Interfund Services Used	(3,561,155)	-	(860,308)	(4,421,463)	(3,687,741)
Cash Paid - Claims And Insurance	-	-	-	-	(4,600,137)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	7,920,716	-	(1,697,136)	6,223,580	8,313,357
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds From Sale Of Investments	666,982,816	235,430,008	430,236,556	1,332,649,380	-
Purchase Of Investments	(668,452,816)	(252,630,008)	(431,475,000)	(1,352,557,824)	-
Interest Income From Investments	1,020,397	-	537,667	1,558,064	8,648
Interest Income From Investments, Capitalized	-	182,552	-	182,552	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(449,603)	(17,017,448)	(700,777)	(18,167,828)	8,648
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Repayment Of Advances To Other Funds	474,000	-	-	474,000	226,052
Interfund Interest Income	39,816	-	-	39,816	1,991
Transfers In	-	-	189,880	189,880	97,939
Transfers Out	(282,259)	-	(117,420)	(399,679)	(104,058)
Operating Grants Received	-	-	994,477	994,477	15,684
Intergovernmental Revenue	-	-	140,342	140,342	-
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	231,557	-	1,207,279	1,438,836	237,608
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds From Customer Assessments	3,944,460	-	-	3,944,460	-
Proceeds From Connection Charges	7,885,856	-	-	7,885,856	-
Proceeds From Loan	-	1,420,000	2,003,500	3,423,500	-
Proceeds From Bond Issue	5,657,255	20,330,033	-	25,987,288	-
Real Estate Excise Tax Collected	-	-	288,328	288,328	-
Proceeds From Sale Of Capital Assets	-	-	1,086	1,086	728,755
Repayments Of Advances From Other funds	-	(1,974,000)	-	(1,974,000)	-
Payments To Trustee For Bond Refunding	(6,454,036)	-	-	(6,454,036)	-
Principal Payments On Debts	(3,025,000)	-	(409,294)	(3,434,294)	-
Interest Paid On Debts	(959,114)	-	(23,751)	(982,865)	-
Interest Paid On Debts, Capitalized	-	(35,930)	-	(35,930)	-
Capital Contributions	-	-	1,775,127	1,775,127	946,909
Acquisition Of Capital Assets	(15,031,047)	(2,717,337)	(1,847,216)	(19,595,600)	(5,826,360)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(7,981,626)	17,022,766	1,787,780	10,828,920	(4,150,696)
NET INCREASE (DECREASE) IN CASH	(278,956)	5,318	597,146	323,508	4,408,917
CASH - Beginning Of Year	4,827,855	4,972	4,557,301	9,390,128	49,515,535
CASH - End Of Year	\$ 4,548,899	\$ 10,290	\$ 5,154,447	\$ 9,713,636	\$ 53,924,452

See Accompanying Notes To Financial Statements



Proprietary Funds
Statement Of Cash Flows
 For The Year Ended December 31, 2005
 Page 2 of 2

	Sewer Utility	Chambers Bay Golf Course	Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
RECONCILIATION OF OPERATING INCOME					
(LOSS) TO NET CASH PROVIDED					
(USED) BY OPERATING ACTIVITIES:					
Operating Income (Loss)	\$ (2,585,838)	\$ -	\$ (2,601,552)	\$ (5,187,390)	\$ 2,069,936
Adjustments To Reconcile Operating Income					
(Loss) To Net Cash Provided (Used)					
By Operating Activities:					
Depreciation And Amortization	11,119,950	-	816,514	11,936,464	4,515,966
Write-Off Of Preliminary Charges	(31,145)	-	-	(31,145)	-
Overhead Allocation To Construction	(119,599)	-	-	(119,599)	-
Decrease (Increase) In Assets:					
Receivables	(195,387)	-	145,506	(49,881)	5,301
Due From Other Funds	25,877	-	80	25,957	282,003
Due From Other Governments	(138,749)	-	-	(138,749)	17,358
Inventory	(113,222)	-	2,493	(110,729)	(182,685)
Prepaid Expense	-	-	-	-	19,142
Increase (Decrease) In Liabilities:					
Vouchers And Accounts Payable	245,697	-	76,046	321,743	15,710
Due To Other Funds	(314,258)	-	35,696	(278,562)	(63,948)
Due To Other Governments	4,817	-	(399)	4,418	61,164
Accrued Wages And Benefits Payable	5,679	-	9,876	15,555	(35,774)
Compensated Absences	16,894	-	16,404	33,298	181,799
Estimated Claims Settlements	-	-	-	-	1,427,385
Landfill Postclosure Liabilities	-	-	(197,800)	(197,800)	-
Total Adjustments	10,506,554	-	904,416	11,410,970	6,243,421
NET CASH PROVIDED (USED)					
BY OPERATING ACTIVITIES	\$ 7,920,716	\$ -	\$ (1,697,136)	\$ 6,223,580	\$ 8,313,357
NONCASH INVESTING, CAPITAL					
AND FINANCING ACTIVITIES:					
Capital Assets Acquired By Contribution	\$ 5,498,410	\$ -	\$ -	\$ 5,498,410	\$ -
Purchase Of Capital Assets On Account	505,368	1,788,867	1,208,990	3,503,225	1,538,335
Trade-In Of Capital Assets	-	-	-	-	125,461
Net Change In Fair Value Of Investments	(137,870)	-	(72,207)	(210,077)	-
TOTAL NONCASH ACTIVITIES	\$ 5,865,908	\$ 1,788,867	\$ 1,136,783	\$ 8,791,558	\$ 1,663,796
RECONCILIATION OF CASH AT					
END OF YEAR TO BALANCE SHEET:					
Cash Per Balance Sheet:					
Current And Restricted Assets:					
Cash In Treasury Pool	\$ 4,548,899	\$ 10,290	\$ 5,016,985	\$ 9,576,174	\$ 53,924,452
Cash With Trustee	-	-	137,462	137,462	-
TOTAL CASH	\$ 4,548,899	\$ 10,290	\$ 5,154,447	\$ 9,713,636	\$ 53,924,452

See Accompanying Notes To Financial Statements



Fiduciary Funds
Combined Statement Of Fiduciary Net Assets
At December 31, 2005

	Private- Purpose Trust Funds	Agency Total
ASSETS		
Cash In Treasury Pool	\$ 818,281	\$ 104,996,641
Cash And Investments With Trustee	-	10,150,378
Investments, At Amortized Cost	-	761,082,930
Assessments Receivable, Delinquent	-	1,984,064
Taxes Receivable, Delinquent	-	26,419,107
Account Receivable	-	210,617
Due From Other Governments	-	7,718
Contracts Receivable	-	123,260
TOTAL ASSETS	818,281	904,974,715
LIABILITIES		
Warrants Payable	-	33,700,793
Vouchers And Accounts Payable	2,508	1,139,882
Due To Note Holders	-	1,036,650
Custodial Accounts	-	26,961,555
Due To Special Districts/Other Governments	-	842,135,835
TOTAL LIABILITIES	2,508	904,974,715
NET ASSETS		
Reserved For Specific Program Use	815,773	-
TOTAL NET ASSETS	\$ 815,773	\$ -

See Accompanying Notes To Financial Statements



Private-Purpose Trust Funds
Combined Statement Of Changes In Fiduciary Net Assets
For the Year Ended December 31, 2005

	<u>Total</u>
ADDITIONS	
Donations	\$ 125,580
Fines And Forfeits	7,548
TOTAL ADDITIONS	<u>133,128</u>
DEDUCTIONS	
Current:	
General Government	14,945
TOTAL DEDUCTIONS	<u>14,945</u>
CHANGE IN NET ASSETS	118,183
NET ASSETS - Beginning Of Year	<u>697,590</u>
NET ASSETS - End Of Year	<u><u>\$ 815,773</u></u>

See Accompanying Notes To Financial Statements

