

TABLE OF CONTENTS

December 31, 2006

INTRODUCTORY SECTION

Letter of Transmittal	I
Elected Officials	II
Organizational Structure.....	III

FINANCIAL SECTION

Independent Auditor's Opinion	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	23
Statement of Activities	25
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	26
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	27
Statement of Revenues, Expenditures and Changes in Fund Balances	28
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
General Fund	30
Human Services Special Revenue Fund	31
Roads Special Revenue Fund	32
Proprietary Funds:	
Statement of Net Assets	33
Statement of Revenues, Expenses and Changes in Fund Net Assets	35
Statement of Cash Flows	36
Fiduciary Funds:	
Combined Statement of Fiduciary Net Assets.....	38
Private-Purpose Trust Funds Combined Statement of Changes in Fiduciary Net Assets	39

Notes to Financial Statements:

Note 1 – Summary of Significant Accounting Policies.....	41
Note 2 – Stewardship, Compliance and Accountability.....	47
Note 3 – Cash and Investments.....	50
Note 4 – Restricted Accounts.....	51
Note 5 – Capital Assets.....	52
Note 6 – Long-Term Debt.....	54
Note 7 – Commitments.....	56
Note 8 – Reserved Fund Balances.....	57
Note 9 – Interfund Transactions.....	58
Note 10 – Joint Ventures.....	59
Note 11 – Risk Management.....	61
Note 12 – Post-Employment Health Care Benefits.....	62
Note 13 – Employee Retirement Systems and Plans.....	62
Note 14 – Contingencies.....	63
Note 15 – Subsequent Events.....	64
Note 16 – Accounting Changes and Prior Period Adjustments.....	64

Combining and Individual Fund Statements and Schedules:

Supplemental General Fund Schedules:

Fund Description.....	65
Comparative Balance Sheet.....	66
Schedule of Expenditures and Other Financing Uses by Department.....	67

Nonmajor Governmental Funds:

Fund Type Descriptions.....	69
Combining Balance Sheet.....	70
Combining Statement of Revenue, Expenditures and Changes in Fund Balances.....	71

Nonmajor Special Revenue Funds:

Fund Descriptions.....	73
Combining Balance Sheet.....	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	84

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:

Veterans Relief.....	91
Geographical Information System.....	92
Auditor’s Maintenance and Operation.....	93
Criminal Justice.....	94
Conservation Futures.....	95
Arts Commission.....	96
Dispute Resolution Center.....	97
County Fair.....	98
Puget Sound Behavioral Health.....	99
Rainier Communications Commission.....	100
Marine Services.....	101
Detention Center Commissary.....	102
Federal Forest Services.....	103
Drug Investigation.....	104
Real Estate Excise Tax River Improvement.....	105
911 System.....	106
Housing Repair Programs.....	107
Community Development.....	108
Low Income Housing Fee.....	109
Homeless Housing Program.....	110
Emergency Management Grants.....	111

Nonmajor Special Revenue Funds (continued):	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (continued):	
Endangered Species Act	112
Park Impact Fees	113
Parks Sales Tax	114
Second Real Estate Excise Tax - Parks	115
Second Real Estate Excise Tax - Roads	116
Paths and Trails.....	117
Surface Water Management.....	118
Community Action Agency	119
Tourism and Promotion Facilities	120
Employee Assistance Program.....	121
Family Justice Center Administration	122
REET Electronic Technology.....	123
Nonmajor Debt Service Funds:	
Fund Descriptions	125
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Limited General Obligation Bond Redemption.....	126
Nonmajor Capital Project Funds:	
Fund Descriptions	127
Combining Balance Sheet.....	128
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	130
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Public Works Construction	132
Real Estate Excise Tax County Improvement	133
% for Arts Construction.....	134
Human Services Construction	135
Permanent Jail Construction.....	136
Parks Construction	137
Parks Bonded Construction Projects.....	138
Corporate Express Building	139
Transportation Facilities	140
Internal Service Funds:	
Fund Descriptions.....	141
Combining Balance Sheet	142
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	144
Combining Statement of Cash Flows.....	146
Nonmajor Enterprise Funds:	
Fund Descriptions.....	151
Combining Balance Sheet	152
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	156
Combining Statement of Cash Flows.....	158

Fiduciary Funds:	
Fund Descriptions	163
Private-Purpose Trust Funds:	
Combining Statement of Fiduciary Net Assets	165
Combining Statement of Changes in Fiduciary Net Assets	165
Agency Funds:	
Combining Statement of Changes in Assets and Liabilities	166

STATISTICAL SECTION

Description:	169
Schedule 1 – Net Assets By Component, Last Five Fiscal Years	170
Schedule 2 – Changes in Net Assets, Last Five Fiscal Years	171
Schedule 3 – Fund Balances, Governmental Funds, Last Ten Fiscal Years.....	173
Schedule 4 – Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years.....	174
Schedule 5 – Taxable and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years	176
Schedule 6 – Property Tax Rates-Direct and Overlapping Governments, Last Ten Fiscal Years.....	177
Schedule 7 – Principal Property Tax Payers, Current Year and Nine Years Ago.....	178
Schedule 8 – Property Tax Levies and Collections, Pierce County Operating Funds, Last Ten Fiscal Years.....	179
Schedule 9 – Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	180
Schedule 10 – Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years	181
Schedule 11 – Legal Debt Margin Information, Last Ten Fiscal Years	182
Schedule 12 – Pledged-Revenue Coverage, Last Ten Fiscal Years	183
Schedule 13 – Demographic Statistics, Last Ten Fiscal Years.....	184
Schedule 14 – Principal Employers, Current Year and Nine Years Ago.....	185
Schedule 15 – Full-Tome Equivalent County Government Employees by Function, Last Ten Fiscal Years	186
Schedule 16 – Operating and Capital Indicators by Function	187